(Please scan this QR code to view this Updated Draft Red Herring Prospectus - I and the Draft Abridged Prospectus)

UPDATED DRAFT RED HERRING PROSPECTUS - I
Dated November 19, 2026
Please read Section 32 of the Companies Act, 2013
(This Updated Draft Red Herring Prospectus - I will be updated upon filing of the RHP with the RoC)
100% Book Built Offer

SAGAR DEFENCE ENGINEERING LIMITED

CORPORATE IDENTIFICATION NUMBER: U29253MH2015PLC264539

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
101/104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra, India	Plot No. PAP-V-13, Chakan Industrial Area, Phase-II, MIDC, Chakan, Pune, Khed 410 501 Maharashtra, India	Shraddha Ajaykumar Khare *Company Secretary and Compliance Officer*	**Email:** investor.relations@sagardefence.com **Telephone:** +91 21 3569 6300	www.sagardefence.com

THE PROMOTERS OF OUR COMPANY: NIKUNJ PARASHAR, MRIDUL BABBAR, LAKSHAY DANG, SAURABH AVINASH PATIL, ANKIT KUMAR, AMIT SINGLA AND MANOJ KANHAIYALAL AGRAWAL

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE^	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE^	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	[●] Equity Shares of face value of ₹2 each aggregating up to ₹12,000.00 million	[●] Equity Shares of face value of ₹2 each aggregating up to ₹22,120.00 million	[●] Equity Shares of face value of ₹2 each aggregating up to ₹34,120.00 million	The Offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), as our Company did not fulfil requirements under Regulations 6(1)(a) & (1)(c) of the SEBI ICDR Regulations. For further details, see *"Other Regulatory and Statutory Disclosures – Eligibility for the Offer"* on page 438. For details in relation to reservation amongst the Qualified Institutional Buyers ("**QIBs**"), Retail Individual Bidders ("**RIBs**"), Non-Institutional Bidders ("**NIBs**") and Eligible Employees, see "*Offer Structure*" on page 460.

DETAILS OF THE OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDERS, PROMOTER GROUP SELLING SHAREHOLDERS, CERTAIN OTHER SELLING SHAREHOLDERS AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS*	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹2 EACH OFFERED / AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH (ON A FULLY DILUTED BASIS) (IN ₹)#
Nikunj Parashar	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹1,500.00 million	0.01
Mridul Babbar	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹1,800.00 million	0.01
Lakshay Dang	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹1,800.00 million	0.01
Saurabh Avinash Patil	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹1,600.00 million	0.01
Ankit Kumar	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹1,600.00 million	0.01
Amit Singla	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹400.00 million	0.01
Manoj Kanhaiyalal Agrawal	Promoter Selling Shareholder	[●] Equity Shares aggregating up to ₹1,000.00 million	0.01

Ramkamalprasad Tribhuwan Singh	Promoter Group Selling Shareholder	[●] Equity Shares aggregating up to ₹1,800.00 million	Negligible
Amish Deepak Desai	Promoter Group Selling Shareholder	[●] Equity Shares aggregating up to ₹1,000.00 million	Negligible
Ankit Deepak Desai	Promoter Group Selling Shareholder	[●] Equity Shares aggregating up to ₹1,000.00 million	0.05

 # As certified by S C Mehra & Associates LLP, Chartered Accountants by way of their certificate dated November 19, 2026.
** For a complete list of the Selling Shareholders and their respective weighted average costs of acquisition per Equity Share, see "Annexure A" on page 533.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of the 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 Offer Price as determined by our Company, in consultation with the Book Running Lead Managers ("**BRLMs**"), and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in "*Basis for Offer Price*" beginning on page 140 should not be considered 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 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. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Updated Draft Red Herring Prospectus - I. Specific attention of the Bidders 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 Updated Draft Red Herring Prospectus - I 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 Updated Draft Red Herring Prospectus - I is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Updated Draft Red Herring Prospectus - I 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 the statements specifically made or confirmed by such Selling Shareholder in this Updated Draft Red Herring Prospectus - I, to the extent such statements are solely in relation to itself as a Selling Shareholder and their respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and not misleading in any material respect. None of the Selling Shareholders, severally or jointly, assumes responsibility for any other statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus - I, including without limitation, any of the statements, disclosures or undertakings made or confirmed by or in relation to our Company or our Company's business, or by any other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

LISTING

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

BOOK RUNNING LEAD MANAGERS

NAMES AND LOGOS OF THE BOOK RUNNING LEAD MANAGERS		CONTACT PERSON	TELEPHONE AND EMAIL
JM Financial	JM Financial Limited	Prachee Dhuri	**Tel:** + 91 22 6630 3030 **E-mail:** sde.ipo@jmfl.com
IIFL CAPITAL	IIFL Capital Services Limited	Pawan Kumar Jain/ Jesica Thakkar	**Tel:** +91 22 4646 4728 **E-mail:** sagardefence.ipo@iiflcap.com
kotak Investment Banking	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel:** +91 22 4336 0000 **E-mail:** sagardefence.ipo@kotak.com

UBS	UBS Securities India Private Limited	Pavan Teja Macharla / Viral Jain	**Tel:** +91 22 6155 6000 **E-mail:** ol-sagardefenceipo@ubs.com

REGISTRAR TO THE OFFER		
NAME AND LOGO OF THE REGISTRAR	**CONTACT PERSON**	**TELEPHONE AND EMAIL**
MUFG Intime **MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)**	Shanti Gopalkrishnan	**Tel:** +91 810 811 4949 **E-mail:** sagardefence.ipo@in.mpms.mufg.com

BID/ OFFER PERIOD					
ANCHOR INVESTOR BID/ OFFER 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 Bid/ Offer 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) The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

*^ Our Company, in consultation with the BRLMs, undertook a private placement of 30,841,986 Equity Shares of face value of ₹2 each at a price of ₹97.27 per Equity Share (including a premium of ₹95.27 per Equity Share), aggregating to ₹3,000.00 million ("**Pre-IPO Placement**"). The Pre-IPO Placement was at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.*

UPDATED DRAFT RED HERRING PROSPECTUS - I
Dated November 19, 2026
Please read Section 32 of the Companies Act, 2013
(This Updated Draft Red Herring Prospectus - I will be updated upon filing of the RHP with the RoC)
100% Book Built Offer

SAGAR DEFENCE ENGINEERING LIMITED

Our Company was originally incorporated as 'Sagar Defence Engineering Private Limited', as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 16, 2015, issued by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a public limited company pursuant to a board resolution dated June 19, 2026 and a special resolution passed by our Shareholders in an extra-ordinary general meeting on June 23, 2026 and consequently the name of our Company was changed to 'Sagar Defence Engineering Limited', and a fresh certificate of incorporation dated July 6, 2026 was issued by the Registrar of Companies, CPC. For details in relation to changes in the registered office of our Company, see "*History and Certain Corporate Matters – Changes in the Registered Office*" on page 279.

Registered Office: 101/104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra, India
Corporate Office: Plot No. PAP-V-13, Chakan Industrial Area, Phase-II, MIDC, Chakan, Pune, Khed 410 501 Maharashtra, India
Telephone: +91 21 3569 6300**; Website:** www.sagardefence.com**; Contact person:** Shraddha Ajaykumar Khare, Company Secretary and Compliance Officer; **E-mail:** investor.relations@sagardefence.com
Corporate Identification Number: U29253MH2015PLC264539

THE PROMOTERS OF OUR COMPANY ARE NIKUNJ PARASHAR, MRIDUL BABBAR, LAKSHAY DANG, SAURABH AVINASH PATIL, ANKIT KUMAR, AMIT SINGLA AND MANOJ KANHAIYALAL AGRAWAL

INITIAL PUBLIC OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF SAGAR DEFENCE ENGINEERING LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹34,120.00 MILLION COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹12,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹22,120.00 MILLION, CONSISTING OF [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹9,700.00 MILLION BY THE PROMOTER SELLING SHAREHOLDERS, [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹4,800.00 MILLION BY THE PROMOTER GROUP SELLING SHAREHOLDERS, AND [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹7,620.00 MILLION BY THE OTHER SELLING SHAREHOLDERS (COLLECTIVELY, THE SELLING SHAREHOLDERS AND SUCH EQUITY SHARES THE "OFFERED SHARES"), AS SET OUT UNDER ANNEXURE A ON PAGE 533, (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, UNDERTOOK A PRE-IPO PLACEMENT AT A PRICE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND WAS COMPLETED PRIOR TO FILING OF THIS UPDATED DRAFT RED HERRING PROSPECTUS - I. THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT HAS BEEN REDUCED FROM THE FRESH ISSUE AS FINALISED AND DISCLOSED IN THE PRE-FILED DRAFT RED HERRING PROSPECTUS, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SCRR AND THE SIZE OF THE FRESH ISSUE HAS BEEN REVISED TO UP TO ₹ 12,000.00 MILLION. THE PRE-IPO PLACEMENT, DID NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE AS FINALISED AND DISCLOSED IN THE PRE-FILED DRAFT RED HERRING PROSPECTUS. THE UTILIZATION OF PROCEEDS RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE TOWARDS GENERAL CORPORATE PURPOSES. OUR COMPANY HAD APPROPRIATELY INTIMATED THE SUBSCRIBER TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBER TO THE PRE-IPO PLACEMENT HAVE BEEN APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THIS UPDATED DRAFT RED HERRING PROSPECTUS - I, AND THE DETAILS OF THE PRE-IPO PLACEMENT, HAVE BEEN REPORTED TO THE STOCK EXCHANGES WITHIN 24 HOURS OF SUCH TRANSACTIONS, IN ACCORDANCE WITH REGULATION 54 OF THE SEBI ICDR REGULATIONS.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH, AGGREGATING UP 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 EQUITY SHARES IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. 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 IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER AND THE MUMBAI EDITION OF NAVSHAKTI, A MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE AND NSE (TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF 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 will be extended by at least three additional Working Days after such revision in 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 BRLMs, 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, 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 BRLMs and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process (as defined hereinafter) in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to QIBs (and such portion, the "**QIB Portion**") provided that 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 ("**Anchor Investor Portion**"), of which, 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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. Any under-subscription in the reserved category specified in clause (b) above may be allocated 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 Portion (excluding the Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) 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 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders 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 ₹1.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1.00 million provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders and not more than 10% 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. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price (net of Employee Discount, if any, as applicable. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts (including UPI ID for UPI Bidders) (as defined hereinafter) in which the Bid Amount will be blocked by the SCSBs or the Sponsor Bank(s), as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. See "*Offer Procedure*" on page **465**.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of the 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 Offer Price as determined by our Company, in consultation with the BRLMs, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in "Basis for Offer Price" beginning on page 140 should not be considered 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 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. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Updated Draft Red Herring Prospectus - I. 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 Updated Draft Red Herring Prospectus - I 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 Updated Draft Red Herring Prospectus - I 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 Updated Draft Red Herring Prospectus - I 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 the statements specifically made or confirmed by such Selling Shareholder in this Updated Draft Red Herring Prospectus - I, to the extent such statements are solely in relation to itself as a Selling Shareholder and their respective portion of the Offered Shares, and confirms that such statements are true and correct in all material respects and not misleading in any material respect. None of the Selling Shareholders, severally or jointly, assumes responsibility for any other statements, disclosures and undertakings in this Updated Draft Red Herring Prospectus - I, including without limitation, any of the statements, disclosures or undertakings made or confirmed by or in relation to our Company or our Company's business, or by any other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters, each dated October 1, 2026. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 500.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Telephone:** + 91 22 6630 3030 **E-mail:** sde.ipo@jmfl.com **Investor Grievance ID:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration Number:** INM000010361	**IIFL Capital Services Limited** 24th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4728 **Email:** sagardefence.ipo@iiflcap.com **Investor Grievance ID:** ig.ib@iiflcap.com **Website:** www.iiflcapital.com **Contact Person:** Pawan Kumar Jain/ Jesica Thakkar **SEBI Registration Number:** INM000010940	**Kotak Mahindra Capital Company Limited** 27 BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** sagardefence.ipo@kotak.com **Investor Grievance ID:** kmccredressal@kotak.com **Website:** https://investmentbank.kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No.:** INM000008704	**UBS Securities India Private Limited** Unit 2901, Level 29, Altimus Dr. GM Gokhale Marg Pandurang Budhkar Road Worli, Mumbai 400 018 Maharashtra, India **Tel:** +91 22 6155 6000 **E-mail:** ol-sagardefencecipo@ubs.com **Investor Grievance ID:** igmbindia@ubs.com **Website:** www.ubs.com/indiaoffers **Contact Person:** Pavan Teja Macharla/Viral Jain **SEBI Registration No.:** INM000013101	**MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)** C-101, Embassy 247 L B S Marg, Vikhroli (West) Mumbai - 400 083 Maharashtra, India **Tel:** +91 810 811 4949 **E-mail:** sagardefence.ipo@in.mpms.mufg.com **Investor Grievance ID:** sagardefence.ipo@in.mpms.mufg.com **Website:** www.in.mpms.mufg.com **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/ OFFER PERIOD	
ANCHOR INVESTOR BID/ OFFER 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 Bid/ Offer 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) The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Updated Draft Red Herring Prospectus - I uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meanings as provided below. References to any statute, legislation, act, regulation, rules, guidelines, clarifications, circulars, notifications, directions or policies or articles of association or memorandum of association shall be to such statute, legislation, act, regulation, rules, guidelines, clarifications, circulars, notifications, directions or policies or articles of association or memorandum of association as amended, updated, supplemented, re-enacted or modified from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. 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.

The words and expressions used in this Updated Draft Red Herring Prospectus - I but not defined herein shall have, to the extent applicable, the same meanings ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Act, the Companies Act, the SCRA, the SCRR, the Depositories Act and the rules and regulations notified thereunder. Further, the Offer related terms used but not defined in this Updated Draft Red Herring Prospectus - I shall have the meanings ascribed to such terms under the General Information Document (as defined hereinafter).

Notwithstanding the foregoing, the terms used in "Capital Structure", "Objects of the Offer", "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "History and Certain Corporate Matters", "Restated Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 80, 117, 140, 155, 161, 275, 279, 311, 394, 431, 438, 465 and 485 respectively, shall have the meanings ascribed to them in the relevant section.

Conventional and General Terms

Term	Description
"our Company" or "the Company" or "the Issuer"	Sagar Defence Engineering Limited, a public limited company incorporated under the Companies Act, 2013, having its Registered Office at 101/104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai – 400 066, Maharashtra, India and Corporate Office at Plot No. PAP-V-13, Chakan Industrial Area, Phase-II, MIDC, Chakan, Pune, Khed 410 501 Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company, together with our Subsidiary as applicable, as at and during the relevant period or Financial Year

Company Related Terms

Term	Description
"Articles of Association" or "AoA" or "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 – Committees of our Board – Audit Committee*" on page 295
Autonomous Maritime Shipyard and Systems Development Centre	An autonomous maritime shipyard and systems development centre proposed to be established by us at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh
"Board" or "Board of Directors"	The board of Directors of our Company, for further details, see "*Our Management – Our Board*" on page 289
Chairman and Managing Director	The chairman of our Board and managing director on our Board, namely Nikunj Parashar. For details, see "*Our Management– Our Board*" on page 289
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Ankur Taparia. For details, see "*Our Management – Key Managerial Personnel of our Company*" on page 302
Committee(s)	Duly constituted committee(s) of our Board as described in "*Our Management – Committees of our Board*" on page 294
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Shraddha Ajaykumar Khare. For details, see "*Our Management – Key Managerial Personnel of our Company*" on page 302
"Compulsorily Convertible Preference Shares" or "CCPS" or "Preference Shares"	Compulsorily convertible preference shares of face value of ₹10 each of our Company, comprising of 0.01% CCPS, 0.01% Series A CCPS, Series B CCPS, and Series B1 CCPS
0.01% CCPS	0.01% compulsorily convertible preference shares of face value of ₹10 each
0.01% Series A CCPS	0.01% Series A compulsorily convertible preference shares of face value of ₹10 each
Series B CCPS	Series B compulsorily convertible preference shares of face value of ₹10 each

Term	Description
Series B1 CCPS	Series B1 compulsorily convertible preference shares of face value of ₹10 each
Corporate Office	Plot No. PAP-V-13, Chakan Industrial Area Phase-II, MIDC, Chakan, Pune, Khed 410 501 Maharashtra, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as disclosed in "*Our Management – Committees of our Board – Corporate Social Responsibility Committee*" on page 299
Director(s)	Director(s) on our Board, as appointed from time to time. For further details see "*Our Management – Our Board*" on page 289
Equity Shares	Unless otherwise stated, equity shares of face value of ₹2 each of our Company
ESOP Plan	The employee stock option scheme of our Company, namely "ESOP Plan 2021"
Executive Director(s)	Executive director(s) on our Board as disclosed in "*Our Management – Our Board*" on page 289
Existing Investors	Collectively, ONGC Start-Up Fund, Focus Marine Group, Focus Marine Partners and Essel Omega Trust, as defined in the SSSHA
Existing Shareholders	Collectively, Ramkamalprasad Tribhuwan Singh, Nilesh K. Agrawal, Rajesh Kanhaiyalal Agrawal, Amish Deepak Desai and Ankit Deepak Desai, as defined in the SSSHA
Identified Investor	BSR Infratech India Limited, as defined in the SSSHA
Key Managerial Personnel	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and section 2(51) of the Companies Act, 2013, as disclosed in "*Our Management – Key Managerial Personnel of our Company*" on page 302
Manufacturing and Technology Campus	A 22-acre development (forming part of our Autonomous Maritime Shipyard and Systems Development Centre) which is proposed to be our primary manufacturing and technology campus forming our long-term production facility
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
New Investors	Collectively, BSR Infratech India Limited, India SME Growth Fund-Series 2, Shakti Finvest Partners, NS Trading and Investments LLP and Ramachandra Kollareddy, as defined in the SSSHA
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as disclosed in "*Our Management – Committees of our Board – Nomination and Remuneration Committee*" on page 297
Non-Executive Independent Director(s)	The non-executive independent directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Our Management – Our Board*" on page 289
Non-Executive Director	Non-Executive director (other than the Independent Directors) on our Board, namely, Mridul Babbar and Manoj Kanhaiyalal Agrawal, as disclosed in "*Our Management – Our Board*" beginning on page 289
Other Selling Shareholders	Collectively, the other selling shareholders as described in "*Annexure A*" on page 533
Previous Statutory Auditor	The preceding auditor of our Company for the years ended March 31, 2025, and March 31, 2024, namely, M/s. Jain Ambavat & Associates LLP, Chartered Accountants
Promoters	Collectively, Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Amit Singla and Manoj Kanhaiyalal Agrawal as disclosed in "*Our Promoters and Promoter Group*" on page 305
Promoter Group	Individuals and 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 308
Promoter Group Selling Shareholders	Collectively, Amish Deepak Desai, Ankit Deepak Desai, Nilesh K. Agrawal, Rajesh Kanhaiyalal Agrawal, and Ramkamalprasad Tribhuwan Singh, as described in "*Annexure A*" on page 533
Promoter Selling Shareholders	Collectively, Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Amit Singla and Manoj Kanhaiyalal Agrawal, as described in "*Annexure A*" on page 533
"Registrar of Companies" or "RoC"	The Registrar of Companies, Mumbai – I at Mumbai
RoC CPC	The Registrar of Companies, Central Processing Centre
Registered Office	101/104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai – 400 066, Maharashtra, India
Restated Financial Information	The Restated Financial Information of our Company and our Subsidiary[*] (together referred to as "the Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2026, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the six months period ended September 30, 2026; and the restated standalone statement of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity, the restated standalone statement of cash flows for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, along with the summary statement of material accounting policies and other explanatory information, and

Term	Description
	have been prepared by our Company in accordance with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time and (d) e-mail dated October 28, 2021 from SEBI to Association of Investment Bankers of India, which has been approved by the Board. [*] *Our Company has acquired 100% equity shareholding in Sagar Ship Repairs Private Limited on May 9, 2026 and therefore it became a subsidiary of our Company. Accordingly, our Company has prepared its first consolidated financial information for the six months period ended September 30, 2026. The aforementioned subsidiary was incorporated on April 4, 2026.*
Risk Management Committee	The risk management committee of our Board as described in "*Our Management – Committees of our Board – Risk Management Committee*" on page 299
Selling Shareholders	Collectively, Promoter Selling Shareholders, Promoter Group Selling Shareholders, and Other Selling Shareholders
"Senior Management" or "members of Senior Management"	Members of senior management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Our Management –Members of Senior Management*" on page 302
Shareholder(s)	The holders of Equity Shares of our Company from time to time
"Share Subscription cum Shareholders' Agreement" or the "SSSHA"	Share Subscription cum Shareholders' Agreement dated March 26, 2026 entered into amongst our Company, our Promoters, Ramkamalprasad Tribhuwan Singh, Nilesh K. Agrawal, Rajesh Kanhaiyalal Agrawal, Amish Deepak Desai and Ankit Deepak Desai ("**Existing Shareholders**"), ONGC Start-Up Fund, Focus Marine Group, Focus Marine Partners and Essel Omega Trust ("**Existing Investors**"), SVADHA India Emerging Opportunities Scheme 1 (*through Investment Manager Skegen Asset Management LLP*), Skegen Asset Management LLP, RCC Nutra Fill Private Limited ("**SVADHA Investors**") and BSR Infratech India Limited ("**Identified Investor**"), India SME Growth Fund-Series 2, Shakti Finvest Partners, NS Trading and Investments LLP and Ramachandra Kollareddy, along with Identified Investor, ("**New Investors**")
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board as disclosed in "*Our Management - Committees of our Board – Stakeholders Relationship Committee*" on page 298
"Statutory Auditors" or "Auditors" or "Present Auditors"	The current statutory auditors of our Company, namely, M/s. M S K A & Associates LLP (*formerly known as M S K A & Associates*), Chartered Accountants
Subsidiary	The subsidiary of our Company as per the Companies Act, 2013, namely, Sagar Ship Repairs Private Limited incorporated on April 4, 2026. For further details, see "*History and Certain Corporate Matters – Our Subsidiary, Associates and Joint Ventures*" on page 286
SVADHA Investors	Collectively, SVADHA India Emerging Opportunities Scheme 1 (*through Investment Manager Skegen Asset Management LLP*), Skegen Asset Management LLP, RCC Nutra Fill Private Limited, as defined in the SSSHA
Waiver cum Amendment Agreement	Waiver cum amendment agreement dated July 8, 2026 to the share Subscription cum Shareholders' Agreement dated March 26, 2026, entered into amongst our Company, our Promoters, Existing Shareholders, Existing Investors, SVADHA Investors and New Investors

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares 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 who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the 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, which will be decided by our Company, in consultation with the BRLMs, during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and Prospectus

Term	Description
"Anchor Investor Bidding Date" or "Anchor Investor Bid/ Offer Period"	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares 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 BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date and no later than the time on such day specified in the revised CAN
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 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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 accordance with the SEBI ICDR Regulations. In the event of under-subscription in (b) above, the allocation may be made to domestic Mutual Funds
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account, and will include applications made by UPI Bidders where the Bid Amount will be blocked by the SCSB upon acceptance of the UPI Mandate Request by UPI Bidders
ASBA Account	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 Bidders which is blocked upon acceptance of a UPI Mandate Request in relation to a Bid made by the UPI Bidders using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	All Bidders except Anchor Investors
ASBA Form	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, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" beginning on page 465
Bid(s)	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be the Cap Price (net of Employee Discount, if any), multiplied by the number of Equity Shares 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 (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)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity shares of face value of ₹2 each thereafter
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, being [●], which shall be notified in all editions

Term	Description
	of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation Our Company, in consultation with the BRLMs, 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. 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 notifying on the websites of the BRLMs and at the terminals of the Syndicate Members and communicating to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under 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, being [●], which shall be notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, 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 prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, 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 In case of force majeure, banking strike or similar unforeseen circumstances, the Bid/Offer Period may, for reasons that will be recorded in writing, be extended for a minimum period of one working day, subject to the total Bid/Offer Period not exceeding ten Working Days.
"Bidder" or "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, which 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 Branches for SCSBs, Specified Locations for 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" or "BRLMs"	Book running lead managers to the Offer, namely, JM Financial Limited, IIFL Capital Services Limited, Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidders only ASBA Forms under the UPI Mechanism) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the 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 less than or equal to 120% of the Floor Price
"CAREEdge Report" or "Industry Report"	The report titled "*Research Report on the Unmanned Systems Industry*" dated November 13, 2026 prepared by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"), commissioned and paid for by our Company pursuant to an engagement letter dated June 12, 2026. The CAREEdge Report is available on the website of our Company at www.sagardefence.com/investor-relations/
Cash Escrow and Sponsor Banks Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Bankers to the Offer, the Syndicate Member(s) and Registrar to the Offer for, inter alia, appointment of Bankers to the Offer, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refund of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars

Term	Description
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI ICDR Master Circular and other applicable circulars issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion and Eligible Employees Bidding in 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
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://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
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders (in case of UPI Bidders only ASBA Forms under the UPI Mechanism) can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to UPI Bidders), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant 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, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where 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 (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://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
Designated Stock Exchange	[●]
Draft Abridged Prospectus	The memorandum containing such salient features of this Updated Draft Red Herring Prospectus - I as may be specified by SEBI in this regard
Eligible Employees	Permanent employees of our Company and our Subsidiary (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company or our Subsidiary until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; and 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) members of Promoter Group; and (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 our Company 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

Term	Description
	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)	FPI(s) that are eligible to participate in the Offer in terms of the applicable law 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 offered thereby
Eligible NRI(s)	NRI(s) that are eligible to participate in the Offer in terms of the applicable law, 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 subscribe to or to purchase the Equity Shares
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
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 up to ₹[●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5.00% of the post-Offer Equity Share capital of our Company
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
"First Bidder" or "Sole Bidder"	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(s) thereto, not being less than the face value of the Equity Shares of face value of ₹2 each, 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	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of [●] Equity Shares of face value of ₹2 each aggregating up to ₹12,000.00 million by our Company. Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 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 or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, 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
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
Life Insurance Company(ies)	An entity registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938
Materiality Policy	The policy adopted by our Board in its meeting dated August 3, 2026 for determining identification of 'group company', material outstanding civil litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	[●], being a credit rating agency registered with SEBI

Term	Description
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares of face value of ₹2 each which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Fund(s)	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 and the SEBI (Mutual Funds) Regulations, 2026, as applicable
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 117
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs" or "Non-Institutional Investors"	All Bidders, that are not QIBs (including Anchor Investors) or RIBs, Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Net Offer comprising [●] Equity Shares of face value of ₹2 each which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, in the following manner: • One-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million; and • 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 sub-categories specified in clauses (a) or (b), 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-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA NDI Rules
Offer	The initial public offer of [●] Equity Shares of face value of ₹2 each for cash consideration at a price of ₹[●] each, aggregating up to ₹34,120.00 million comprising the Fresh Issue and the Offer for Sale Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations For further information, see "*The Offer*" beginning on page 63
Offer Agreement	The offer agreement dated August 4, 2026, entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed upon in relation to the Offer
Offer Documents	Collectively, the Pre-filed Draft Red Herring Prospectus, this Updated Draft Red Herring Prospectus – I, the Draft Abridged Prospectus, the Red Herring Prospectus, the Abridged Prospectus and the Prospectus
Offer for Sale	Offer for Sale of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹22,120.00 million by the Selling Shareholders, as set forth in '*Annexure A*' on page 533 For further details, see "*The Offer*" on page 63
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus

Term	Description
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale (net of their respective portion of Offer-related expenses and relevant taxes thereon) which shall be available to each of the Selling Shareholders in proportion to their respective portion of Offered Shares of each such Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 117
Offered Shares	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹22,120.00 million offered by the Selling Shareholders in the Offer for Sale
Pension Fund	A fund registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013
"Pre-filed Draft Red Herring Prospectus" or "PDRHP"	The pre-filed draft red herring prospectus dated August 4, 2026, filed with SEBI and issued by our Company in relation to the Offer, in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Pre-IPO Placement	Our Company, in consultation with the BRLMs, undertook a private placement of 30,841,986 Equity Shares of face value of ₹2 each at a price of ₹97.27 per Equity Share (including a premium of ₹95.27 per Equity Share), aggregating to ₹3,000.00 million. The Pre-IPO Placement was at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus-I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations
Price Band	Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, 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 BRLMs will finalise the Offer Price
Prospectus	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 that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and which is registered with SEBI as a banker to an issue and with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer consisting of [●] Equity Shares of face value of ₹2 each which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs, up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	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 on or after the Pricing Date

Term	Description
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 and UPI Circulars, issued by SEBI
Registrar Agreement	The registrar agreement dated August 4, 2026, entered into amongst 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 and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations, in terms of the SEBI RTA Master Circular, as per the list available on the websites of the Stock Exchanges at www.nseindia.com and BSE at www.bseindia.com, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Resident Indian	A person resident in India, as defined under FEMA
Retail Portion	Portion of the Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares of face value of ₹2 each which shall be available for allocation to Retail Individual Bidders (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 or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable QIB Bidders and NIBs are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs 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
SCORES	SEBI complaints redress system, a centralized web-based complaints redressal system launched by SEBI
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offer the facility (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted 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. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 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. This list is updated on SEBI website, from time to time
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with 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
Specified Securities	Specified Securities refers to 'equity shares' and 'convertible securities' as defined under Regulation 2(1)(eee) of the SEBI ICDR Regulations

Term	Description
Sponsor Bank(s)	[●] and [●], being the Bankers to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
Sub-Syndicate Members	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "Members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●]
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into amongst our Company, the Selling Shareholders, Registrar to the Offer, and the Underwriters on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
Updated Draft Red Herring Prospectus – I	This updated draft red herring prospectus - I dated November 19, 2026 filed with SEBI and Stock Exchanges, after complying with the observations issued by SEBI and the Stock Exchanges on the Pre-filed Draft Red Herring Prospectus and after incorporation of other updates, in accordance with the Chapter IIA of the SEBI ICDR Regulations and in compliance with the other applicable provisions of the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Updated Draft Red Herring Prospectus – II	The updated draft red herring prospectus - II to be filed with SEBI, if required, after incorporation of changes pursuant to comments from public, if any, on this Updated Draft Red Herring Prospectus – I, in compliance with the SEBI ICDR Regulations, which will not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders Bidding in the Retail Portion; (ii) Eligible Employees, under the Employee Reservation Portion, and (iii) Non-Institutional Bidders with an application size of up to ₹0.50 million, Bidding in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹0.50 million shall use UPI Mechanism 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 recognized 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 no. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 dated June 11, 2025, SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI ICDR Master Circular, along with circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE 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), and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares

Term	Description
	on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI including the UPI Circulars

Technical, Industry and Business-Related Terms or Abbreviations

Term	Description
ADITI	Acing Development of Innovative Technologies with iDEX
AEW	Airborne Early Warning
AI	Artificial Intelligence
AIS	Automatic Identification System
ASV	Autonomous Surface Vehicle
ASW	Anti-Submarine Warfare
AUKUS	Australia – United Kingdom – United States security partnership
AUV	Autonomous Underwater Vehicle
BDL	Bharat Dynamics Limited
BEL	Bharat Electronics Limited
BVLOS	Beyond Visual Line of Sight
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance & Reconnaissance
CAGR	Compound Annual Growth Rate
CPI	Consumer Price Index
C-UAS	Counter-Unmanned Aerial System
CY	Calendar Year
DAC	Defence Acquisition Council
DAP	Defence Acquisition Procedure
DDP	Department of Defence Production
DGFT	Directorate General of Foreign Trade
DPEPP	Defence Production & Export Promotion Policy
DPIIT	Department for Promotion of Industry & Internal Trade
DPM	Defence Procurement Manual
DPSU	Defence Public Sector Undertaking
DRDO	Defence Research and Development Organisation
DTIS	Defence Testing Infrastructure Scheme
EEZ	Exclusive Economic Zone
ELINT	Electronic Intelligence
EO/IR	Electro-Optical / Infrared
EOD	Explosive Ordnance Disposal
FY	Fiscal Year
GDP	Gross Domestic Product
GNSS	Global Navigation Satellite System
GPS	Global Positioning System
GVA	Gross Value Added
HAL	Hindustan Aeronautics Limited
HALE	High-Altitude Long-Endurance
HAPS	High Altitude Pseudo Satellite
IDDM	Indigenously Designed, Developed & Manufactured
iDEX	Innovations for Defence Excellence
IIP	Index of Industrial Production
IMF	International Monetary Fund
INIP	Indian Naval Indigenisation Plan
INMSS	Indian Naval Maritime Security Strategy
IoT	Internet of Things
IPR	Intellectual Property Rights
ISR	Intelligence, Surveillance & Reconnaissance
ITAR	International Traffic in Arms Regulations
LiDAR	Light Detection and Ranging
MAKV	Maritime Amrit Kaal Vision
MALE	Medium-Altitude Long-Endurance
MCM	Mine Countermeasures
MDA	Maritime Domain Awareness
MIDC	Maharashtra Industrial Development Corporation
MIV	Maritime India Vision
ML	Machine Learning
MoD	Ministry of Defence
MRO	Maintenance, Repair & Overhaul
MSME	Micro, Small & Medium Enterprises
MTCR	Missile Technology Control Regime
NATO	North Atlantic Treaty Organization
NSUAS	Naval Shipborne Unmanned Aerial System
OEM	Original Equipment Manufacturer

Term	Description
OFB	Ordnance Factories Board
OGEL	Open General Export License
OODA	Observe – Orient – Decide – Act
PLI	Production Linked Incentive
R&D	Research and Development
RBI	Reserve Bank of India
RF	Radio Frequency
ROV	Remotely Operated Vehicle
SATCOM	Satellite Communication
SCOMET	Special Chemicals, Organisms, Materials, Equipment & Technologies
SIGINT	Signals Intelligence
SIPRI	Stockholm International Peace Research Institute
SLOC	Sea Lines of Communication
TDF	Technology Development Fund
TPCR	Technology Perspective and Capability Roadmap
UAS	Unmanned Aerial System
UAV	Unmanned Aerial Vehicle
UGV	Unmanned Ground Vehicle
USV	Unmanned Surface Vehicle
UUV	Unmanned Underwater Vehicle
VTOL	Vertical Take-Off and Landing
XLUUV	Extra-Large Unmanned Underwater Vehicle

Key Performance Indicators ("KPIs")

Term	Description
Financial Measures	
Revenue from operations	Revenue from operations of our Company as appears in the Restated Financial Information
Revenue from operations - Growth (%)	Revenue from operations - Growth (%) is calculated as percentage growth in Revenue from operations for the relevant period/ year over Revenue from operations for the immediately preceding period/year
EBITDA	EBITDA is calculated as profit for the period/ year, plus tax expense, finance costs and depreciation and amortisation expense less other income.
EBITDA Margin (%)	EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations for the relevant period/year.
Profit after tax	Profit after tax is profit for the period/ year.
Profit after tax margin (%)	Profit after tax margin (%) is computed as profit for the period/ year divided by Revenue from operations for the relevant period/year.
Return on Capital Employed (%)	Return on Capital Employed (%) is computed as EBIT divided by Capital Employed.
Return on Net worth (%)	Return on Net worth (%) is computed as profit for the period/ year attributable to owners of our Company divided by Net Worth for the relevant period/year.
Net Tangible Fixed Asset Turnover	Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Average Property, Plant and Equipment. Average Property, Plant and Equipment is calculated as sum of Property, Plant and Equipment and capital work in progress as of the current period/ year plus Property, Plant and Equipment and capital work in progress as of the previous period/ year divided by 2
Cash Conversion Cycle (Days)	Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold ("COGS") multiplied by no. of days in the period/ year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period/ year. Trade payable days is calculated as average trade payable divided by COGS multiplied by no. of days in the period/ year
Total Debt to Equity	Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current and Current borrowings and non-current and current lease liabilities
Operational Measures	
Revenue breakdown (%)	Revenue breakdown (%) is calculated as revenue from product / service / others divided by total revenue from operations.
Order book	Order book is total value of confirmed customer orders yet to be fulfilled at the end of relevant period/ year.
Number of Patents	Number of Patents is the total number of patents granted at the end of relevant period/ year
Investment in R&D	Investment in R&D is the development cost incurred by our Company towards R&D projects for the relevant period/ year

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." Or "Rupees" or "INR"	Indian Rupees
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
AY	Assessment Year
BSE	The BSE Limited
CAGR	The compound annual growth rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications and modifications made thereunder
"Consolidated FDI Policy" or "FDI Policy"	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020 and any modifications thereto or substitutions thereof, issued from time to time
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
"DP" or "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, Government of India
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First Information Report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Income Tax Act" or "ITA 2025"	The Income-tax Act, 2025, as amended
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India

Term	Description
"Indian GAAP" or "IGAAP"	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014, as amended and Companies (Accounting Standards) Amendment Rules, 2016, as amended
Ind AS 24	Indian Accounting Standard 24- Related Party Disclosures
Ind AS 34	Indian Accounting Standard 34 – Interim Financial Reporting
Ind AS 37	Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000, as amended
KPIs	Key Performance Indicator
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MSMEs	Micro, Small and Medium Enterprises
N.A.	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Companies
NCD	Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
NI Act	Negotiable Instruments Act, 1881, as amended
NPCI	National Payments Corporation of India
NRE	Non- Resident External
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
"OCB" or "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.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax/ profit for the period/ year
PBT	Profit before tax
R&D	Research and development
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
ROU	Right of Use
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FUTP Regulations	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular no. 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, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Master Circular	The SEBI master circular no. 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, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
"Systemically Important NBFC" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
TDS	Tax deducted at source
"U.S." or "USA" or "United States"	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. Securities Act	U.S. Securities Act of 1933, as amended
"USD" or "US$" or "$"	United States Dollars
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WACA	Weighted average cost of acquisition
"Year" or "calendar year"	Unless the context otherwise requires, shall mean the 12 month period ending December 31

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Updated Draft Red Herring Prospectus - I 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 to the "U.S.", "USA", "the U.S." or the "United States" are to the United States of America and its territories and possessions.

In this Updated Draft Red Herring Prospectus - I, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Updated Draft Red Herring Prospectus - I.

Financial Data

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references to a year in this Updated Draft Red Herring Prospectus - I are to a calendar year and references to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Updated Draft Red Herring Prospectus - I are derived from the Restated Financial Information of our Company and our Subsidiary[*] (together referred to as "the Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2026, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the six months period ended September 30, 2026; and the restated standalone statement of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity, the restated standalone statement of cash flows for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, along with the summary statement of material accounting policies and other explanatory information, and have been prepared by our Company in accordance with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time and (d) e-mail dated October 28, 2021 from SEBI to Association of Investment Bankers of India, which has been approved by the Board.

[*] *Our Company has acquired 100% equity shareholding in Sagar Ship Repairs Private Limited on May 9, 2026 and therefore it became a subsidiary of our Company. Accordingly, our Company has prepared its first consolidated financial information for the six months period ended September 30, 2026. The aforementioned subsidiary was incorporated on April 4, 2026.*

For further information, see "*Restated Financial Information*" beginning on page 311.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. 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 Updated Draft Red Herring Prospectus - I 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 – 71. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition"* on page 55. The degree to which the financial information included in this Updated Draft Red Herring Prospectus - I will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Updated Draft Red Herring Prospectus - I should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics) as set forth in this Updated Draft Red Herring Prospectus - I have been calculated on the basis of amounts derived from our Restated Financial Information, as applicable.

In this Updated Draft Red Herring Prospectus - I, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures derived from our Restated Financial Information in decimals have been rounded off to the second decimal and all per share and the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such 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.

Any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Non-GAAP Financial Measures

Certain Non-GAAP financial measures relating to our financial performance, namely EBITDA, EBITDA Margin, Earnings before Interest and Taxes, RONW, Net Asset Value per Equity Share, and certain other industry metrics and financial parameters have been included in this Updated Draft Red Herring Prospectus - I. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with Ind AS. We present these Non-GAAP Financial Measures because they are used by our management to evaluate our operating performance and formulate business plans. Further, these Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the period/ year 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, or IFRS.

These Non-GAAP Financial Measures are not defined under Ind-AS and are not presented in accordance with Ind AS. The Non-GAAP Financial Measures have limitations as analytical tools. Further, these Non-GAAP Financial Measures may differ from the similar information used by other companies, including industry peers, and therefore their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to profit before tax or any other measure of performance or as an indicator of our operating performance, liquidity or profitability or results of operations. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Other Financial Information*" and "*Risk Factors – 70. We have in this Updated Draft Red Herring Prospectus - I included certain non-generally accepted accounting principle financial measures ("Non-GAAP") and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*" on pages 396, 396 and 55, respectively.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "U.S. Dollar(s)" or "USD" or "US Dollar" are to United States Dollars, the official currency of the United States of America;
- "Euro" or "€" are to "Euro", the official currency of Eurozone;
- "JPY" or "Yen" are to Japanese Yen, the official currency of Japan; and
- "GBP" are to British Pound, the official currency of the United Kingdom of Great Britain and Northern Ireland;

Our Company has presented certain numerical information in this Updated Draft Red Herring Prospectus - I in "million", "billion" and "trillion" units or in whole numbers where the numbers have been too small to represent in millions or billions or trillions. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. Figures sourced from third-party industry sources may be expressed in denominations other than millions and such figures have been expressed in this Updated Draft Red Herring Prospectus - I in such denominations as provided in such respective sources.

Exchange Rates

This Updated Draft Red Herring Prospectus - I contains conversion of certain other currency amounts into 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 Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the each of United States Dollar, British Pound, Euro, and Japanese Yen:

(amount in ₹)

Currency	Exchange rate as at			
	September 30, 2026	March 31, 2026	March 31, 2025	March 31, 2024
1 USD	95.98	94.65	85.58	83.37
1 GBP	127.19	125.63	110.74	105.29
1 EUR	108.94	109.01	92.32	90.22
1 JPY	0.61	0.59	0.57	0.55

Source: www.rbi.org.in

Note: Exchange rate is rounded off to two decimal points. If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Updated Draft Red Herring Prospectus-I has been obtained or derived from the report titled "*Research Report on the Unmanned Systems Industry*" ("**CAREEdge Report**") prepared by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"), which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company, pursuant to the engagement letter dated June 12, 2026.

CARE Analytics and Advisory Private Limited is an independent agency which is not a related party of our Company, our Promoters, our Subsidiary, any of our Directors or Key Managerial Personnel or Senior Management or the Book Running Lead Managers. The CAREEdge Report is available on the website of our Company at www.sagardefence.com/investor-relations/ and is also included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 500.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe that the industry and market data used in this Updated Draft Red Herring Prospectus - I is reliable, 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.

The extent to which the market and industry data used in this Updated Draft Red Herring Prospectus - I 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 business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – 61. Industry information included in this Updated Draft Red Herring Prospectus – I has been derived from the CAREEdge Report, and any reliance on information from the CAREEdge Report for making an investment decision in the Offer is subject to inherent risks*", on page 52. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, disclosures that have been included in "*Basis for Offer Price*" on page 140 includes 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. Accordingly, investment decisions should not be based solely on such information.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

FORWARD-LOOKING STATEMENTS

This Updated Draft Red Herring Prospectus – I contains certain "forward-looking statements". All statements contained in this Updated Draft Red Herring Prospectus - I that are not statements of historical fact constitute "forward-looking statements". All statements especially regarding our plans and prospects are "forward-looking statements".

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "propose", "will", "will continue", "will pursue", "will achieve", "will likely" or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, 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 Updated Draft Red Herring Prospectus - I are based on our current plans, estimates, presumptions and expectations 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 statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions, in India and globally, 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 and changes in competition in our industry, incidence of natural calamities and/or acts of violence.

For discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 21, 237, 161 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 future gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect current views as on the date of this Updated Draft Red Herring Prospectus - I and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors 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. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect.

None of our Company, any Selling Shareholder, our Directors, the BRLMs nor 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 the requirements of the SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer. In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholders in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholders, severally and not jointly, as the case may be, in this Updated Draft Red Herring Prospectus - I shall be deemed to be statements and undertakings made by such Selling Shareholder.

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 Updated Draft Red Herring Prospectus - I, including the risks and uncertainties described below, together with the sections "Our Business", "Industry Overview", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 237, 161, 311 and 396, respectively, before making an investment in our Equity Shares. The risks described below are not the only risks and uncertainties relevant to us, our Equity Shares or the industry and segments in which we operate. If any or a combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, prospects, results of operations, cash flows and financial condition could be materially and adversely affected, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. 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.

Unless the context otherwise requires, references to "our Company", "the Company" or "the Issuer" are to Sagar Defence Engineering Limited, and references to "we", "us", "our" are to our Company together with our Subsidiary, as applicable. The financial information in this section is derived from our Restated Financial Information. "Fiscal 2026", "Fiscal 2025" and "Fiscal 2024" refer to the financial years ended March 31, 2026, 2025 and 2024, respectively.

Furthermore, the financial information for Fiscals 2026, 2025 and 2024 relates to full-year performance, whereas the financial information for the six month period ended September 30, 2026 reflects only a six month period performance. Investors should note that the results for the six month period ended September 30, 2026 are not necessarily indicative of the results for the full fiscal year. Therefore, the results for the six month period should not be directly compared with the full-year numbers. Comparisons between these periods may not provide a meaningful analysis due to differences in the period covered and affecting operations.

*Industry and market data is derived from the report titled 'Research Report on the Unmanned Systems Industry' dated November 13, 2026 prepared by CARE Analytics and Advisory Private Limited (the "**CAREEdge Report**"). Wherever we have quantified the impact of a risk factor, such quantification is based on information available to us and is subject to the assumptions stated; wherever we have not quantified the impact, we are unable to do so.*

The risk factors have been determined and ordered on the basis of their materiality, taking into account the probability of occurrence of the risk and the potential magnitude of its impact. Some risks may not be material individually but may be material when considered collectively; some may have a material impact qualitatively rather than quantitatively; and some may not be material at present but may have a material impact in the future. Accordingly, the ordering below is not always reflective of the relative importance, probability or potential financial impact of any particular risk factor.

INTERNAL RISK FACTORS

1. ***We derive almost all of our revenue from our top customer, i.e., the Government of India. Our top customer contributed ₹1,900.81 million, ₹2,465.23 million, ₹966.57 million and ₹327.05 million, representing 85.53%, 96.83%, 93.05% and 82.80% of our revenue from operations, in the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, respectively. The loss of, or a reduction, delay or cancellation in orders from our customers could materially and adversely affect our business, results of operations, cash flows and financial condition.***

Our revenue is concentrated among a limited number of customers, in particular our top customer. The table below sets forth our customer concentration for the six month period ended September 30, 2026, and the Fiscals 2026, 2025 and 2024:

Customer concentration	Six month period ended September 30, 2026		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 (%)	Amount (₹ million)	Percentage of revenue from operations (%)
Revenue from top customer – Government of India[(1)]	1,900.81	85.53	2,465.23	96.83	966.57	93.05	327.05	82.80
Revenue from top five customers[(2)]	2,222.36	99.98	2,543.23	99.89	1,002.39	96.50	374.10	94.71
Revenue from top 10 customers[(2)]	2,222.40	99.98	2,545.28	99.98	1,012.56	97.48	378.98	95.94

Notes:

(1) Includes various departments of Government of India.

(2) *Due to confidentiality requirements applicable to defence and government procurement contracts, the names of our top 10 customers are not disclosed in this Updated Draft Red Herring Prospectus – I.*

For further information, see "*Our Business – Our Customers*" on page 269.

We typically sell our platform and systems to the Government of India through applicable government procurement processes. Orders are placed by various departments and agencies of the Government of India in accordance with those procurement processes, and do not commit customers to minimum purchase volumes. The terms and pricing applicable to each order are determined in accordance with the relevant procurement framework. Customers may pull back, defer or cancel orders at any time, including in response to budget changes or shifting programme priorities, and we have limited ability to anticipate or influence those decisions. Payment timelines can also be long, since our contracts typically require delivery, acceptance testing and certification before funds are released, which can put pressure on our working capital. The Government of India, our largest customer, is subject to budgetary constraints and our continued performance under the contracts, or award of additional contracts, could be jeopardized by budget restrictions of the various departments in the Government of India. A decline in government budget, reduction in orders, termination of existing contracts, delay of existing contracts, unpredictability of the procurement cycles, uncertainties associated with geo-political matters or any kind of adverse change in the policies or applicable laws for our sector will have a material adverse impact on our business, financial condition, and results of operations.

Any adverse development affecting the Government of India, including a reduction in its budget, a change in platform requirements or the award of business to a competitor, may have a disproportionate effect on our revenue and cash flows given our concentration.

There have been no instances of loss of, or a material reduction in orders from any of our top 10 customers during the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

2. *Our historical revenue and profitability have grown rapidly over Fiscals 2024 to 2026, driven by factors that may not be sustainable at historical rates, and year-on-year comparisons of our results of operations should not be relied upon as indicative of our future performance.*

Our revenue from operations grew from ₹395.01 million in Fiscal 2024 to ₹1,038.77 million in Fiscal 2025 (a year-on-year increase of 162.97%) and to ₹2,545.88 million in Fiscal 2026 (a further increase of 145.09%), representing a CAGR of 153.87% over those two years. For the six-month period ended September 30, 2026, our revenue from operations was ₹2,222.41 million. EBITDA moved from ₹52.92 million in Fiscal 2024 to ₹495.47 million in Fiscal 2025 and ₹1,209.28 million in Fiscal 2026, with EBITDA margins of 13.40%, 47.70% and 47.50% respectively. For the six-month period ended September 30, 2026, EBITDA was ₹1,339.89 million, with an EBITDA margin of 60.29%.

Selected financial metrics are set out in the table below as at / for the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024:

Particulars (₹ million unless stated)	As at / for the six month period ended September 30, 2026*	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Revenue from operations	2,222.41	2,545.88	1,038.77	395.01
Revenue from operations – Growth (%)	NA#	145.09	162.97	NA
EBITDA(1)	1,339.89	1,209.28	495.47	52.92
EBITDA margin (%)(2)	60.29	47.50	47.70	13.40
Net profit / (loss) after tax	1,016.12	879.03	308.58	(62.60)
Profit After Tax margin (%)(3)	45.72	34.53	29.71	(15.85)
Total equity	6,518.04	4,514.42	2,679.78	(14.37)
Profit / (loss) before tax	1,303.67	1,103.25	456.40	(83.81)
Net cash generated from / (used in) operating activities	(1,651.52)	(317.07)	201.86	(105.87)
Trade receivable days	277	208	120	83

** Not annualised*

 # NA because comparable data for FY23 and H1FY26 is not available

Notes:

(1) *EBITDA is calculated as profit for the period/year, plus tax expense, finance costs and depreciation and amortisation expense less other income. For reconciliation of Non-GAAP measures, see "Other Financial Information – Non GAAP Measures" on page 391.*

(2) *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations for the relevant Fiscal. For reconciliation of Non-GAAP measures, see "Other Financial Information – Non GAAP Measures" on page 391.*

(3) *Profit After Tax Margin (%) is calculated as profit for the period/year divided by Revenue from operations for the relevant Fiscal. For reconciliation of Non-GAAP measures, see "Other Financial Information – Non GAAP Measures" on page 391.*

Our revenue growth has principally resulted from the transition of our platforms from development and customer qualification to commercial deliveries and repeat orders. In Fiscal 2025, increased deliveries, particularly to government customers, expanded our revenue base. Profitability improved because the platforms delivered were relatively less material intensive, while shared engineering capabilities, infrastructure and operating costs supported a larger scale of business. These economies of scale were supported by the reuse of GENISYS across platforms, reducing the need to develop the core technology afresh for each product.

In Fiscal 2026, repeat orders from customers that had qualified and deployed our platforms increased the scale of commercial execution, driving further growth in revenue and absolute EBITDA. Although the platforms delivered were more material-intensive, continued absorption of fixed costs over a larger revenue base helped maintain EBITDA margins. PAT growth also reflected lower non-cash finance charges and a lower effective tax rate. The turnaround to profitability in Fiscal 2025 had additionally benefited from a one-time gain on derecognition of a financial liability and higher interest income.

During the six months period ended September 30, 2026, deliveries of our platforms generated revenue, while the material content and cost structure of the platforms delivered affected our operating margins. Profitability also increased as the production costs relating to goods not yet sold were carried as inventory rather than charged to expenses during the period. This had a timing effect and did not represent additional sales.

Accordingly, our historical growth rates and financial metrics should not be treated as an assurance of comparable performance in subsequent periods, and it is possible that our results of operations in any future period may be below the expectations of market analysts, which could cause the price of our Equity Shares to decline significantly. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operation*s" on page 416.

3. *We propose to establish the Manufacturing and Technology Campus in Andhra Pradesh, India. The setting up of the Manufacturing and Technology Campus is proposed to be funded by Net Proceeds, with an estimated project cost of ₹7,247.80 million. The construction of the Manufacturing and Technology Campus has not yet commenced as on date of this Updated Draft Red Herring Prospectus - I. We also do not have prior experience operating a coastal facility. The project is subject to construction, regulatory approvals, execution, time and cost-overrun risks.*

We propose to establish a primary manufacturing and technology campus forming our long-term production facility ("**Manufacturing and Technology Campus**") at Juvvaladinne Fishing Harbor, Bogole Mandal, SPSR, Nellore, Andhra Pradesh. For further information, see "*Our Business – Our Strategies – Scale manufacturing and operationalise India's first dedicated autonomous maritime shipyard*" on page 250.

We propose to utilise ₹7,247.80 million of the Net Proceeds towards capital expenditure to be incurred for the setting up of the Manufacturing and Technology Campus with an estimated project cost of ₹7,247.80 million (including taxes and duties) based on a project report dated November 12, 2026 prepared by Proconvis Consultants Private Limited under the supervision of its head of structural design, Ranjitsinh Abhayrao, who is a qualified Chartered Engineer (India) and a registered member of The Institution of Engineers (India). As on the date of this Updated Draft Red Herring Prospectus - I, we have not yet commenced any construction for the Manufacturing and Technology Campus. For further information, see "*Objects of the Offer – Details of the Objects - Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh*" on page 119.

In relation to the construction of the Manufacturing and Technology Campus, we are required to obtain certain material pre-construction and post-construction approvals. Each such material approval has either been received or will be applied for at an appropriate stage while setting up the factory forming part of the Manufacturing and Technology Campus, as set forth below:

Pre-construction:

S. No.	Regulatory Authority	Compliances/ Name of material approval	Status
1.	Infrastructure and Investments (Ports) Department, Government of Andhra Pradesh	Approval of our proposal to establish the Autonomous Maritime Shipyard and Systems Centre and allotment of land through lease by AP Maritime Board	Received
2.	AP Maritime Board	Permission for construction of compound wall on allotted land	Received
3.	Andhra Pradesh Southern Power Distribution Company Limited	Issuance of service connection for power supply	To be applied for at the appropriate stage i.e., while setting up the factory forming part of the Manufacturing and Technology Campus
4.	Gram Panchayat/Water Department	Approval for usage of water required	To be applied for at the appropriate stage i.e., while setting up the factory forming part of the Manufacturing and

S. No.	Regulatory Authority	Compliances/ Name of material approval	Status
			Technology Campus

Post construction:

S. No.	Regulatory Authority	Compliances/ Name of approval	Stage at which the approval is required
1.	Department of Factories, Government of Andhra Pradesh	License under the Factories Act, 1948	Upon completion of civil works and prior to commencement of commercial production
2.	Andhra Pradesh Fire Service Department	Fire no-objection certificate	Prior to commencement of commercial production
3.	Andhra Pradesh Pollution Control Board	Consent to operate	Upon completion of construction and before commercial production

There can be no assurance that these approvals will be obtained on time or at all, or that they will not be accompanied by conditions that increase the cost or delay the timeline for setting up the Manufacturing and Technology Campus. The project is also subject to typical construction and execution risks, including cost overruns, delays, changes in design or scope, contractor performance, supply-chain disruptions, geological conditions, labour availability and regulatory compliance. However, there have been no past instances of cost overruns or delays in the development of our manufacturing facilities during six month period ended September 30, 2026 and Fiscal 2026, Fiscal 2025 and Fiscal 2024. Apart from as disclosed above, no time, cost or project appraisal has been undertaken by any bank or financial institution or other independent agency.

The Manufacturing and Technology Campus is being constructed in a new geography. Our existing manufacturing facilities are located at Chakan, Pune, Maharashtra, and we have no prior experience in the construction or operation of such a coastal facility. The establishment and operation of such a facility involve capabilities and regulatory requirements that are distinct from our current operations. If the Manufacturing and Technology Campus is not completed on time, within budget or at all, or if the facility does not achieve the expected operational capability, our growth plans, results of operations, financial condition and the returns on the Net Proceeds could be materially and adversely affected.

For risks arising out of the Manufacturing and Technology Campus being developed on leased land, see "- *Our Registered Office and the proposed Autonomous Maritime Shipyard and Systems Development Centre is situated on leasehold premises. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.*" on page 30.

4. ***We may be unable to complete certain development programmes and may delay, curtail, abandon or cancel development programmes, in which case we may be required to write off or impair capitalised development expenditure, work-in-progress or inventory.***

We run concurrent development programmes across maritime surface, maritime sub-surface, aerial and land domains, including next-generation and cross-domain platforms. Autonomous systems development is iterative and technically uncertain. At any point, we or our customers may conclude that a development programme should be paused, rescoped, curtailed, abandoned or cancelled, whether because of technical shortfalls, failed trials, shifting customer requirements or budgets, the emergence of better technology, cost overruns, or a decision on our part to redirect resources elsewhere. When that happens, we may be required to write off or impair the development costs, work-in-progress, tooling, inventory and other assets tied to that programme.

The table below sets forth the carrying amount / balance as at September 30, 2026, and March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	As at September 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Carrying Amount / Balance as at reporting date (₹ million)	391.80	321.51	77.36	4.04

These amounts represent our cumulative investment in ongoing platform-development programmes that have not yet been amortised. If a material development programme or programmes were curtailed or abandoned, the resulting write-off or impairment could be significant and would directly reduce our reported profit and net worth in the relevant period.

Because a significant share of our platforms is still at the design, prototype, trial or limited-deployment stage, the proportion of our development effort that may not reach series production is inherently difficult to predict. The iterative, test-driven nature of our model also means that prototypes and test articles can fail or be lost during testing. Any write-off, impairment, delay, abandonment or cancellation could materially affect our results of operations, our returns on R&D and capital expenditure, our product roadmap and our reputation.

There have been no instances of the abandonment or cancellation of a material development programme, or of a material write-off or impairment of development costs or inventory, during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024.There can be no assurance that such instances will not arise in the future and in case such instances arise, our financial condition may be adversely impacted.

5. ***Our Corporate Office and existing manufacturing operations are concentrated at two facilities (Plant I and Plant II) in Chakan, Pune, Maharashtra, India, situated over land parcels ("Land" or "Premises"), which are leased by MIDC to a related party, who is also a shareholder and member of our Promoter Group ("Lessee"). Any failure to occupy, enter into sub-lease deeds in a timely manner or at all and undertake manufacturing operations could materially and adversely affect our business, financial condition, cashflows, results of operations and future business prospects.***

Our Corporate Office and existing manufacturing, integration and testing is carried out at Premises (Plant I and Plant II) in Chakan (Phase 2), Pune, Maharashtra, India with a combined built-up area of approximately 217,968 sq. ft. Until the proposed Autonomous Maritime Shipyard and Systems Development Centre in Andhra Pradesh is operational, all our manufacturing operations will remain concentrated at a single location. For details, see "- *We propose to establish the Manufacturing and Technology Campus in Andhra Pradesh, India. The setting up of the Manufacturing and Technology Campus is proposed to be funded by Net Proceeds, with an estimated project cost of ₹7,247.80 million. The construction of the Manufacturing and Technology Campus has not yet commenced as on date of this Updated Draft Red Herring Prospectus - I . We also do not have prior experience operating a coastal facility. The project is subject to construction, regulatory approvals, execution, time and cost-overrun risks.*" on page 23. A serious disruption at our Premises (Plant I and Plant II), whether from fire, equipment failure, power or water shortage, labour unrest, an accident, a natural disaster or some other event, could halt or severely curtail our operations, damage inventory and equipment, and result in lost orders. Our insurance may not fully cover the resulting losses.

Further, the Premises (Plant I and Plant II) have been leased by MIDC in favour of the Lessee, pursuant to lease deeds ("**Lease Deeds**"). The Lease Deeds allows the Lessee to underlet the Premises, subject to inter-alia, receipt of consent from the MIDC. Our Company is allowed to occupy and undertake manufacturing operations at the Premises, for a present aggregate monthly rental of ₹1.65 million. The land wherein the Plant I is situated has been mortgaged in favour of the bank for a loan availed by the Company, such mortgage is valid and subsisting as on date ("**Bank Mortgage**"). In relation to Plant I, our Company and Lessee have entered into a memorandum of understanding dated November 1, 2024, as amended on August 1, 2026 ("**MOU**"), which allows us to use and occupy the said premises on rent and further provides that upon release of the Bank Mortgage, the Lessee will enter into a sub-lease deed with our Company for the Plant I. In relation to Plant II, the Lessee and our Company have entered into a letter of intent dated August 1, 2026 ("**LoI**") through which the Lessee has agreed to sub-lease the premises on which the Plant II is located in favour of our Company, for a period of 10 years from the date of execution of the sub-lease deed, which may be renewed for an additional 10 years. The Company and the Lessee have agreed that they will enter into a registered sub-lease deed in terms of the LoI for Plant II. Additionally, the execution of the sub-lease deeds for the Premises is subject to fulfilment of certain conditions precedent by the Lessee (in its capacity as the sub-lessor), including the Lessee obtaining necessary consent from MIDC for Plant II.

We also cannot assure you that registered sub-lease deeds will be executed within a timely manner or at all, such that the manufacturing operations continue unaffected. Any failure to enter into sub-lease deeds in terms of the MOU and LoI, may impact our ability to continue our manufacturing operations and could materially and adversely affect our business, financial condition, cashflows, results of operations and future business prospects. Further, potentially, we will also be subject to the risk of delayed renewal or non-renewal of sub-lease deeds, termination or increase in lease rent under the sub-lease deeds, once entered into. Any inability to renew such arrangements in the future on commercially acceptable terms, or at all, could result in operational disruption, increased costs and diversion of management attention. Non-compliance or alleged non-compliance with such terms could potentially lead to termination of such sub-lease deeds. While there have been no instances of material disruption to operations at our Corporate Office and facilities (Plant I and Plant II) in Chakan (Phase 2), Pune, Maharashtra, or any dispute as to our right to occupy the Premises, during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, there can be no assurance that such instances will not arise in the future.

6. ***We derive substantially all of our revenue from the sale of autonomous products. Our revenue from sale of our products was ₹ 2,172.14 million, ₹2,523.06 million, ₹993.76 million and ₹380.93 million, representing 97.74%, 99.10%, 95.67% and 96.44% of revenue from operations for six month period ended September 30, 2026, Fiscal 2026, 2025 and 2024, respectively. Any decline in demand for, or obsolescence, failure or non-qualification of, our autonomous products could materially and adversely affect our business, results of operations, cash flows and financial condition.***

Our revenue is derived predominantly from the sale of autonomous products, with a smaller contribution from services. The table below sets forth the breakdown of our revenue from operations between products and services for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026		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 (%)	Amount (₹ million)	Percentage of revenue from operations (%)
Revenue from sale of products[1]	2,172.14	97.74	2,523.06	99.10	993.76	95.67	380.93	96.44
Revenue from sale of services[3]	50.27	2.26	22.82	0.90	12.48	1.20	4.50	1.14
Other operating revenues – Government incentives	-	-	0.00[2]	0.00	32.53	3.13	9.58	2.43
Total revenue from operations	**2,222.41**	**100.00**	**2,545.88**	**100.00**	**1,038.77**	**100.00**	**395.01**	**100.00**

Notes:

(1) Sale of products refers to sale of autonomous products.

(2) Amounts less than ₹5,000 are shown as 0.00

(3) In respect of sale of services, it may be noted that certain products supplied by our Company are covered by contractual warranties. We also undertaker repair, maintenance, refurbishment, upgrades and technical support pursuant to customer requirements, including after the applicable warranty period, as part of our ordinary-course after-sales and lifecycle-support activities.

While we have not witnessed any decline in the demand of autonomous products from any of our customers, however going forward any decline in demand for our products, or any obsolescence, failure, withdrawal or non-qualification of a key platform could adversely affect us disproportionately. Our ability to sustain and grow revenue depends on successfully delivering, qualifying and commercialising our autonomous products, and there can be no assurance that we will be able to do so.

7. *Our order book of ₹8,900.50 million ("Order Book") as at September 30, 2026 may not be representative of our future revenue, and investors should not treat it as a reliable indicator of future performance. If our Order Book does not convert into revenue as anticipated, our business, results of operations, cash flows and financial condition could be materially and adversely affected, and the price of our Equity Shares could decline significantly.*

As at September 30, 2026, our Order Book was ₹8,900.50 million. The table below sets forth the details of our Order Book as at September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	As at September 30, 2026 (Amount in ₹ million)	As at March 31, 2026 (Amount in ₹ million)	As at March 31, 2025 (Amount in ₹ million)	As at March 31, 2024 (Amount in ₹ million)
Order book[1]	8,900.50	11,078.00	N.A.[2]	N.A[.2]

Notes:

(1) Order book is the balance amount remaining to be executed and delivered of aggregate value of written contracts / purchase orders the company received. It only includes firm contracts / purchase orders received from customers with confirmed order values and delivery schedules, and does not include memoranda of understanding, letters of intent, expressions of interest, order with unapproved changes in technical specification or other non-binding or conditional arrangements.

(2) N.A. has been reported as at March 31, 2025 and March 31, 2024, as orders received during these periods were primarily short-term in nature and were executed within the same financial year.

As explained in Note (2) to the table above, orders received during the earlier periods were primarily short-term and executed within the same financial year. In contrast, increased orders from government customers during Fiscal 2026 resulted in an outstanding Order Book of ₹11,078.00 million as at March 31, 2026. We continued to receive orders from government customers during the six months ended September 30, 2026, and our outstanding Order Book as at that date was ₹8,900.50 million. Our Order Book is a point-in-time balance of orders remaining to be executed and delivered, and movements between reporting dates reflect both fresh orders received and the execution and delivery of existing orders.

The timing of execution, delivery and revenue recognition under each order may differ from our expectations due to production schedule changes, customer acceptance timelines, changes in specifications or other factors. Accordingly, our actual revenue in any future period may differ materially from our Order Book at any given date, and investors should not treat the Order Book as a reliable indicator of future revenue.

8. *Our ability to secure government contracts depends on competitive procurement processes, including amongst others, GeM and open e-tendering, which may expose us to price competition and provide no assurance of contract awards, renewals or repeat orders.*

We contract with government customers pursuant to applicable procurement processes. Where procurement is conducted through transparent competitive systems, including the Government e-Marketplace ("**GeM**") and open e-tendering portals, awards depend on the applicable eligibility, technical qualification and bid-evaluation criteria. Procurement through GeM is governed by the GeM General Terms and Conditions and public procurement manuals, and requires adherence to prescribed qualification, performance, pricing, and contract compliance norm. Where selection is based on the lowest evaluated technically qualified bidder ("**L1**"), competitors may quote lower prices and we may need to reduce our prices to remain competitive, which could compress margins or cause us to forgo orders. On such e-tender systems, participation, prior qualification, past deliveries or an existing customer relationship does not assure an award and we may incur bid-preparation, testing and qualification costs without securing a contract. Renewals and repeat or follow-on orders are not guaranteed and may require fresh competitive bidding, budgetary approvals and satisfaction of customer requirements. Failure to win or retain such business could adversely affect our revenue visibility, manufacturing utilisation, cash flows and results of operations.

9. ***We depend on a limited number of suppliers for raw materials, packing materials, tools and equipment and have not entered into long-term agreements with them. Purchases from our top supplier, top five suppliers and top 10 suppliers were equivalent to 10.09%, 34.24% and 45.12% of our total incurred expenses for the six months ended September 30, 2026 and 14.81%, 40.19% and 48.17% of our total incurred expenses for Fiscal 2026, respectively. Any loss of suppliers, interruptions in timely delivery or volatility in prices could adversely affect our business, financial condition, cash flows and results of operations.***

We procure raw materials, packing materials, plant and machinery from a limited number of suppliers, typically through purchase orders specifying quantity, pricing and delivery terms, and have not entered into long-term agreements with these suppliers. Accordingly, we cannot assure you that these suppliers will continue to supply us in the quantities and within the timelines required, or on commercially acceptable terms.

We seek to qualify multiple suppliers where feasible, but certain components have limited sources, long lead times or allocation constraints. If our suppliers fail to perform their obligations on time, cease operations, enter into exclusive arrangements with competitors or discontinue their relationships with us, we may be unable to identify and qualify alternative suppliers promptly or on comparable terms. Any resulting supply interruption or increase in procurement costs could delay manufacturing and order execution, cause us to breach our obligations to customers and adversely affect our profitability and cash flows. We are also exposed to the risk of receiving defective, non-conforming or counterfeit components, which could result in product failures, rework costs and warranty claims.

The following table sets out our supplier concentration for the six months ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026		Fiscal					
			2026		2025		2024	
	Purchases from suppliers (₹ million)	% of total incurred expenses	Purchases from suppliers (₹ million)	% of total incurred expenses	Purchases from suppliers (₹ million)	% of total incurred expenses	Purchases from suppliers (₹ million)	% of total incurred expenses
Top Supplier[(1)]	125.64	10.09	230.24	14.81	9.19	1.34	11.52	2.20
Top five Suppliers[(1)]	426.19	34.24	624.77	40.19	31.19	4.55	39.64	7.55
Top 10 Suppliers[(1)]	561.59	45.12	748.81	48.17	52.03	7.60	66.07	12.59

Note:
(1) The names of our top supplier, top 5 and 10 suppliers are commercially sensitive and accordingly their names are not disclosed in this Updated Draft Red Herring Prospectus - I.

There have been no instances of material supply disruption, single-source supplier failure or component shortage affecting our operations during the six months ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future. For further information, see "*Our Business – Raw materials and suppliers*" on page 267.

10. ***We have incurred negative cash flows from operating activities during the six months ended September 30, 2026 and Fiscals 2026 and 2024. Our business model is characterised by a long gestation period between the receipt of orders and collection of payments, and if we are unable to manage our working capital and collect trade receivables in a timely manner, we may require continued external financing.***

We have incurred negative cash flows from operating activities during the six months ended September 30, 2026 and Fiscals 2026 and 2024.

During the six months ended September 30, 2026, despite reporting profit before tax of ₹1,303.67 million, our net cash used in operating activities was ₹1,651.52 million. This divergence between reported profitability and operating cash generation was principally attributable to an increase in trade receivables, which consumed ₹1,988.65 million of operating cash, together with increases in other assets and inventories of ₹434.84 million and ₹224.81 million, respectively, and a decrease in trade payables of ₹163.49 million, partially offset by an increase in other liabilities of ₹65.59 million. Income taxes paid (net) further contributed to cash outflows of ₹258.03 million during the period.

Despite reporting profit before tax of ₹1,103.25 million in Fiscal 2026, our net cash used in operating activities was ₹317.07 million in that year. This divergence between reported profitability and operating cash generation was principally attributable to the significant increase in trade receivables, which rose to ₹2,352.08 million as at March 31, 2026 from ₹554.98 million as at March 31, 2025, with trade receivable days increasing from 120 days in Fiscal 2025 to 208 days in Fiscal 2026. The increase in trade receivables consumed ₹1,832.38 million of operating cash in Fiscal 2026, partially offset by an increase in trade payables of ₹334.52 million. Income taxes paid (net) further contributed to cash outflows of ₹168.89 million during the year.

In Fiscal 2024, our net cash used in operating activities was ₹105.87 million. We reported a loss before tax of ₹83.81 million and generated ₹58.92 million from operations before working-capital movements after non-cash and other adjustments, including interest on financial liabilities at fair value through profit or loss of ₹121.11 million. Increases in trade receivables, inventories and other assets consumed ₹84.82 million, ₹40.10 million and ₹47.39 million, respectively, while income taxes paid (net) contributed a further outflow of ₹14.56 million. These outflows exceeded the cash generated before working-capital movements and the offsets from other working-capital items. Accordingly, our operating cash flows may be materially affected by the timing of billing, customer acceptance and collections, and may not necessarily track our reported profitability in a given period.

Extended order-to-cash cycles require significant upfront spending before cash is received, which can put pressure on working capital and operating cash flow. Delays in customer acceptance, certification or payment may increase receivables and force reliance on debt or additional funding, even during profitable periods.

Net cash used in operating activities represented 74.31%, 12.45% and (26.80)% of revenue from operations for the six months ended September 30, 2026, Fiscal 2026 and Fiscal 2024, respectively (calculated using the absolute operating cash outflow divided by revenue from operations for the corresponding period, without annualising the six-month figures). Operating cash flow was positive at ₹201.86 million in Fiscal 2025.

Our aggregate cash requirements have been met through financing receipts and existing cash resources. In Fiscal 2024, gross borrowing receipts of ₹117.95 million were offset by financing payments of ₹5.84 million, comprising interest on borrowings of ₹3.25 million, lease principal payments of ₹1.90 million and lease interest payments of ₹0.69 million, resulting in net financing inflows of ₹112.11 million. These net inflows, together with opening cash resources, supported aggregate operating and investing requirements.

In Fiscal 2026, gross financing receipts comprised ₹916.36 million from CCPS issuance and ₹222.78 million from borrowings. After financing payments of ₹52.27 million, net financing inflows were ₹1,086.87 million, supporting aggregate operating and investing outflows of ₹517.35 million.

During the six months ended September 30, 2026, aggregate operating and investing outflows of ₹2,951.60 million exceeded net financing inflows of ₹2,011.43 million, requiring utilisation of ₹940.17 million of opening cash resources. Accordingly, these outflows reduced our cash buffer and increased our dependence on external funding.

Our treasury function manages liquidity, and our Board receives rolling 12-month cash-flow projections on a monthly basis to monitor anticipated funding requirements.

Continued operating outflows reduce the cash available for procurement, order execution, research and development, capacity expansion and payment of interest and principal. Funding shortfalls may require us to defer growth expenditure, raise further equity or draw additional debt, increasing dilution, interest costs and refinancing risk. If customer collections or external funding are delayed or insufficient, we may be unable to meet operating commitments or debt-service obligations when due. The funding raised historically does not assure future availability of funds.

During the six months ended September 30, 2026 and Fiscals 2026 and 2024, these outflows did not result in disruption of operations, deferment or curtailment of planned growth expenditure, or delays or defaults in interest or principal payments. These requirements were met through financing receipts and existing cash resources, as described above.

The table below sets forth certain information relating to our cash flows for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
	Amount (₹ million)	Amount (₹ million)	Amount (₹ million)	Amount (₹ million)
Net cash flows from / (used in) operating activities	(1,651.52)	(317.07)	201.86	(105.87)
Net cash flows from / (used in) investing activities	(1,300.08)	(200.28)	(1,880.65)	(71.87)
Net cash flows from / (used in) financing activities	2,011.43	1,086.87	1,921.40	112.11

There is no assurance that we will generate sufficient operating cash flows to fund our operations and growth, and any continued reliance on external financing could increase our financing costs and adversely affect our financial condition.

11. ***We recorded a net loss of ₹62.60 million and had a negative Net Worth of ₹(14.37) million in Fiscal 2024. Investors should not assume that historical losses or negative Net Worth will not recur in the future.***

In Fiscal 2024, we recorded a net loss of ₹62.60 million and had a negative Net Worth of ₹(14.37) million. Although we generated positive EBITDA of ₹52.92 million, our revenue from operations of ₹395.01 million reflected an early stage of commercial scale, resulting in an EBITDA margin of 13.40%. Our finance costs were ₹128.16 million in Fiscal 2024, of which ₹121.11 million represented non-cash notional interest recognised under Indian Accounting Standard 109 on our compulsorily convertible preference shares ("**CCPS**") and optionally convertible redeemable preference shares ("**OCRPS**"), which were classified as financial liabilities at fair value through profit or loss and measured using the effective interest rate method. These non-cash charges were a principal driver of the net loss for Fiscal 2024. Our negative Net Worth in Fiscal 2024 should be read in the context of our capital structure, accumulated losses and the accounting treatment of certain financial instruments under Ind AS. There can be no assurance that we will not incur losses or report negative Net Worth in future periods. Our historical growth rates and financial metrics should not be relied upon as indicative of our future performance.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations*" on page 416.

12. ***Our Order Book and revenue depend on our ability to receive direct orders from our customers and to deliver our platforms on time and as per the specifications determined by our customer. Any reduction, cancellation or delay in orders, or any failure to meet customer requirements, could materially and adversely affect our business, results of operations, cash flows and financial condition.***

We contract with customers for the supply of our platforms, systems and services pursuant to applicable procurement processes and procedures laid down by the government and other customers.

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. Winning new orders depends on customer confidence in our products, our delivery record, our technical capabilities, our pricing, and our customers' budget cycles and programme priorities. Customers may reduce, defer or cancel orders. While certain of our contracts with customers associated with the Government of India contain provisions enabling repeat orders, such provisions do not constitute a binding commitment to place repeat or follow-on business with us, and there is no assurance that any customer will continue to place orders at historical levels or at all. The exercise of any repeat order option remains subject to budgetary approvals, programme priorities and other conditions outside our control, and any reduction, deferral or cancellation of anticipated repeat orders could adversely affect our revenue, results of operations and financial condition.

As a part of acceptance process, our products undergo testing and if rejected, our customers, including various departments of Government of India, have the right to raise a warranty claim within the warranty period and we may have to repair the products. Our contracts typically include delivery milestones, acceptance criteria, warranty obligations and performance guarantees that must be satisfied before payment is made. If we fail to satisfy those obligations, or if there is a dispute as to whether they have been met, the consequences could include delayed or reduced revenue, invocation of performance bank guarantees, liquidated damages and termination. Most of our customers are government or public-sector entities, and our contracts are often on standard terms that are not freely negotiable and that place significant risk on us as supplier.

There have been no instances of cancellation or material warranty claims or products rejected or termination of a material contract for our default during six month period ended September 30, 2026, Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

13. ***We propose to establish the Waterfront Development in Andhra Pradesh, India. We do not have prior experience operating a coastal waterfront facility. The project is also subject to construction, execution, time and cost-overrun risks.***

A waterfront development is under construction by our Company to set-up the essential marine infrastructure required for vessel handling, testing, launching, recovery and operational support ("**Waterfront Development**"). For further information, see "*Our Business – Our Strategies – Scale manufacturing and operationalise India's first dedicated autonomous maritime shipyard*" on page 250.

The proposed development is also subject to typical construction and execution risks, including cost overruns, delays, changes in design or scope, contractor performance, supply-chain disruptions, geological conditions, labour availability and regulatory compliance. We commenced the construction of Waterfront Development in June 2026 which will be funded from our internal accruals and the cash balance available with our Company.

The Waterfront Development is being constructed in a new geography. We have no prior experience in the construction or operation of such a coastal waterfront facility. The establishment and operation of such a facility involve capabilities and regulatory requirements that are distinct from our current operations, including marine civil works and port infrastructure. If the Waterfront Development is not completed on time, within budget or at all, or if the facility does not achieve the expected operational capability, our growth plans, results of operations, financial condition and the returns on the Net Proceeds could be materially and adversely affected.

For risks arising out of the Waterfront Development being developed on leased land, see "-*Our Registered Office and the proposed Autonomous Maritime Shipyard and Systems Development Centre is situated on leasehold premises. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.***"** on page 30.

14. *Our Registered Office and the proposed Autonomous Maritime Shipyard and Systems Development Centre is situated on leasehold premises. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.*

Our Registered Office and the proposed Autonomous Maritime Shipyard and Systems Development Centre is not situated on premises owned by us and we use the properties on a leasehold basis. For details of our properties, see "*Our Business - Properties*" on page 271.

The termination of our agreements, or our failure to renew such agreements, on favourable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, which could adversely affect our business, results of operations, cash flows and financial condition. We cannot assure you that we will be able to renew any such arrangements when the term of the original arrangement expires, on similar terms or terms reasonable for us or obtain any consent required under these arrangements in a timely manner or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements, and we cannot assure that the new arrangements will be on commercially acceptable terms. While we have not faced any instances of difficulties in negotiating our lease arrangements or premature termination of existing agreements that led to any adverse effect on our business or operations in the last three Fiscals, we cannot assure you that such instances will not occur in the future.

In addition, a lease deed dated March 5, 2026, ("**Lease Deed**") has been entered into between the Andhra Pradesh Maritime Board ("**AP Maritime Board**") and our Company for an initial term of 30 years with an option of renewal for a further 30 years for the overall site of 29.58 acres of the Autonomous Maritime Shipyard and Systems Development Centre (including the Manufacturing and Technology Campus, and the Waterfront Development). The Lease Deed is subject to compliance with various terms and conditions in the nature of requirement to make lease payments within 60 days from the due date, usage of the land for permitted purposes only, maintenance of navigational approach channel, breakwaters and common harbour basin to the notified depth required for safe navigation of vessels. A failure to comply with certain terms and conditions, including failure to receive an extension of timeline for their compliance, may *inter alia* constitute a material breach of the Lease Deed entitling the AP Maritime Board to terminate the Lease Deed. In such an event, we may lose possession of the underlying land. Further, if the Lease Deed is not renewed or if the terms of renewal are onerous, our investment in the Autonomous Maritime Shipyard and Systems Development Centre could be impaired. If such events were to occur, our growth plans, results of operations, financial condition and the returns on the Net Proceeds could be materially and adversely affected.

15. *Our business is substantially dependent on our proprietary autonomy and command-and-control platform, GENISYS. Any defect, failure, security breach, obsolescence, or inability to continue to enhance GENISYS or to secure the operational data on which it relies, could affect all of our platforms and materially and adversely affect our business.*

All of our platforms are built on and integrated with GENISYS, our proprietary, patented, self-learning autonomy and fully integrated command-and-control software platform, which we describe as a platform-agnostic autonomous operating system. Because GENISYS underpins everything we make, any defect, error, failure, security breach, performance limitation or obsolescence in GENISYS, or any inability to continue developing (including through AI and machine-learning integration), enhancing, maintaining and protecting the underlying intellectual property could affect multiple products and customers at the same time. Concentrating our technology on a single common core means that a single vulnerability or failure in GENISYS could have fleet-wide consequences and require significant remediation.

Since GENISYS is platform-agnostic and can be retrofitted onto existing third-party vessels and vehicles, we also carry integration, interoperability, performance and liability risks on assets we did not design or build and over which we have limited

control. The development and deployment of AI and machine-learning capabilities in GENISYS introduce further risks around model performance, reliability, explainability, bias, data quality and the rapidly evolving regulation of autonomous systems. Our ability to keep GENISYS competitive also depends materially on a small number of senior technical personnel.

There have been no instances of a material defect, failure or security breach in GENISYS affecting our platforms during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

16. *We source certain components, sub-systems and materials from outside India. Any disruption or delay in the supply of raw materials or increase in the cost of such materials could materially and adversely affect our operations and profitability.*

We source a range of components, sub-systems and materials, including specialised electronics, sensors, batteries and propulsion components, from overseas suppliers as well as from 26 states and union territories in India. A supply disruption, whether from geopolitical developments, export controls, sanctions, trade restrictions or global shortages such as semiconductor scarcity, could affect our ability to execute orders on time and push our costs higher.

The table below sets forth our imports of raw materials and capital goods on a cost, insurance and freight basis as a percentage of total sale of goods for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026		Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	% of Total Sale of Goods	Amount (₹ million)	% of Total Sale of Goods	Amount (₹ million)	% of Total Sale of Goods	Amount (₹ million)	% of Total Sale of Goods
Raw materials[(1)]	479.91	22.09	457.87	18.15	97.33	9.79	145.62	38.23

Note:

(1) Primarily imported from countries such as United States, United Kingdom, Japan, Germany and France.

The table below sets forth our imports of raw materials and capital goods on a cost insurance and freight basis as a percentage of revenue from operations and total expenses for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026			Fiscal 2026			Fiscal 2025			Fiscal 2024		
	Amount (₹ million)	Percentage of revenue from operations (%)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Percentage of total expenses (%)
Raw materials[(1)]	479.91	21.59	47.56	457.87	17.98	29.61	97.33	9.37	13.27	145.62	36.86	30.05

Note:

(1) Primarily imported from countries such as United States, United Kingdom, Japan, Germany and France.

We are actively working to increase the proportion of our procurement from domestic suppliers, identifying and qualifying Indian alternatives where technically and commercially feasible. Where possible, we maintain alternative sourcing arrangements and plan our inventory to support timely order fulfilment.

During the six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, there were no delays or defaults by our Company in making payments to our top 10 suppliers and, accordingly, there was no amount involved and there was no related operational impact on our Company in six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024.

Furthermore, during the six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, no government or customs authority stopped, restricted or materially delayed our imports of raw materials and, accordingly, the value of affected imports and the related operational impact were nil during the six months ended September 30, 2026 and Fiscals 2026, 2025 and 2024.

17. *Our Previous Statutory Auditors have included certain emphasis of matters in their auditor's report on our audited consolidated financial statements for Fiscals 2025 and 2024. There can be no assurance that going forward such emphasis or any similar observations will not be included by our statutory auditors in their audit reports, which could have any adverse impact on our reputation.*

Our Previous Statutory Auditors have included the following emphasis of matters in their audit report on our audited consolidated financial statements for Fiscals 2025 and 2024:

For the Year Ended March 31, 2025 –

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2025, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP)/Updated Draft Red Herring Prospectus- I / Updated Draft Red Herring Prospectus – II/ Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. Our opinion is not modified in respect of this matter."

For the Year Ended March 31, 2024 –

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2024, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP)/ Updated Draft Red Herring Prospectus- I / Updated Draft Red Herring Prospectus – II/Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.

Our opinion is not modified in respect of this matter."

There can be no assurance that going forward such emphasis or any similar observations will not be included by our statutory auditors in their audit reports, which could have any adverse impact on our reputation.

18. *Our bank facilities have been assigned credit ratings of CARE BBB; Stable (long-term) and CARE A3+ (short-term). Any downgrade in our credit ratings could increase our borrowing costs, restrict our access to financing and adversely affect our business and financial condition.*

Our long-term fund-based bank facilities have been rated CARE BBB; Stable and our short-term non-fund-based bank facilities have been rated CARE A3+ by CARE Ratings Limited dated October 17, 2025. These are the first credit ratings assigned to our Company's bank facilities. These ratings reflect an assessment of our creditworthiness at the time of assignment and are subject to periodic review, revision, suspension or withdrawal by the rating agency. The rating rationale notes, among other factors, the working-capital-intensive nature of our operations driven by a high receivable cycle, exposure to technology obsolescence and regulatory risks, and exposure to foreign-exchange fluctuation risk.

Following March 31, 2026, we acquired Sagar Ship Repairs Private Limited as our wholly-owned subsidiary. For further details, see "*History and Certain Corporate Matters - Acquisition of 100.00% shareholding in Sagar Ship Repairs Private Limited"* on page 282. No separate credit ratings have been assigned to this subsidiary. Although the subsidiary is recently incorporated, any future requirement for financing at the subsidiary level may be affected by the absence of an established credit profile or separate credit ratings. If our credit ratings are downgraded, assigned a negative outlook, revised, suspended or withdrawn, or if the absence of separate subsidiary-level ratings affects financing arrangements, our cost of borrowing could increase, our ability to access bank facilities and working-capital lines on favourable terms could be restricted, we may be required to provide additional collateral or guarantees, and our business, financial condition and results of operations could be adversely affected.

Any downgrade in our credit ratings or the assignment of a negative outlook could increase our cost of borrowing, restrict our ability to access bank facilities and working-capital lines on favourable terms, require us to provide additional collateral or guarantees, trigger conditions in our existing financing arrangements, and adversely affect our business, financial condition and results of operations.

19. *We have not entered into any definitive agreements or placed orders for the capital expenditure proposed to be undertaken as part of the Objects of the Offer, including in relation to the setting up a Manufacturing and Technology Campus in Andhra Pradesh and the purchase of new machinery for our facilities in Chakan, Pune, Maharashtra and there can be no assurance that such capital expenditure will be undertaken at the costs or within the timelines estimated.*

We propose to utilise a portion of the Net Proceeds for (i) funding capital expenditure to be incurred for setting up of a dedicated 'Manufacturing and Technology Campus' at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, Andhra Pradesh; and (ii) funding purchase of new machinery for our facilities in Chakan, Pune, Maharashtra. In connection with such proposed capital expenditure, we have obtained quotations from certain vendors. For further details, see "*Objects of the Offer- Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh*" and "*Objects of the Offer- Funding purchase of a new machinery for our facilities in Chakan, Pune, Maharashtra*" beginning on pages 119 and 127, respectively. However, as at the date of this Updated Draft Red Herring Prospectus - I, we have not entered into any definitive agreements or placed orders with any of these vendors and have relied on the quotations received for the estimation of the costs.All of these quotations are valid for a specified period and may be subject to revisions based on changes in commercial and technical factors, including market conditions, variation in commodity prices, cost escalation and other factors that may not be within our control. There can be no assurance that the same vendors will be engaged to supply the requisite services, equipment or machinery at the same costs as quoted, or at all. Any delay in the placement of orders, or an inability to procure services, equipment or machinery at the estimated costs, could lead to time and cost overruns, extend the proposed schedule of implementation and deployment of the Net Proceeds, and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

20. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded and proposed manufacturing capacities could have an adverse effect on our business, prospects, financial performance and cash flows.*

Our profitability relies on our effective utilization of existing manufacturing capacity. We manufacture a range of products and systems, including aerial, maritime, underwater and other engineered products and solutions. These products are not homogeneous and may vary materially across orders in terms of design, dimensions, configuration, number and nature of components, bill of materials, semiconductor and electronics content, motherboard and chip integration, assembly effort, process routing, testing requirements, engineering inputs, floor area usage, resource consumption and overall manufacturing complexity. Fluctuations in demand for our products, including from our defence and government customers, may compromise our ability to accurately forecast future requirements, potentially disrupting production scheduling and leading to inefficient use of manufacturing capacity. If we fail to utilize our manufacturing facilities' capacity adequately and face under-utilization, it could materially impact our business operations, financial condition, and cash flows.

The table below sets forth details of the capacity utilization across our manufacturing facilities for the respective Fiscals:

Particulars	Six month period ended September 30, 2026	Fiscal 2024	Fiscal 2025	Fiscal 2026
Installed Capacity – hp (per annum)				
PAP V13 (Plant I)	241.26	482.52	482.52	482.52
PAP V10 (Plant II)	965.16	–	643.44	1,930.32
Total Installed Capacity	**1,206.42**	**482.52**	**1,125.96**	**2,412.84**
Utilised Capacity – hp (per annum)				
PAP V13	237.09	444.14	526.76*	475.25
PAP V10 (from December 2024)	705.90	–	257.47	1,144.69
Total Utilised Capacity	**942.99**	**444.14**	**784.23**	**1,619.94**
Actual Production (units per annum)	199	332	168	66
Available Capacity (units)	254.59	361	241	98
Capacity Utilisation (%)	**78.16%**	**92.05%**	**69.65%**	**67.14%**

As certified by Praveen Subramanya, independent chartered engineer pursuant to the certificate dated November 11, 2026.
Note: PAP V13 (Plant I) was operational during the six months ended September 30, 2026 and Fiscals 2026, 2025 and 2024. PAP V10 (Plant II) commenced operations in December 2024. Accordingly, the installed capacity for PAP V10 (Plant II) for Fiscal 2025 has been annualised based on four months of operations (December 2024 to March 2025). For Fiscal 2026, the installed capacity for PAP V10 (Plant II) has been annualised for the full twelve-month period.
**Over-utilisation was on account of special business requirements.*

Our aggregate capacity utilisation declined from 92.05% in Fiscal 2024 to 69.65% in Fiscal 2025 and 67.14% in Fiscal 2026. These figures should be read in the context of the increase in installed capacity following the commencement of Plant II in December 2024 and its full-year availability in Fiscal 2026. Our manufacturing requirements vary from order to order: products differ in size, configuration, engineering, integration and testing requirements, and a reported unit does not represent a standardised quantity of output. Accordingly, period-on-period utilisation is affected by the prevailing product mix and the timing and allocation of orders and is not directly comparable on a like-for-like output basis.

At facility level, the ratio of utilised hp to installed hp for Plant I was 92.05%, 109.17% and 98.49% in Fiscals 2024, 2025 and 2026, respectively; for Plant II, which was not operational in Fiscal 2024, it was 40.01% and 59.30% in Fiscals 2025 and 2026, respectively. These are supplemental hp-based ratios, not facility-wise utilisation in equivalent production units. They do not show a decline at each facility in each year. Production-unit utilisation is determined on an aggregate basis, given the shared machinery, infrastructure and deployment of resources across our facilities.

We expect demand for our autonomous platforms and associated systems to grow as qualified platforms move into commercial deployment and generate repeat orders. Our expectation that demand will absorb the proposed additional capacity is based on the commercialisation of our existing platforms, repeat orders and our disclosed Order Book, together with the manufacturing, integration, maritime testing and lifecycle-support capabilities planned at the proposed campus. The expansion is intended to support this order-led growth and the capabilities required for future programmes, rather than merely replicate existing production capacity. However, actual utilisation will depend on the receipt, timing and execution of orders, and there can be no assurance that anticipated demand will materialise or that the additional capacity will be adequately utilised.

Accordingly, under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance. For further information, see "*Our Business – Description of Our Business – Installed Capacity, Actual Production and Capacity Utilization*" on page 262.

21. *We propose to utilize up to ₹1,700.00 million from the Net Proceeds towards investment in R&D. Our R&D activities involve long development cycles and technical uncertainty, and there is no assurance that this investment will result in commercially successful products or generate adequate returns.*

We propose to utilise up to ₹1,700.00 million from the Net Proceeds towards investment in research and development activities over Fiscals 2027, 2028 and 2029, encompassing *inter alia* the research, design and development of unmanned platforms across the maritime surface, maritime sub-surface, aerial and land domains, development of strategic electronics, embedded systems, autonomy software and command-control systems, prototype development, laboratory testing, field testing and harbour trials and development of simulation tools, test rigs and validation infrastructure.

While our Company has been undertaking research and development activities since its incorporation, the costs incurred by us towards R&D Projects have been capitalised as part of the statement of assets and liabilities in our Restated Financial Information, and expenses towards internal R&D activities form part of the statement of profit and loss in our Restated Financial Information under multiple heads.

Set out below are the details of our intangible assets under development as at six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	As at six month period ended September 30, 2026	As at Fiscal 2026	As at Fiscal 2025	As at Fiscal 2024
Intangible assets under development (₹ in million)	391.80	321.51	77.36	4.04

The capitalisation of development expenditure reduces the amount charged to the statement of profit and loss in the period in which qualifying development work is performed, while subsequent amortisation or impairment affects later periods. For further details, see "*Objects of the Offer*" on page 117.

There can be no assurance that the ongoing projects will be completed successfully or within the estimated timelines and budgets, or that the completed projects will generate the anticipated commercial returns.

The development of autonomous and unmanned systems involves long development cycles, iterative testing, technical uncertainty, evolving customer requirements, and the possibility that a programme may be delayed, curtailed, abandoned or fail to achieve commercial acceptance or customer qualification. Not every platform or technology under development will reach series production or generate material revenue, and the commercial outcome of individual programmes is inherently uncertain. The timing of deployment of Net Proceeds towards research and development projects may vary from the schedule set out in "*Objects of the Offer - Details of the Objects - Investment in research and development*" on page 130, and actual R&D expenditure may differ from management estimates depending on business requirements, availability of external technologies, technology developments and the progress of individual programmes. If any material R&D programme funded from the Net Proceeds does not achieve its intended outcome, the related capitalised development expenditure may need to be written off or

impaired, and our results of operations, financial condition and returns on the Net Proceeds could be materially and adversely affected.

22. *Our business is working-capital intensive, and our liquidity position depends on our ability to manage inventory, sustain existing supplier credit terms and access adequate funding facilities. Any deterioration in these factors could materially and adversely affect our financial condition.*

Our business is working-capital intensive. Our manufacturing, integration and acceptance cycles are long, and receivable collection periods can extend significantly as a result. Our key working-capital metrics are set out below as at September 30, 2026, and March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	As at September 30, 2026*	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Inventory days[(1)]	112	28	91	158
Trade receivable days[(2)]	277	208	120	83
Trade payable days[(3)]	132	141	110	25
Net working-capital cycle (days) [(4)]	201	96	101	216
Net working capital (₹ million) [(5)]	4,529.42	3,684.65	2,273.07	376.03
Inventories (₹ million)	313.66	77.84	69.44	118.36
Trade receivables (₹ million)	4,377.61	2,352.08	554.98	128.52

**Not annualised*

Notes:

(1) Inventory days have been computed as average inventory divided by cost of goods sold, multiplied by 365 as at March 31, 2026, 2025 and 2024. Further, inventory days have been computed as average inventory divided by cost of goods sold, multiplied by 183 days as at September 30, 2026. Average inventory equals opening inventory plus closing inventory, divided by two.

(2) Trade receivable days have been computed as average trade receivables divided by revenue for the relevant period or Fiscal, multiplied by 183 for the six months ended September 30, 2026 and by 365 for the Fiscals presented. Average trade receivables equals the sum of opening and closing trade receivables for the relevant period or Fiscal, divided by two.

(3) Trade payable days have been computed as average trade payables divided by purchases for the relevant period or Fiscal, multiplied by 183 for the six months ended September 30, 2026 and by 365 for the Fiscals presented. Average trade payables equals the sum of opening and closing trade payables for the relevant period or Fiscal, divided by two.

(4) Net working-capital cycle equals inventory days plus trade receivable days less trade payable days.

(5) Net working capital has been computed as current assets less current liabilities.

We fund working-capital requirements through internal accruals, customer advances where available, and working-capital facilities. If working-capital requirements continue to grow in line with revenue, or if receivable collection periods extend further, we may need to increase our reliance on external facilities, which carry interest costs and financial covenants and may not be available on acceptable terms or the terms may not be favorable to us. 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. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations*" on page 416.

23. *Our trade receivable days have increased significantly, and any further delay in collections from our customers, particularly government customers, could materially and adversely affect our cash flows, liquidity and financial condition.*

We have witnessed an increase in our trade receivables and trade receivable days during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. This increase has been driven principally by the significant growth in our revenue from operations and the timing of billing, inspection, documentation, acceptance and payment cycles under government contracts. Since a substantial portion of our revenue is derived from the Government of India and its departments and agencies, our collections may be affected by budget releases, internal approval processes, administrative procedures, milestone certifications and other factors that are outside our control. While there has been delay in collections from customers, including the Government of India, during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, such delays have not materially affected the cash flows, liquidity or financial condition of our Company. There can be no assurance that such instances will not arise in the future or that any such future delays will not materially and adversely affect our cash flows, liquidity or financial condition.

The table below set forth details of our trade receivables days, trade payable days and trade receivables as at September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	As at September 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Trade receivables (₹ million)	4,377.61	2,352.08	554.98	128.52
Trade receivable days[(1)]	277	208	120	83
Trade payable days[(2)]	132	141	110	25

(1) Trade receivable days have been computed as average trade receivables divided by revenue for the relevant period or Fiscal, multiplied by 183 for the six months ended September 30, 2026 and by 365 for the Fiscals presented. Average trade receivables equals the sum of opening and closing trade receivables for the relevant period or Fiscal, divided by two.

(2) Trade payable days have been computed as average trade payables divided by purchases for the relevant period or Fiscal, multiplied by 183 for the six months ended September 30, 2026 and by 365 for the Fiscals presented. Average trade payables equals the sum of opening and closing trade payables for the relevant period or Fiscal, divided by two.

Although we believe such customers generally represent counterparties of high credit quality, delays in realisation of receivables can materially affect the timing of cash flows and increase our working-capital requirements. If receivable days continue to increase, or if we are unable to collect receivables in a timely manner, we may need to rely more heavily on internal accruals, customer advances and working-capital facilities to fund our operations. This could increase our finance costs, constrain liquidity and adversely affect our ability to procure materials, execute orders, furnish bank guarantees and fund capital expenditure. Any such development could materially and adversely affect our business, results of operations, cash flows and financial condition.

24. ***Our intellectual property is critical to our business. We may be unable to obtain, maintain, protect or enforce our intellectual property, our pending design, patent or trademark applications may not be granted or may be granted with a narrower scope than sought, and we may face claims of infringement by third parties. Further, any "march-in" of our intellectual property may adversely affect our business, operations, cash flows and financial position.***

Our competitive position depends significantly on protecting our proprietary technology, including GENISYS. As at the date of this Updated Draft Red Herring Prospectus - I, we had filed 81 patents, designs and trademarks across jurisdictions including the United States, Japan, Australia, Europe (with national validations), Canada and India. The table below sets forth the status of our designs, patents, trademarks as at the date of this Updated Draft Red Herring Prospectus - I:

Category	Total Applications	Granted	Pending Registrations
Designs	35	13	22
Patents	21	14	7
Trademarks	25	8	17
Total	**81**	**35**	**46**

Our ability to protect our technology depends substantially on the grant, maintenance and enforceability of our patents. Pending patent registrations may not proceed to grant, may take several years to be examined, may be granted with a narrower scope than sought, or may be opposed or invalidated after grant. Where registrations lapse, are rejected or are granted with insufficient scope, the resources including management time, legal costs and filing and maintenance fees invested in those applications may not be recovered, and we may be unable to prevent competitors from exploiting technology that we consider proprietary. Even where patents are granted, they may not provide meaningful protection if they are subject to design-arounds, or if enforcement is prohibitively costly or uncertain across multiple jurisdictions. Registered intellectual property rights, including patents and trademarks, are subject to periodic renewal and the payment of maintenance fees across each jurisdiction in which they are held; any failure to renew registrations or pay maintenance fees on time may result in the lapse or abandonment of those rights, after which competitors would be free to exploit the underlying technology or marks without restriction. Similarly, where proprietary software, source code or technical information is protected through registration or formal recording mechanisms, any failure to maintain those registrations or update them to reflect developments in our technology could reduce the scope or enforceability of our protections and expose our confidential technical information to unauthorised use.

Beyond registered rights, much of our know-how (including in relation to GENISYS), our proprietary operational data and our trained models are protected through trade secrets and confidentiality and assignment arrangements with employees, consultants and partners. Those arrangements can be breached, circumvented or simply inadequate. Intellectual property and data developed through government-funded or government-sponsored programmes, including iDEX, or under our collaborations, may be subject to rights, licences or restrictions in favour of the government or our partners that limit our freedom to exploit or licence that IP commercially. We may also face claims that our products infringe third-party intellectual property, which can be expensive to defend and a drain on management attention. Except for eight of our trademark applications which are currently subject to opposition proceedings, there have been no instances of material intellectual-property infringement claims against us, rejection of intellectual property rights or of material misappropriation of our intellectual property during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future. For further information, see "*Our Business – Intellectual property*" on page 266.

The "Operationalization Plan" for iDEX grants the Government of India with "march-in" rights over any intellectual property developed by us as part of the products developed under the iDEX framework on account of national security and other strategic reasons. The "march-in" rights entitle the Government of India to work the patents developed by us on its own or through another entity on its behalf. These rights are triggered when our Company fails to work the patent on our own within a specified and reasonable period of time and the effective management and control of our Company is taken over by a foreign company without approval of the Government of India. The exercise of such rights is subject to the Government of India paying us the acquisition cost/ licence fee/ royalty fee of up to 2% per manufactured unit, with a case-by-case cap on total royalty. We cannot assure you that any such "march-in" of intellectual property developed as part of iDEX may not happen or if it happens, it may adversely affect our business, operations, cash flows and financial position.

25. ***We may pursue acquisitions, investments and partnerships, which involve risks relating to identification, valuation, execution, integration and funding, and which may not deliver the benefits we anticipate.***

We intend to evaluate selective acquisitions, investments and partnerships that can strengthen our technology stack, product portfolio, manufacturing capability or market reach. Acquisitions involve real risks: finding the right target, getting the diligence right, negotiating acceptable terms, obtaining corporate and regulatory approvals, integrating people and systems, keeping key

employees and customers, and managing the liabilities that come with the deal. Funding acquisitions through equity or debt also brings its own complications.

We may fail to find suitable targets, face competition from others for the ones we identify, overpay, or fail to integrate or realise the benefits we expected. Management attention can also be pulled away from the existing business. During Fiscal 2026, we made an equity investment of ₹30.11 million in Endureair Systems Private Limited, representing a 1.65% shareholding. On May 9, 2026, we acquired 100.00% of the equity share capital of Sagar Ship Repairs Private Limited from Ramkamalprasad Tribhuwan Singh, who is the father of Nikunj Parashar, one of our Promoters and Chairman and Managing Director. Further, pursuant to such acquisition, Sagar Ship Repairs Private Limited entered into a business transfer agreement for the transfer of the maintenance, repair and overhaul business of Sagar Ship Repairs and Marine Services, a sole proprietorship concern of Ramkamalprasad Tribhuwan Singh. While these transactions are consistent with our strategic objectives, we have limited experience with the full acquisition and integration lifecycle, and there can be no assurance that future acquisitions will be identified, completed, integrated or managed effectively. Any of these issues could materially affect our business, results, financial condition and growth prospects.

26. *Our products are complex and safety-critical and may contain defects, fail to perform, or cause accidents or mission failures, which could result in product-liability, warranty and performance-guarantee claims, reputational harm and loss of orders.*

Our autonomous and unmanned systems are technically complex and operate in demanding conditions. Defects, malfunctions, autonomy or navigation failures, sensor or communication errors, or other performance failures could cause accidents, damage to property, injury, loss of life, mission failures, recalls, rework, warranty and performance-guarantee claims, product-liability claims, litigation, penalties, and lasting damage to our customer relationships. Our quality-control and testing processes may not detect all defects, particularly in platforms that are newly developed or recently deployed.

The autonomous nature of our systems heightens these risks: they make or execute decisions with limited or no human intervention, and the legal framework governing liability for failures of autonomous systems is still evolving. A failure of an autonomous platform could expose us to significant liability, including under our warranty obligations and any performance guarantees we have provided.

Our contracts generally impose warranty and defect-liability periods, comprehensive free-maintenance or annual-maintenance obligations, and in some cases performance or availability warranties backed by bank guarantees. Because many of our platforms have limited operating history in the field, estimating future warranty and maintenance costs is inherently uncertain, and our provisions may prove insufficient. If actual warranty or maintenance costs exceed our provisions, if additional remediation or replacement is required, or if our warranty bank guarantees are called upon, the impact on our margins, results and cash flows could be material.

The table below sets forth our warranty provisions for six month period ended September 30,2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations (₹ million)	2,222.41	2,545.88	1,038.77	395.01
Warranty provision (₹ million)	22.18	15.91	7.29	3.73
Warranty provision as a percentage of revenue from operations (%)	1.00	0.63	0.70	0.94

There have been no instances of product recalls, invocation of performance guarantees or product-liability claims that had a material adverse effect on us during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024.Furthermore, there have been no instances of accidents, operational incidents or mission failures involving our products or operations during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

27. *We intend to utilize a portion of the Net Proceeds for funding inorganic growth through unidentified acquisitions and other strategic initiatives although such potential targets have yet to be identified. Further, if the allocated portion of the Net Proceeds is insufficient to cover for the cost of the proposed inorganic acquisitions or initiatives, we may need to seek alternative forms of funding*

We propose to utilize a portion of the Net Proceeds to fund inorganic growth through unidentified acquisitions and other strategic initiatives, as set forth in the section "*Objects of the Offer*" beginning on page 117.

As of the date of this Updated Draft Red Herring Prospectus - I , we have not yet made any definite plans for the proposed acquisitions or strategic initiatives and hence cannot quantify the amount which will be utilized from the Net Proceeds towards such proposed acquisitions or initiatives. The amounts which will be deployed from the Net Proceeds towards such proposed acquisitions or initiatives may not be the total value or cost of such proposed acquisitions or initiatives, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or initiatives. The amount to be utilized for the proposed acquisition or initiative will be authorized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. Consequently, we may be required to explore a range of options to raise requisite capital, including utilizing our existing cash reserves and/or seeking debt, including from third-party lenders or institutions, in case only a portion of the object is being funded from the Net Proceeds.

The actual deployment of funds and the timing of deployment will depend on a number of factors, including the timing, nature, size and number of acquisitions or strategic initiatives proposed, as well as general macro- or micro-economic factors affecting our results of operation, financial condition and access to capital. The actual deployment and timing thereof would also depend on the form of investment, i.e., whether the acquisitions/initiatives will involve equity, debt or any other instrument or combination thereof or whether these will be in the nature of asset or technology acquisitions or joint ventures. Such proposed acquisition or strategic initiative could result in the utilisation of substantial cash, potential dilution of our share capital (if such acquisitions or initiatives also require us to issue share capital in lieu of consideration), goodwill impairment, amortisation expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business which may adversely affect our business operations and financial condition.

28. *We require various approvals, licences, registrations, permits and certifications for the conduct of our business, including a range of quality, testing and compliance certifications. Failure to obtain, maintain, renew or comply with the conditions of these could materially and adversely affect our business.*

Running our business requires a range of approvals, licences, registrations and permits, including those related to manufacturing, the environment, and labour and safety. We have been granted an industrial licence to manufacture certain categories of products and systems. In the ordinary course of our business we are required to obtain quality, environmental, occupational health-and-safety, testing laboratory and management systems, including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, AS9100:2016, ISO 27001:2013, our Manufacturer Capability Certificate, ISO/IEC 17025:2017, ISO/IEC/IEEE 12207:2017, and JSS and MIL-standard compliance certificates (each valid for three years through to 2028). Our customers rely on these certifications, and all of them are subject to periodic audit, renewal and continued compliance. Any of them may be suspended, revoked, varied, not renewed or allowed to lapse.

Whether a particular approval or certification is granted, continued, varied or renewed is at the discretion of the relevant authority or certification body, and decisions may be delayed, refused or accompanied by onerous conditions. Certain approvals may also be affected by changes in our shareholding, particularly if there are changes related to control or management of our Company and any consequent shift in our shareholding pattern (including shareholding), which may require prior notification, a fresh application or compliance with sectoral foreign-investment conditions. If any key approval or certification is suspended, revoked, not renewed or otherwise lost, or if fresh approvals are required as a result of the Offer, we could face operational interruption and disqualification from current or future contracts. For details, see "*Government and Other Approvals*" and "*Key Regulations and Policies*" on pages 436 and 275, respectively.

There have been no instances of suspension, revocation, non-renewal or lapse of, or material non-compliance with, any of our key approvals, licences or certifications during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

29. *There have been delays in payment of statutory dues by our Company. Inability to make timely payment of our statutory dues could result in us paying interest on the delay in payment of statutory dues which could adversely affect our business, our results of operations and financial condition.*

There have been delays in the payment of statutory dues by our Company during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. As at September 30, 2026, there are no instances of default in the payment of undisputed statutory dues (including under the Central Goods and Services Tax Act, 2017, applicable state GST legislation, employee state insurance, provident fund, tax deducted at source obligations under the Income-tax Act, 1961 and other employee-related statutory dues), except as follows:

(₹ in million)

Nature of payment	Entity	As at September 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024	Number of days of delay
		Amount	Amount	Amount	Amount	
Income Tax (Tax Deducted at Source)	Company	1.13	1.64	0.05	0.02	1-115
Provident Fund	Company	1.51	0.60	-	0.18	1-580
Professional Tax	Company	0.16	0.03	0.02	0.04	1-90
Employee State Insurance	Company	0.06	-	0.00	-	1-7
Goods and Services Tax	Company	248.68	261.04	0.90	-	2-30

The delays in payment of statutory dues by our Company were primarily due to technical glitches and certain administrative delays. To mitigate the risk of such delays recurring, our Company has implemented internal processes and controls. Delays in paying statutory dues expose us to interest charges and penalties on the overdue amounts, which could adversely affect our business, results of operations and financial condition.

30. ***Our MRO and services business currently contributes a limited portion of our revenue. Our revenue from sale of services was only ₹50.27 million and ₹22.82 million, representing 2.26% and 0.90% of revenue from operations in six month period ended September 30, 2026 and Fiscal 2026, respectively. We may be unable to scale it into a meaningful and profitable recurring revenue stream.***

Our Subsidiary, Sagar Ship Repairs Private Limited acquired the maintenance, repair and overhaul ("**MRO**") and services business pursuant to a business transfer agreement dated May 10, 2026 with Sagar Ship Repairs and Marine Services, a sole proprietorship concern of Ramkamalprasad Tribhuwan Singh, for a consideration of ₹750.00 million. The consideration was determined based on valuation report dated May 13, 2026, issued by Priyal K Sanghvi & Associates, Chartered Accountants in accordance with the methodology set out in the report. The acquisition was completed on an arm's length basis and done at fair valuation. For further information, see "*History and Certain Corporate Matters - Acquisition of 100.00% shareholding in Sagar Ship Repairs Private Limited" and "History and Certain Corporate Matters - Acquisition of maintenance, repair and overhaul business*" on pages 282 and 282, respectively.

Our MRO and services business is therefore limited in scale and operating history. We have historically derived substantially all of our revenue from the sale of autonomous products and have limited experience in operating and scaling a dedicated MRO and services business. Accordingly, we cannot assure you that this business will develop into a meaningful, profitable or recurring revenue stream. The table below sets forth the revenue from sales of services, revenue from operations and revenue from sales of services as a percentage of revenue from operations for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from sale of services (which includes MRO and life cycle services) (₹ million)	50.27	22.82	12.48	4.50
Revenue from operations (₹ million)	2,222.41	2,545.88	1,038.77	395.01
Revenue from sale of services as a percentage of revenue from operations (%)	2.26	0.90	1.20	1.14

These transactions involve related parties and may expose us to risks typically associated with such transactions. In addition, the integration of the acquired company and business may involve risks, including difficulties in retaining key personnel, integrating operations, processes and controls, maintaining customer relationships, ensuring consistent service quality and managing unanticipated liabilities.

Our ability to grow our MRO and services business will depend on several factors, including our ability to expand our installed base of deployed platforms, increase customer demand for MRO and lifecycle support services, price and deliver such services profitably, retain and integrate the acquired personnel, and timely develop the proposed MRO infrastructure at our Autonomous Maritime Shipyard and Systems Development Centre in Andhra Pradesh. If we are unable to successfully integrate, operate or grow this business, or if the anticipated benefits of these transactions do not materialise, our business, results of operations, financial condition and cash flows may be adversely affected.

31. ***We have obtained licenses issued by the by the Department of Industrial Policy and Promotion (now Department for Promotion of Industry and Internal Trade) and any non-compliance of, or a failure to satisfy the terms and conditions***

under such licenses could lead to the cancellation of our licenses thereby creating a material adverse impact on our business, financial condition and results of operations.

We have obtained licences issued by the Department of Industrial Policy and Promotion (now Department for Promotion of Industry and Internal Trade) and comply with the conditions stipulated therein. Some of the conditions stipulated therein mandates that we inform the Department for Promotion of Industry and Internal Trade in case of any changes in management control ownership pattern, our Board, foreign holding/ foreign directors. Further, we are required to obtain clearance from the Ministry of Home Affairs in case there is any addition of foreign partners in our Company. While we intend to continue to comply with all the conditions of the licenses, any non-compliance by us of the conditions of the licenses in the future may lead to the cancellation of our licenses thereby creating an adverse impact on our financial condition and results of operations. There have been no instances of non-compliance with the terms and conditions of the licences issued to our Company by the Department of Industrial Policy and Promotion (now Department for Promotion of Industry and Internal Trade), or of cancellation or suspension of any such licence, during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

32. ***Our contracts with government customers contain provisions relating to delivery obligations, liquidated damages, warranty, performance security, indemnification and termination that expose us to financial and operational risks if we fail to meet our contractual obligations.***

Our customer contracts with the Government of India typically include provisions relating to delivery and performance milestones, liquidated damages for delay, warranty obligations, requirements to furnish performance and other bank guarantees, indemnification obligations, and termination rights exercisable for convenience or default. These provisions are standard features of government defence procurement contracts and are largely non-negotiable. Failure to meet delivery timelines, performance standards or other contractual obligations could result in the imposition of liquidated damages, forfeiture of performance security, downgrading of our vendor rating, debarment from procurement platforms, or termination of the relevant contract. Any such outcome could adversely affect our revenue, reputation and ability to secure future government contracts. There can be no assurance that we will always be able to satisfy our contractual obligations in full or on time, or that the consequences of any failure to do so will not be material to our business, financial condition and results of operations. Further, if liquidated damages are imposed or performance guarantees are called upon, our profitability and cash flows could be adversely affected.

The terms in our contracts with our customers are generally not freely negotiable. Disputes with customers can take a long time to resolve and are usually subject to arbitration, during which payments may be withheld. Even a dispute that we ultimately win can disrupt operations, consume management time, strain customer relationships and cause reputational harm.

There have been no instances of invocation of performance guarantees or imposition of liquidated damages by any customer during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

33. ***We are dependent on our Promoters, our Key Managerial Personnel, our Senior Management and our skilled engineering and technical personnel, and the loss of such persons, or our inability to attract and retain qualified personnel or to manage our workforce and labour relations, could materially and adversely affect us. Our attrition rate was 11.31%, 13.03%, 7.75% and 14.13% in six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, respectively.***

Our business is led by our founders and depends on the continued contribution of Key Managerial Personnel, Senior Management and skilled engineers in specialised and scarce fields such as autonomy software, embedded systems, robotics, naval architecture, sensor integration and mission electronics. Competition for this nature of expertise is intense, and losing key individuals, or failing to bring in suitable replacements, could damage our operations, development activities and customer relationships.

Responsibility for GENISYS and our product roadmap rests with our Promoters, who lead these functions with support from our operational, research and development and manufacturing teams. Accordingly, our dependence in respect of these functions is principally on the continued involvement of our Promoters, and the loss of their services could adversely affect our technology development and product roadmap. We may need to incur higher personnel costs, including through employee stock-option or other incentive arrangements, to attract and retain talent, and such arrangements can dilute existing shareholders or add to our expense base.

The table below sets forth our employee attrition rate as at / for six month period ended September 30, 2026, Fiscal 2026, Fiscal 2025 and Fiscal 2024:

Particulars	As of / For six month period ended September 30, 2026	As of / For Fiscal 2026	As of / For Fiscal 2025	As of / For Fiscal 2024
Total number of employees	442	330	142	92
Employees resigned	50	43	11	13

Particulars	As of / For six month period ended September 30, 2026	As of / For Fiscal 2026	As of / For Fiscal 2025	As of / For Fiscal 2024
Employee Attrition rate (%)[(1)]	11.31%	13.03%	7.75%	14.13%
Total Number of KMPs	3	4	4	5
Total Number of KMPs resigned	-	1	-	1
KMP Attrition Rate (%)[(2)]	-	25.00%	-	20.00%
Total Number of SMPs	5	5	5	5
SMP Attrition Rate (%)[(3)]	-	-	-	-

Notes:
[(1)] Employee attrition rate has been calculated as the number of employees who resigned during the relevant period / fiscal year divided by the total number of employees as at the end of the relevant period / fiscal year, expressed as a percentage.
[(2)] KMP attrition rate has been calculated as the number of KMPs who resigned during the relevant period / fiscal year divided by the total number of KMPs as at the end of the relevant period / fiscal year, expressed as a percentage.
[(3)] SMP attrition rate has been calculated as the number of SMPs who resigned during the relevant period / fiscal year divided by the total number of SMPs as at the end of the relevant period / fiscal year, expressed as a percentage.

Our total employee base was 92 as at March 31, 2024, 142 as at March 31, 2025 and 330 as at March 31, 2026, and 442 as at September 30, 2026, reflecting rapid headcount expansion as we have scaled from an early-stage technology company into a multi-platform commercial operation. Where the employee base is small and growing rapidly, attrition percentages can be disproportionately influenced by a relatively modest number of individual departures: for instance, the 14.13% attrition rate in Fiscal 2024 reflects 13 resignations from a base of 92 employees, the 13.03% rate in Fiscal 2026 reflects 43 resignations from a base of 330 employees, and the 11.31% rate in six month period ended September 30, 2026, reflects 50 resignations from a base of 442 employees. Accordingly, the attrition percentages set out above may not be representative of our attrition experience as we mature and our workforce stabilises.

Notwithstanding the above, attrition in a highly specialised workforce carries risks that go beyond the headline percentage. The loss of employees with deep institutional knowledge of our proprietary systems, or customer relationships is difficult to mitigate through recruitment alone, given the scarcity of relevant talent in India's deep technology companies, the time required for onboarding, and the confidentiality obligations that limit our ability to replace departing personnel with individuals from competing defence organisations. Similarly, KMP attrition rates of 20.00% and 25.00% in Fiscals 2024 and 2026, respectively, reflect the departure of one KMP in each of those years from a small team, and while those departures did not materially disrupt our operations, there is no assurance that future KMP or senior management departures will be managed as effectively or without operational consequence.

The department-wise breakdown, consistent with "*Our Business – Our employees*" on page 270, and the corresponding category-wise attrition rates are set out below:

Department	Attrition (%) Six months ended September 30, 2026	Attrition (%) Fiscal 2026	Attrition (%) Fiscal 2025	Attrition (%) Fiscal 2024
Operational, research and development and manufacturing	12.04	11.00	9.62	16.22
Human resources and marketing	13.33	37.50	0.00	14.29
Accounts	0.00	28.57	7.69	0.00
Management	0.00	11.11	0.00	0.00
Total	**11.31**	**13.03**	**7.75**	**14.13**

Notes:
Percentages are considering total employees as at end of the respective period.

For further information, see "*Our Business – Our employees*" on page 270.

34. *Certain filings may have inadvertent errors or inaccuracies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will not be subject to any penalty imposed by the competent regulatory authority.*

There have been certain instances of clerical errors in respect of form filing of Form PAS-3 with the RoC. For example, in relation to allotment of 0.01% Series B CCPS dated April 2, 2026 our Company inadvertently included the name of the allottee as "NS Trading and Investments LLP" instead of the correct allottee named "RCC Nutra Fill Private Limited" and in relation to allotment of 0.01% CCPS dated September 9, 2019, our Company inadvertently selected incorrect particulars while filing

the Form PAS-3. Subsequently our Company made the requisite revised filings of Form PAS-3, together with clarificatory letters dated April 14, 2021 and April 7, 2026, to rectify such clerical error respectively. Accordingly, for the purpose of making disclosures in the section titled "*Capital Structure*" of this Updated Draft Red Herring Prospectus – I, we have relied on the aforesaid documents and certificate on share capital build-up dated November 13, 2026, issued by BYG & Associates, Practicing Company Secretaries.

While there have been no regulatory proceedings or actions initiated against us in relation to the aforementioned non-availability of the corporate records and clerical errors in form filing, we cannot assure you that we will not be subject to legal proceedings, regulatory action or penalties imposed by statutory or regulatory authorities in this respect, which may adversely affect our business, financial condition, results of operations and reputation.

35. *All of our contracts are on a fixed-price basis. We bear the risk of increases in costs of components, materials, labour, financing and other inputs over the execution period of a contract, and any cost overrun or estimation error that we are unable to recover from customers could reduce or eliminate our margins.*

All of our contracts are awarded on a fixed-price basis, which means we bear the full risk of input cost increases over the life of a contract and of errors in our original cost estimates. If our actual costs come in above our estimates, or if we cannot pass on cost increases to customers, our margins on those contracts will shrink, and in the worst case we could incur losses.

Fixed-price contracts require us to forecast, at the time of signing, the full cost of performing work that may span multiple years. Those forecasts cover components sourced from overseas (which are also subject to foreign-exchange and customs-duty risk), specialised sensors and sub-systems, labour, testing and financing costs. Inflation, supply disruptions, design changes, technical difficulties, delays in customer-furnished inputs or approvals, and other factors can all cause our estimates to miss, and our contracts often contain limited or no price-escalation provisions. 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.

There have been no instances of material cost overruns or losses on fixed-price contracts during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

36. *We operate in the highly regulated Indian defence and strategic-technology sector, and our business is subject to extensive regulation, licensing, procurement and compliance requirements. Any adverse change in the regulatory or policy environment could materially affect our business.*

Our operations are subject to regulation by multiple government departments and agencies. We are required to hold and maintain various approvals, licences, registrations and certifications, including our industrial licence under the Industries (Development and Regulation) Act, 1951 for the manufacture of certain defence items and quality and testing certifications, and environmental and safety clearances. The key laws and regulations applicable to our business include, among others: (a) the Industries (Development and Regulation) Act, 1951, which requires us to hold an industrial licence for defence items manufacturing and comply with conditions relating to changes in management, ownership and foreign holding, as applicable; (b) the Bharatiya Vayuyan Adhiniyam, 2024 and (c) the Drone Rules, 2021, which regulates the manufacture, possession, use and operation of aircraft, including unmanned aerial vehicles; (c) the foreign direct investment framework under FEMA and the Consolidated FDI Policy, including Press Note No. 3 (2020 Series), Press Note. No. 2 (2026 Series) as amended, under which foreign direct investment may require certain government approvals. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 484; (d) environmental legislations (e) the four labour codes notified by the Government of India, namely the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020, the Code on Wages, 2019 and the Code on Social Security, 2020, together with the Central Rules notified on May 8, 2026; and (f) the Income-tax Act, 2025 and Income-tax Rules, 2026, which have replaced the Income-tax Act, 1961 with effect from April 1, 2026. The defence procurement process in India is governed by detailed procedural frameworks, including the Defence Acquisition Procedure, the iDEX framework and positive-indigenisation lists. Any change in defence procurement policy, including modifications to the positive-indigenisation lists, the IDDM criteria, foreign-investment thresholds or licensing requirements, could affect our eligibility for existing or future contracts, our ability to operate in our current form, and the competitive dynamics of our industry. While there have been no instances of penalties, disqualification from contracts, suspension or revocation of licences or other adverse regulatory action against our Company on account of non-compliance with applicable laws, regulations or procurement requirements in the Indian defence and strategic-technology sector during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future. Non-compliance with applicable laws, regulations or procurement requirements could result in penalties, disqualification from contracts, suspension of licences and reputational harm, any of which could materially and adversely affect our business, results of operations and financial condition. For further details, see "*Key Regulations and Policies*" on page 275.

37. *We are exposed to indebtedness risks. Our total borrowings and lease liabilities were ₹1,985.06 million, ₹824.20 million, ₹469.60 million and ₹728.19 million as at September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024, respectively, and our inability to service or refinance such indebtedness could adversely affect our financial condition.*

Our operations and growth are partly funded through borrowings from banks and financial institutions, including working-capital facilities, term loans and other credit arrangements. As at September 30, 2026, our total borrowings were ₹1,704.63 million (comprising ₹73.33 million of non-current borrowings measured at amortised cost, and ₹1,631.30 million of current borrowings at amortised cost), and our total lease liabilities were ₹280.43 million, giving an aggregate of ₹1,985.06 million. Some of our working-capital facilities are repayable on demand. Certain borrowings are secured against current assets and some are guaranteed by our Directors, Key Managerial Personnel and their relatives. Our ability to service these obligations depends on our future financial performance, which is subject to economic conditions, business risks and other factors we cannot control.

The table below sets forth our indebtedness as at the dates indicated:

Particulars	As at September 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Borrowings				
- Non-current borrowings (A) (₹ million)	73.33	195.63	156.50	604.10
- Current borrowings (B) (₹ million)	1,631.30	350.57	127.79	117.99
Total borrowings (C=A+B) (₹ million)	**1,704.63**	**546.20**	**284.29**	**722.09**
Lease liabilities				
- Non-current lease liabilities (D) (₹ million)	257.04	254.58	166.39	4.04
- Current lease liabilities (E) (₹ million)	23.39	23.42	18.92	2.06
Total lease liabilities (F=D+E) (₹ million)	**280.43**	**278.00**	**185.31**	**6.10**
Total debt to equity ratio[(1)]	0.30	0.18	0.18	(50.67)

Note:

(1) Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current and Current borrowings and non-current and current lease liabilities.

(2) The Total Debt to Equity ratio for Fiscal 2024 is negative because Total Equity as at March 31, 2024 was negative on account of accumulated losses, principally driven by non-cash notional interest under Ind AS 109 on CCPS, CCD and OCRPS that were classified as financial liabilities at fair value through profit or loss.

Our financing arrangements typically include conditions that require us to obtain the lenders' consent prior to undertaking certain corporate actions, including undertaking new projects or acquisitions affecting working capital, entering long-term contractual obligations, changes to shareholding of our Promoters or capital structure or making changes to the management or control of the Company. As of the date of this Updated Draft Red Herring Prospectus - I, we have received the requisite consent from our lender in connection with the Offer.

Our financing arrangements may impose conditions, covenants and restrictions on our ability to take certain actions, including changes to our management, capital structure or business. A default or covenant breach could lead to acceleration of debt, forced asset sales or other serious consequences. An increase in interest rates or any deterioration in our credit profile could raise our financing costs and make it harder to raise debt on commercial terms. If we cannot access adequate financing, or if we breach our financial obligations, our business, results, cash flows and financial condition could be materially harmed.

There have been no instances of default in the payment of any of our borrowings, bank guarantees or lease obligations during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future. For further information, see "*Financial Indebtedness*" on page 394.

38. *Given the sensitive and strategic nature of the sector in which we operate, certain contracts entered into by our Company with the Government of India and its agencies contain confidentiality obligations, that restricts us from disclosing certain sensitive information to third parties.*

We are engaged in designing, developing, manufacturing, and supporting multi-domain unmanned platforms across the maritime surface, maritime sub-surface, aerial, and land domains. Our platforms *inter-alia* operate across, intelligence, surveillance, and reconnaissance operations, maritime patrol, mine-countermeasure operations, anti-submarine and sub-surface operations, logistics and payload delivery, and coordinated multi-platform swarm operations. For further details please see, "*Our Business - Description of our Business*" at page 253.

In light of the strategic sensitivity of the sector in which we operate and the nature of the contracts we execute, certain contracts executed by our Company with the Government of India and its agencies (including the Ministry of Defence, its constituents and associated defence public sector undertakings and research establishments) contains classified technical parameters, mission-critical operational specifications, platform-integration architectures, and strategic deployment details. While material rights and obligations under the terms of such contracts and the applicable laws have been factored for the purposes of the disclosures in this Updated Draft Red Herring Prospectus - I, such contracts restrict us 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. Accordingly, the basis on which you may form a view of our business, financial condition, and prospects is subject to these limitations.

39. *We have entered into related-party transactions with our related parties, and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*

We have entered into, and expect to continue entering into, transactions with related parties in the ordinary course of business and at arm's length, as permitted under the Companies Act, 2013. Our related-party transactions include dealings with Sagar Ship Repairs and Marine Services, an entity over which our key management personnel exercise significant influence, and with other relatives of Directors, and rent expenses paid to Ramkamalprasad Tribhuwan Singh in connection with the usage of the manufacturing facilities located at Chakan, Pune.

The tables below set out our related-party transaction amounts and the corresponding percentages of the financial base identified for each category. Further details are disclosed in "*Restated Financial Information – Note 43*" on page 378.

Income and expense-related transactions

Transaction	Financial base	Six months period ended September 30, 2026		Fiscal 2026		Fiscal 2025		Fiscal 2024	
		Amount (₹ million)	%	Amount (₹ million)	%	Amount (₹ million)	%	Amount (₹ million)	%
Revenue from contracts with customers	Revenue from operations	–	–	0.62	0.02	–	–	–	–
Rent	Total expenses	10.91	1.08	20.79	1.34	11.17	1.52	2.60	0.54
Purchases	Total expenses	–	–	–	–	2.14	0.29	3.75	0.77
Labour charges	Total expenses	–	–	2.68	0.17	–	–	5.07	1.05
Managerial remuneration	Total expenses	22.79	2.26	13.75	0.89	9.78	1.33	11.13	2.30
Sitting fees	Total expenses	1.80	0.18	–	–	–	–	–	–
Interest expense	Total expenses	–	–	–	–	–	–	0.01	<0.01
Short-term borrowings written back	Other income	–	–	–	–	0.04	0.01	–	–

Notes:
(1) Percentages = transaction amount ÷ the stated financial base × 100. They indicate relative transaction size and are not a reconciliation to profit or loss.
(2) For the six months period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, respectively, revenue from operations was ₹2,222.41 million, ₹2,545.88 million, ₹1,038.77 million and ₹395.01 million; total expenses were ₹1,008.96 million, ₹1,546.27 million, ₹733.69 million and ₹484.66 million. Other income in Fiscal 2025 was ₹151.32 million.
(3) Total related-party rent includes amounts relating to Ramkamalprasad Tribhuwan Singh of ₹10.91 million, ₹20.79 million, ₹9.58 million and nil for the six months period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, respectively. Managerial remuneration comprises short-term employee benefits and excludes gratuity and employee share-based compensation not allocated to individual KMPs.
(4) "–" indicates no amount disclosed for that period.
(5) non-zero percentages below 0.01% are shown as "<0.01".

Capital and financing transactions

Transaction	Financial base	Six months period ended September 30, 2026		Fiscal 2026		Fiscal 2025		Fiscal 2024	
		Amount (₹ million)	%	Amount (₹ million)	%	Amount (₹ million)	%	Amount (₹ million)	%
Loans repaid	Total assets	–	–	–	–	27.30	0.78	4.85	0.64
Deposit given	Total assets	–	–	–	–	11.29	0.32	–	–
Deposit repaid	Total assets	–	–	–	–	1.99	0.06	–	–
Purchase of equity shares	Total assets	0.10	<0.01	–	–	–	–	–	–
MRO business acquisition consideration	Total assets	750.00	7.49	–	–	–	–	–	–
Conversion of Series B1 CCPS to equity shares	Total equity	7.42	0.11	–	–	–	–	–	–
Issue/allotment of Series B1 CCPS to KMPs	Total equity	–	–	7.42	0.16	–	–	–	–

Notes:
(1) Percentages are calculated by dividing the transaction amount by total assets or total equity, as specified in the table, as at the corresponding reporting date. Total assets as at September 30, 2026 and as at March 31, 2026, 2025 and 2024 were ₹10,008.94 million, ₹6,195.55 million, ₹3,516.03 million and ₹762.25 million, respectively. Total equity as at September 30, 2026 and March 31, 2026 was ₹6,518.04 million and ₹4,514.42 million, respectively.
(2) These percentages indicate transaction size relative to the stated balance-sheet base; they are not revenue or expense percentages. Percentages calculated using different financial bases should not be added together.
(3) "–" indicates no amount disclosed for that period.

While our related-party transactions have been conducted on an arm's-length basis and in compliance with the Companies Act, 2013 and other applicable laws, we cannot assure you that we could not have achieved more favourable terms on the open market. All related-party transactions will continue to be subject to audit committee, board or shareholder approvals as required under the Companies Act, 2013 and the SEBI Listing Regulations, but we cannot assure you that those transactions will perform as expected or that more favourable terms with unrelated parties would not have been available. For further information, see "*Summary of Related Party Transactions*" and "*Restated Financial Information – Note 43*" on pages 70 and 378, respectively.

40. *Our autonomous systems and our information-technology systems are subject to cybersecurity threats, including hacking, spoofing, jamming and GPS-denial, and any breach or failure could result in operational failures, liability, loss of sensitive or classified data and reputational harm.*

Our products rely on software, networked communications, navigation, positioning and data systems and are potentially vulnerable to cyberattacks, hacking, spoofing, signal jamming, GPS-denial, malware and unauthorised access. Any such incident could cause a platform to malfunction, lose control or fail on a mission. We also collect, process and store sensitive and proprietary data, and a breach of our systems could expose that data, attract regulatory action, result in liability and cause lasting damage to our reputation.

The autonomous and networked nature of our platforms expands the potential attack surface, including through firmware, communication links, third-party and supply chain components, and the systems of our customers and partners. A successful cyberattack could have serious safety, operational and financial consequences, and could trigger regulatory action under requirements administered by CERT-In and applicable data protection law. Our insurance may not cover all losses arising from a cybersecurity incident. We do not maintain a separate cyber risk insurance policy.

There have been no instances of material cybersecurity incidents, breaches or data losses affecting our products or systems during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

41. *Our business depends on sustained research and development, and any inability to develop, enhance and commercialise our technologies and products in a timely and cost-effective manner could materially and adversely affect our business and growth prospects.*

Research and development, including designing and developing our technologies, is central to our business model. We develop technologies in-house across hardware, embedded systems, algorithms, software, electronics and autonomy engineering, and our platforms depend on the continued development and enhancement of GENISYS, our proprietary autonomous mission-control, navigation and command-and-control architecture.

The details of our patents registered on account of our R&D initiatives as at September 30, 2026, Fiscal 2026, 2025 and 2024 are as follows:

Number of patents registered	For six months period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
	13	12	10	2

Maintaining our competitiveness requires sustained expenditure, specialised engineers, testing infrastructure and successful adaptation to changing mission requirements, customer specifications and technologies. Development and qualification may take extended periods and require repeated prototypes, trials and validation before any commercial order is received.

Our research and development efforts may not achieve their technical objectives, obtain customer qualification or translate into commercially viable products or sufficient orders to recover our investment. Competitors may introduce more effective technologies before we commercialise our developments. Funding constraints, loss of specialised personnel, unsuccessful trials or delays in integrating new capabilities could disrupt our product roadmap and reduce our ability to secure orders.

Any such failure or delay could result in loss of orders, delayed revenue generation, additional development expenditure and impairment or write-off of capitalised development costs. It could also weaken our competitive position and our ability to recover our R&D investment, adversely affecting our business, growth prospects, results of operations, financial condition and cash flows.

The table below sets forth our revenue from operations, intangible assets under development and details of our manufacturing facilities as at / for the six months ended September 30, 2026 and as at / Fiscals 2026, 2025 and 2024:

Particulars	As at/For the six months ended September 30, 2026	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Revenue from Operations (in ₹ million)	2,222.41	2,545.88	1,038.77	395.01
Intangible assets under development (₹ in million)	391.80	321.51	77.36	4.04

Particulars	As at/For the six months ended September 30, 2026	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Manufacturing facilities	Plant I and Plant II	Plant I and Plant II	Plant I and Plant II	Plant I
Built-up area of the manufacturing facilities	Plant I – approximately 33,217.43 sq. ft Plant II - approximately 184,750.86 sq. ft	Plant I – approximately 33,217.43 sq. ft Plant II - approximately 184,750.86 sq. ft	Plant I – approximately 33,217.43 sq. ft Plant II - approximately 184,750.86 sq. ft	Plant I – approximately 33,217.43 sq. ft

Delayed or unsuccessful commercialisation may lead to impairment or write-off of capitalised development expenditure and adversely affect our profitability, financial condition and cash flows. Also see "*– We propose to utilize up to ₹1,700.00 million from the Net Proceeds towards investment in R&D. Our R&D activities involve long development cycles and technical uncertainty, and there is no assurance that this investment will result in commercially successful products or generate adequate returns.*" on page 34.

42. *Technology failures in our information technology systems could disrupt our operations, compromise sensitive information 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. 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, the impact of any future incident cannot be predicted.

The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, and 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 systems. However, 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 jeopardise the security of information stored in our systems. Breaches of our IT security measures could result in unauthorised 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, the 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 the price of our Equity Shares. While we have not experienced any instances of material IT security breaches in six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024, we cannot assure you that such instances will not arise in the future. For further information, see "*Our Business – Information Technology*" on page 271.

43. *A significant part of our anticipated opportunity depends on the development of commercial and dual-use markets including hydrography, inland-waterway survey, port and harbour monitoring and offshore applications and on service-led revenue models that are nascent and may not develop as we expect.*

We are looking to grow by moving into commercial and dual-use markets and service-led revenue models, including survey-as-a-service, data-as-a-service, port and harbour monitoring, inland-waterway and riverine survey, offshore monitoring and MRO. We have identified a number of focus areas aligned with the Technology Perspective Capability Roadmap, 2025 ("**TPCR 2025**"), but our interpretation of that roadmap does not guarantee that corresponding procurements will materialise. These markets and models are at an early stage, and their development depends on customer adoption, policy and budgetary support, customers' willingness to pay for services rather than buy platforms outright, our obtaining the necessary operating permissions, and our ability to build and run a service-delivery operation profitably.

Operating autonomous systems commercially requires permissions, standard operating procedures and coordination with port, maritime, traffic-management and other authorities, and the regulatory environment for these activities is still developing. We will also compete with established providers in survey, hydrography, inspection and services. If these markets do not grow as we anticipate, if customers do not adopt what we offer, or if we cannot make these opportunities profitable, our growth prospects could be materially harmed.

44. *Some of our platforms are at an early stage of development, prototype, trial or evaluation, and may not achieve series production or commercialisation as expected. Our business model is such that, at any given time, a proportion of our portfolio will be under development alongside platforms in series production.*

We work across the maritime surface, sub-surface, aerial and land domains, and our portfolio spans the full development spectrum, from early-stage design and prototyping through to series production. Developing autonomous systems is technically demanding, capital-intensive and subject to long qualification timelines. Not every platform under development will reach series production or generate material revenue, and a significant failure or delay in the development or qualification of an important platform could mean loss of orders, write-downs of development costs or inventory, and reputational damage.

Each stage of the development cycle carries technical, operational, funding and approval risks, and a platform may stall at any point. Our products may also struggle to keep pace with the rate at which technology and customer requirements evolve.

As at the date of this Updated Draft Red Herring Prospectus - I, the following platform in our product portfolio was at the under-development stage. For a complete list of our products and their respective development stages, see "*Our Business – Description of Our Business – Our products and solutions*" on page 253.

Product	Domain	Description	Stage
MCMV	Maritime surface	Unmanned surface vessel for mine-countermeasure operations, surveillance, reconnaissance and maritime security	Under development

There have been no instances of failure of our products to complete user trials or qualification that resulted in a material write-down or loss of orders during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024.There can be no assurance that such instances will not arise in the future.

45. ***As of the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding legal proceedings by or against our Company, our Subsidiary, our Promoters, our Directors, our Key Managerial Personnel or our Senior Management, however, there can be no assurance that legal or regulatory proceedings will not be initiated against us in the future. If any proceedings arise and result in an adverse ruling or in penalties being levied, we may need to make payments or increase our provisions, which could add to our expenses and liabilities and damage our reputation.***

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding legal proceedings by or against our Company, our Subsidiary, our Promoters, our Directors, our Key Managerial Personnel or our Senior Management in any of the categories required to be disclosed under the SEBI ICDR Regulations. For details, see, "*Outstanding Litigation and Material Developments*" on page 431. While our Company currently has no pending litigations, there can be no assurance that legal or regulatory proceedings will not be initiated against us in the future. If any proceedings arise and result in an adverse ruling or in penalties being levied, we may need to make payments or increase our provisions, which could add to our expenses and liabilities and damage our reputation.

We cannot assure you that any outstanding litigation matters which arise in the future will be settled in our favour, or that no additional liability will arise out of such proceedings we may face in the future.

46. ***Any restrictions under foreign direct investment policy or delay in receiving approvals could adversely affect our business, operations and financial conditions***

We have obtained an industrial license under the provisions of the Industries (Development and Regulation) Act, 1951 from the Central Government. Under the conditions stipulated under such license, we are required to intimate the DPIIT regarding foreign holding and seek clearance from the Ministry of Home Affairs for addition of any foreign partners. Under applicable law, foreign direct investment up to 49% is allowed in our Company under the automatic route (subject to subsequent post-facto declaration to be made to the Ministry of Defence regarding change in our shareholding pattern). Foreign direct investment of over 49% shall require prior approval of the DPIIT.

The approval process may be time consuming and can cause delay in prospective capital raising processes. While we have no foreign investment in our Company as on date of this Updated Draft Red Herring Prospectus - I, a delay or denial of such approval could have an adverse impact on our business, operations and financial condition. 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 FDI policy impacting our industry would also restrict our foreign investment opportunities thereby creating an adverse impact on our business, operations and financial conditions.

47. ***Our strategies include developing new revenue streams including the potential licensing of GENISYS as an autonomous operating system and an expanded MRO and lifecycle-services portfolio that are unproven for us, currently generate no or limited revenue, and may not develop as we expect.***

We are working to develop software-led and services-led revenue streams, including the potential licensing of GENISYS to third parties for vessels and vehicles we do not manufacture (including naval and coast-guard vessels, offshore platforms and commercial shipping assets), and the expansion of our MRO and lifecycle-support services with a view to building recurring, annuity-style revenue. These models are new territory for us. Their success depends, among other things, on customers being willing to adopt third-party autonomy software on their existing assets, on certification and integration feasibility, on protecting our intellectual property in licensed deployments, on growing our installed base, on our ability to price and deliver services profitably, and on applicable regulatory and security requirements. We cannot assure investors that these streams will materialise, that they will be profitable, or that they will deliver the recurring characteristics we are aiming for, and the investment we are making in developing them may not generate the expected returns. For details, please see "*Our Business – Our Strategies – Expand multi-domain and cross-domain system capabilities and grow strategic and commercial system sales through dual-use technology, long-endurance vessels and retrofit-led opportunities*" on page 250.

48. *Our capital commitments were ₹ 366.66 million, ₹63.37 million, ₹224.22 million and ₹15.00 million as at September 30, 2026, and March 31, 2026, 2025 and 2024, respectively. If these commitments require funding in excess of our available resources, our financial condition could be adversely affected.*

As at March 31, 2026, our estimated capital commitments remaining to be executed on capital account and not yet provided for in the financial statements were ₹63.37 million, as compared to ₹224.22 million as at March 31, 2025 and ₹15.00 million as at March 31, 2024. These capital commitments were ₹366.66 million as at September 30, 2026. These commitments relate to contracts for acquisition of property, plant and equipment and other capital assets. If these commitments require funding in excess of our available resources, or if additional contingent liabilities arise in the future, whether from contractual obligations, regulatory proceedings, tax demands, litigation or other sources, our liquidity, financial condition and results of operations could be adversely affected. For details, see "*Restated Financial Information – Note 38*" on page 371.

49. *The Production Linked Incentive scheme under which we received government incentives has expired, and this source of operating revenue is no longer available to us.*

We received government incentives under the Production Linked Incentive scheme during Fiscals 2026, 2025 and 2024. The table below sets for the details of the incentives received under the scheme along with the percentage of revenue from operations:

Particulars	Six month period ended September 30, 2026		Fiscal 2026*		Fiscal 2025		Fiscal 2024	
	Amount (in ₹million)	Percentage of revenue from operations (%)	Amount (in ₹million)	Percentage of revenue from operations (%)	Amount (in ₹million)	Percentage of revenue from operations (%)	Amount (in ₹million)	Percentage of revenue from operations (%)
Government incentives under the Production Linked Incentive scheme	-	-	0.00	0.00	32.53	3.13	9.58	2.43

* *amounts less than ₹5,000 in Fiscal 2026*

The relevant PLI scheme expired in Fiscal 2025 and, accordingly, our Company does not expect any further incentives under this scheme. Any receipt in Fiscal 2026 related solely to claims pertaining to Fiscal 2025 that remained pending for receipt. The expiry of this scheme means that this source of operating revenue is no longer available to us, and there can be no assurance that any comparable government incentive programme will be introduced or, if introduced, that our Company will qualify for or benefit from it. While the incentives represented a declining proportion of revenue as the business scaled, their absence reduces total revenue from operations to the extent not offset by growth in product and service revenue.

50. *Our proposed expansion into international markets is subject to export approvals, geopolitical, certification and other risks.*

We intend to pursue opportunities in international markets. Doing so carries risks that are distinct from those in our domestic business, including the need to obtain export licences and clearances under applicable export-control regimes, end-use and end-user undertakings and certificates, exposure to geopolitical and diplomatic developments, foreign regulatory and certification requirements, the need for local partners and references, and the absence of an established international track record on our part and our limited experience in marketing, selling and delivering our products outside India , and our lack of a proven track record of export sales. The table below sets forth our revenue from operations outside India during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations outside India (₹ million)[(1)]	18.20	13.70	-	-
Revenue from operations (₹ million)	2,222.41	2,545.88	1,038.77	395.01
Revenue from operations outside India as a percentage of revenue from operations (%)	0.82	0.54	-	-

Note:

(1) Revenue from operations outside India in Fiscal 2026 was attributable to services income and not to sales of goods.

For details, please see *"Our Business – Our Strategies – Expand our international footprint and export franchise"* on page 251.

There have been no instances of denial, suspension or revocation of export approvals affecting our business during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

51. ***If we do not continue to invest in new technologies and equipment, our manufacturing capabilities may become obsolete and our production costs may increase relative to our competitors, which could have an adverse impact on our business, results of operations, financial condition and cash flows.***

Our manufacturing processes depend on specialised equipment, including CNC and 5-axis machining centres, additive manufacturing systems, printed-circuit-board assembly lines, electronic testing and validation equipment, and software-integration infrastructure. This equipment is subject to wear, technological evolution and potential early obsolescence. The defence-technology sector in which we operate is characterised by rapid advances in manufacturing techniques, materials, electronics fabrication, AI-enabled production systems and automation. If we fail to invest in the upgrade, modernisation and replacement of our manufacturing equipment in a timely manner, or if our equipment becomes obsolete faster than anticipated, our production capabilities, product quality, cost competitiveness and operational efficiency could be adversely affected. Any delay or shortfall in equipping these facilities with current-generation manufacturing technology could impair our ability to meet customer delivery schedules and quality requirements, which may have a material adverse impact on our business, results of operations, financial condition and cash flows.

52. ***Our government customers may require us to manufacture and supply products at short notice and before formal contractual arrangements are in place, and we may have limited ability to refuse, renegotiate or align such obligations on commercially favourable terms.***

We may from time to time receive requests from the Government of India to manufacture and supply products at short notice. In such circumstances, we may have limited or no ability to decline those requests, negotiate the terms of supply, or schedule production in a manner that is commercially optimal for us. Compliance with such requests may divert manufacturing capacity, disrupt planned production schedules and result in us incurring costs that are not adequately recovered under the applicable supply terms. There have been no instances during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024 where our Company was required to manufacture and supply products at short notice or commence supply prior to the execution of formal contractual arrangements with government customers, which resulted in a material adverse impact on our margins, working capital position or results of operations. There can be no assurance that such instances will not arise in the future.

In addition, we may in certain circumstances be required to commence manufacturing, procure materials or initiate supply activities before definitive written agreements or other formal contractual arrangements have been entered into with the relevant government agency. Where production or supply has commenced prior to execution of a formal contract, we may have reduced negotiating leverage in respect of pricing, delivery timelines, acceptance criteria and other commercial terms, and the resulting agreement may not reflect terms that are favourable to us. There can be no assurance that costs incurred prior to contractualisation will be fully recoverable, or that the terms ultimately agreed will adequately compensate us for the obligations undertaken. Any of these factors could adversely affect our margins, working capital position and results of operations.

53. ***Our business involves managing classified and sensitive government information and may require security clearances and facility, personnel and information-security accreditations. Any security breach, or failure to obtain or maintain required clearances, could disqualify us from contracts, result in penalties and reputational harm, and materially and adversely affect our business.***

A significant number of the platforms we design, develop and manufacture involve managing and protecting information related to intelligence, national security and other classified government functions. Some programmes we pursue may require security clearances and facility, personnel and information-security accreditations, and compliance with obligations around classified or sensitive information. While we have programmes and measures 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 critical classified programmes. If we fail to obtain or maintain required clearances or accreditations, or if we or our personnel commit an actual or alleged breach of security or classified-information obligations, we could be disqualified from current or future contracts, face penalties and litigation, and suffer reputational damage.

We may experience cybersecurity threats, threats to our information technology infrastructure and attempts to gain access to our Company's sensitive information. We have implemented security measures including anti-virus software, firewalls and intrusion prevention systems to protect our systems and infrastructure. The threats we face may vary from attacks common to most industries to more advanced and persistent, highly organised adversaries who may 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, 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. The 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, our future financial results, our reputation or the price of our Equity Shares.

There have been no instances of breach of security or classified-information obligations, loss of any security clearance or accreditation, or material cybersecurity incidents during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

54. ***We may face labour disruptions, employee misconduct or contract labour-related risks that could adversely affect our business, prospects, results of operations, cash flows and financial condition.***

Labour disruptions, including strikes, wage disputes or conflicts with staff, as well as instances of employee misconduct, can arise in any business. Any unrest directed at us or our management could disrupt daily operations, increase wage obligations and, if unresolved, lead to operational stoppages. We did not experience any labour disruptions, disputes or misconduct that had a material adverse effect during Fiscals 2024 to six month period ended September 30, 2026, and as at the date of this Updated Draft Red Herring Prospectus - I, we do not have a labour union. Should our employees choose to unionise in the future, managing workforce flexibility could become more difficult and could lead to higher labour costs or lower productivity.

Employee misconduct, including unauthorised transactions, misuse or disclosure of confidential information, sexual harassment or other offences can trigger regulatory penalties and cause reputational or financial damage. These risks are heightened by the sensitive and classified nature of our proprietary technology, trade secrets and operational data. Corporate espionage, unauthorised disclosure of confidential or classified information, or theft of intellectual property by current or former employees, consultants or contractors could compromise our competitive position, damage customer relationships, result in regulatory action and, where sensitive technology or operations are involved, have national security implications. In particular, a security breach involving classified government systems or sensitive defence-related data to which we have access could attract regulatory investigation, result in the suspension or revocation of our security clearances, damage our relationships with government customers and have serious national security consequences, any of which could materially and adversely affect our business and operations.

We also engage contract labour through independent contractors for certain ancillary and non-core functions. As at the date of this Updated Draft Red Herring Prospectus - I, we engage fewer than 20 contract labourers and are accordingly not required to obtain registration under the Contract Labour (Regulation and Abolition) Act, 1970.] Although contract labourers are not employed by us directly, we remain liable for any wage payments that contractors fail to make. Any upward revision to applicable minimum wages, an increase in our contract labour headcount triggering registration and compliance obligations, or a judicial direction to absorb contract workers as direct employees could adversely affect our operations and financial results.

55. ***We may be unable to detect, deter and prevent all instances of fraud, negligence or other misconduct committed by our employees, customers or other third parties, and if we are unable to establish and maintain effective internal controls and a compliance system, our business, results of operations, financial condition and reputation could be adversely affected.***

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 the Government of India, 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, including 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 and CCTV cameras, and biometric access controls to ensure secure entry. 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, and we may not be able to identify non-compliance or suspicious transactions in a timely manner or at all.

We are also responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of our operations. Our internal audit functions evaluate the adequacy and effectiveness of internal systems on an ongoing basis. We periodically test and update our internal processes and systems and take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems. 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.

While we have not experienced any instances of material fraud, misconduct or failure to maintain effective internal controls and compliance systems during the six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, we cannot assure you that such instances will not take place in the future. 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, financial condition and reputation.

56. ***We handle hazardous materials in our manufacturing and testing operations, and any failure to comply with environmental, health and safety laws, or any accident, could result in liability, penalties and reputational harm.***

Our operations involve the manufacture, integration, storage, handling and testing of systems and materials, some of which are subject to stringent environmental, health and safety laws and regulations. An accident, fire, spillage, contamination, injury or regulatory breach could result in liability, penalties, suspension of operations, remediation costs, litigation and reputational damage. Our insurance may not cover all such losses.

Our facilities are subject to periodic inspections and to environmental and safety standards that continue to evolve, which may require additional capital expenditure or changes to how we operate. Enforcement action for non-compliance could mean suspension or revocation of relevant approvals, closure of affected facilities, or significant remediation and compensation costs.

There have been no instances of material accidents, environmental incidents or non-compliance with health and safety laws during the six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

57. *Our manufacturing, integration and testing operations depend on an uninterrupted supply of power and fuel, and any disruption to these could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.*

Our manufacturing, integration and testing operations at our facilities in Chakan, Pune, Maharashtra require a continuous and reliable supply of electricity and, to a lesser extent, fuel for backup power generation, logistics and testing operations. Any disruption to power supply, whether from grid failures, load-shedding, voltage fluctuations, natural events or utility infrastructure failures, could cause production stoppages, equipment damage, testing delays and data loss, and could increase our operating costs through reliance on backup power arrangements including diesel generators and uninterruptible power supplies. There have been no instances of material disruption to the supply of power or fuel at our manufacturing, integration and testing facilities that resulted in a material adverse impact on our business, financial condition, cash flows or results of operations during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future. Our proposed Autonomous Maritime Shipyard and Systems Development Centre in Andhra Pradesh will similarly depend on reliable power and water supply, and the arrangements for permanent power and water connections for that facility have not yet been finalised. Any sustained disruption to power or fuel sources, or any significant increase in energy or fuel costs, could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.

58. *We depend on third-party logistics and transportation providers for the delivery of raw materials and finished platforms, and any disruption, damage or increase in costs could adversely affect our business, financial condition and results of operations.*

We do not own vehicles for the transportation of raw materials or finished platforms and rely on third-party logistics and transportation service providers for these purposes. Depending on the terms agreed with each customer, deliveries are made on either an ex-factory or a cost, insurance and freight basis, and accordingly we may bear freight and logistics costs directly in respect of certain customer orders as well as in respect of inbound raw material movements. We do not have long-term or short-term contractual arrangements with our transportation providers or any third-party logistics providers, and there can be no assurance that their services will remain available, reliable or competitively priced. Any disruption to transportation and logistics whether caused by carrier capacity constraints, fuel price increases, labour disputes, accidents, or other factors outside our control could impair our ability to procure materials or deliver platforms on time, expose us to liquidated damages under customer contracts and adversely affect our results of operations.

We are also exposed to the risk of theft, loss, damage or destruction of our products or materials in transit. While there have been no material instances of such loss during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, there can be no assurance that such incidents will not occur in the future, and any such occurrence could result in liability claims for which we may not be adequately insured.

Our transportation expenses for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024 are set out below:

Particulars (₹ million unless stated)	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Transportation expenses	5.26	6.35	2.79	4.72
As a percentage of total expenses (%)	0.52	0.41	0.38	0.97
As a percentage of revenue from operations (%)	0.24	0.25	0.27	1.19

Although transportation expenses have represented a modest proportion of our total expenses and revenue from operations in recent periods, any material increase in freight costs, withdrawal of credit terms by logistics providers, or failure to deliver on time could adversely affect our margins, customer relationships and results of operations.

59. *Our financial results depend in part on estimates and judgments relating to long-term and milestone-based contracts with extended gestation periods, and any errors or changes in such estimates could affect our reported revenue, profitability and financial condition.*

Many of our contracts, particularly those with defence and government customers, involve long execution periods, multiple deliverables, milestones, acceptance criteria, modifications, warranties and potential claims. Our business model is characterised by a long gestation period: from the receipt of purchase orders to the manufacture, integration, testing and delivery of the final product typically spans several months to over a year depending on product complexity, and post-production acceptance testing, certification and customer payment can extend timelines further. Under our accounting policies, revenue from sale of products is recognised in accordance with Ind AS 115 upon transfer of control of goods or services to customers, which may be at a point in time (upon delivery and acceptance for standard product sales) or over time using the percentage of completion method based on costs incurred (for long-term defence contracts). Advances received are treated as contract liabilities until performance obligations are fulfilled. Managing these contracts requires management to make judgment calls on revenue recognition, cost estimation, provisioning, contract assets and liabilities, and expected losses.

Those judgments are inherently uncertain. They can be thrown off by scope changes, technical difficulties, customer instructions, cost escalations, disputed claims, variations or warranty experience. If our estimates turn out to be wrong, or if customers delay acceptance or dispute the achievement of milestones, our reported revenue, margins, earnings and net worth for a given period could be adversely affected, and we may need to recognise provisions, reversals or losses. The extended gestation period inherent in our business model also means that we are required to invest in raw materials, production and other operational expenses well before corresponding revenue inflows, which can strain our working capital requirements, increase our reliance on external financing and affect our profitability. Any disruptions or delays in the payment process, whether due to customer-related issues, government budget cycles or external factors, can exacerbate these challenges.

60. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval. Further, our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds.*

We propose to use the Net Proceeds towards (a) funding of capital expenditure for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District in Andhra Pradesh; (b) funding purchase of new machinery for our facilities in Chakan, Pune, Maharashtra ; (c) investment in research and product development; and (d) inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes. At this stage, we cannot be certain that the Net Proceeds will be sufficient to meet all expenditure, or that we will not face unforeseen demands arising from competitive, business or economic conditions. Under Sections 13(8) and 27 of the Companies Act, 2013, any change to the stated use of the Net Proceeds requires a shareholders' special resolution. If circumstances require us to vary our use of the Net Proceeds, we may not be able to convene a general meeting or obtain that approval in time, which could adversely affect our operations.

If the use of the Net Proceeds is varied, our Promoters would be required to offer dissenting shareholders an exit at a price and on terms prescribed by SEBI. That obligation may in practice discourage our Promoters from agreeing to any variation, even where the change would be in the Company's interests.

Our Promoters may not always have sufficient resources to fund that exit opportunity at the price SEBI prescribes, which could mean that we are effectively locked in to the original use of the Net Proceeds even if circumstances change. That rigidity may limit our ability to respond to shifts in our business or financial position and could adversely affect our operations and results.

Our planned use of the Net Proceeds is based on current management estimates and prevailing market conditions and has not been independently appraised by any bank, financial institution or other agency. Without such an appraisal, our funding requirements could turn out to be higher or lower than expected, in part due to factors such as interest or exchange rate movements that are outside our control. The deployment of the Net Proceeds will be decided by our Board, subject to applicable law and regulations, and will be monitored by the Monitoring Agency. Investors will therefore need to rely on our management's judgment about how the Net Proceeds are used. For details, see "*Objects of the Offer*" on page 117.

61. *Industry information included in this Updated Draft Red Herring Prospectus - I has been derived from the CAREEdge Report, and any reliance on information from the CAREEdge Report for making an investment decision in the Offer is subject to inherent risks.*

Certain sections of this Updated Draft Red Herring Prospectus - I contain information based on or derived from the CAREEdge Report, which was prepared by CARE Analytics and Advisory Private Limited and was commissioned and paid for exclusively by our Company for the purposes of the Offer. The CAREEdge Report is subject to various limitations and rests on assumptions that are subjective in nature. Estimates and projections in the report are subject to change, and actual outcomes may differ materially. The methodologies used in the report for market sizing and forecasting are specific to that engagement, and investors should read any industry-related content in this Updated Draft Red Herring Prospectus - I with that context in mind.

No parts, data or information that are material to the proposed Offer have been left out or altered. That said, industry sources and publications reflect conditions as at a particular date and may not remain current. Investors are encouraged to consult their own advisers and carry out an independent assessment of any information in this Updated Draft Red Herring Prospectus - I that is based on or derived from the CAREEdge Report before making an investment decision.

62. *Our insurance policies may not be sufficient to cover all losses or liabilities arising from our operations, and any uninsured or underinsured loss could materially affect our results, cash flows and financial condition.*

We maintain insurance coverage in respect of our assets, inventory, manufacturing operations and, depending on the applicable delivery terms, transit of our products. Where deliveries are made on an ex-factory basis, responsibility for transit insurance passes to the customer upon collection. Notwithstanding these arrangements, our exposure includes product liability, manufacturing defects, accidents, hazardous-material incidents, ocean-testing risks, business interruption, cybersecurity incidents and damage to assets and inventory, some of which may be uninsurable or only insurable at prohibitive cost, and any loss that is not, or not adequately, covered by our insurance could materially affect our results, cash flows and financial condition.

The table set forth below are details of the amount and percentage of coverage of insurance vis-à-vis our total net value of assets as at the following dates:

As of	Net value of assets (₹ million)	Insurance Coverage (₹ million)	Percentage of insurance coverage to net value of assets (%)
September 30, 2026	452.19	688.80	152.33%
March 31, 2026	446.26	688.80	154.35%
March 31, 2025	216.05	351.50	162.68%
March 31, 2024	73.55	321.50	437.21%

Our insurance policies contain exclusions and coverage limits, which means we may not recover the full amount of any loss or liability through an insurance claim. While we have made no insurance claims during six month period ended September 30, 2026 and Fiscals 2026, 2025 or 2024, future claims may be rejected in whole or in part, and there is no assurance that claims under our policies will be paid in full, in part or on time.

63. *The installed capacity, actual production and capacity utilisation figures for our manufacturing facilities are presented on the basis of a non-standardised operational unit methodology and are not directly comparable across periods. Investors should not place undue reliance on these figures or on period-on-period comparisons of capacity utilisation.*

As on the date of this Updated Draft Red Herring Prospectus - I, our Company operates two manufacturing plants at Chakan Phase-II, Pune, each of which functions as a multi-purpose manufacturing and engineering shop floor with shared infrastructure and non-dedicated production lines. Installed capacity is measured in horsepower ("**hp**") based on the sanctioned connected load, while actual production and capacity utilisation are expressed in equivalent units derived from standard production norms and the prevailing product mix. The composition of a unit is not standardised across products and may vary depending on the nature of the product, customer specifications, the structure of the order and the basis on which the relevant product or system is manufactured, integrated and delivered. As a result, the units reflected across fiscal years are not necessarily directly comparable as homogeneous units of output, and period-on-period comparisons of actual production or capacity utilisation should be read in the context of the prevailing product mix and order-specific production requirements during the relevant period. Such installed capacity, utilised capacity, actual production and capacity utilisation figures should be read as indicative operational measures only and not as precise measures of standardised product-wise, item-wise or homogeneous unit output, as certified by Praveen Subramanya, independent chartered engineer pursuant to the certificate dated November 11, 2026. For further information on the methodology, key assumptions and the detailed capacity data, see "*Our Business – Description of Our Business – Installed Capacity, Actual Production and Capacity Utilization*" on page 262.

64. *Majority of the Directors on our Board do not have prior experience of directorship in companies listed on recognised stock exchanges, and therefore, will be able to provide only limited guidance in relation to the affairs of our Company post listing.*

Except for Tessy Thomas, the Non-Executive Independent Director of our Company, who was a nominee director on the board of directors of Hindustan Aeronautics Limited and Konark Kavoorguthu Rai, the Non-Executive Independent Director of our Company who had served on the board of Shukra Pharmaceuticals Limited, none of our other Directors are currently, or have been in the past, directors on the board of any listed companies. For further details, see "*Our Management*" on page 289. We cannot assure you if the lack of adequate experience of being on the board of listed companies will affect their ability to effectively address the specific complexities associated with being a listed company, which may have an adverse impact on our operations as a listed company.

65. *We are exposed to foreign-exchange fluctuations arising from our procurement of components and materials from outside India. Our net unhedged foreign-currency exposure was ₹52.13 million as at September 30, 2026, and we do not maintain a systematic hedging programme. Adverse movements in exchange rates could increase our costs, reduce our margins and adversely affect our results of operations.*

We procure certain components, sub-systems and materials from overseas and pay for them in foreign currencies, principally USD, EUR and GBP. As at September 30, 2026, our net unhedged foreign currency exposure relating to trade payables was ₹52.13 million, comprising USD 0.45 million (₹43.34 million) and GBP 0.07 million (₹8.79 million), with nil exposure denominated in EUR. We do not systematically hedge this exposure through forward contracts, options or other derivatives. Because our customer contracts are denominated in Indian Rupees, any depreciation of the Rupee directly increases our input costs without a corresponding lift in revenues, compressing our margins. The time gap between recording purchases and making payment can also create exchange differences that work for or against us. We cannot assure investors that we will always be able to manage our foreign-currency risk effectively, and any failure to do so may harm our results and cause them to fluctuate.

66. *Our Directors, Key Managerial Personnel and Senior Management have interests in our Company in addition to their remuneration and benefits and reimbursement of expenses.*

Our Directors, Key Managerial Personnel and the Senior Management have interests in the Company beyond their remuneration and expense reimbursement. They may be regarded as interested to the extent of the Equity Shares they hold and any dividends, bonuses or other distributions on those shares, as well as their interest in property rented by the Company.

For further details, see "*Capital Structure - Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company*" on page 103 and "*Our Management – Interest of Directors*" on page 293 and for further information on all our related party transactions, see "*Summary of Related Party Transactions*" on page 70.

67. *The average cost of acquisition of Equity Shares for our Promoters and Selling Shareholders may be lower than the Offer Price.*

The average cost of acquisition of our Promoters (including the Promoter Selling Shareholders) is lower than the Offer Price.

Name of the Promoter	Number of Equity Shares of face value of ₹2 each held held on a fully diluted basis as on the date of this Updated Draft Red Herring Prospectus - I [#]	Weighted Average cost of acquisition per Equity Share on a fully diluted basis (in ₹)*
Nikunj Parashar	344,901,135	0.01
Mridul Babbar	104,057,150	0.01
Lakshay Dang	104,057,150	0.01
Saurabh Avinash Patil	74,926,750	0.01
Ankit Kumar	74,926,750	0.01
Amit Singla	20,069,165	0.01
Manoj Kanhaiyalal Agrawal	135,092,230	0.01
Total	**858,030,330**	-

** As certified by S. C. Mehra & Associates LLP, Chartered Accountants, ICAI Firm Registration No. 106156W, by way of their certificate dated November 19, 2026.*

[#] Calculated by assuming exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each, as applicable.

For details, see "*Basis for Offer Price*" and "*Capital Structure*" on pages 140 and 80, respectively. The Offer Price is not indicative of the price at which our Company has issued the Equity Shares in the past or that will prevail in the open market following listing of the Equity Shares.

68. *We have issued Equity Shares during the preceding 12 months at prices that may be lower than the Offer Price.*

We have issued Equity Shares, in the 12 months preceding the filing of this Updated Draft Red Herring Prospectus - I, at a price that may be lower than the Offer Price. For details of such issuances, see "*Capital Structure – Notes to Capital Structure – Equity Share capital*" and "*Capital Structure – Notes to Capital Structure – Preference Share capital*" on pages 81 and 83. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded.

69. *We have undertaken a Pre-IPO Placement at a price determined by our Company which [may be/was] [higher/lower] than the Offer Price, and the size of the Fresh Issue has been reduced accordingly.*

Our Company, in consultation with the BRLMs, has undertaken a Pre-IPO Placement of 30,841,986 Equity Shares of face value ₹2 each at a price of ₹97.27 per Equity Share aggregating to ₹3,000.00 million, by way of a private placement to ValueQuest S.C.A.L.E Fund II and ValueQuest Founders Conviction LVF on November 6, 2026. For details, see "*Capital Structure –Notes to Capital Structure – Equity Share capital*" beginning on page 81. The price of the Pre-IPO Placement was determined by our Company on the basis of negotiations with the investors and was not determined through the Book Building Process. [The Pre-IPO Placement price of ₹97.27 per Equity Share is [higher/lower] than the Offer Price of ₹[●] per Equity Share, being [●]% [above/below] the Offer Price.]* Accordingly, Bidders in the Offer may be Allotted Equity Shares at a price that is [higher/lower] than the price paid by the investors in the Pre-IPO Placement.

Pursuant to the Pre-IPO Placement, the size of the Fresh Issue has been reduced by ₹3,000.00 million, and the Net Proceeds available for the Objects of the Offer have been correspondingly reduced. The Equity Shares Allotted pursuant to the Pre-IPO Placement are subject to lock-in only for the period prescribed under the SEBI ICDR Regulations, and any sale of such Equity Shares following expiry of the lock-in may adversely affect the trading price of the Equity Shares. Prior to Allotment under the Pre-IPO Placement, our Company intimated the investors that there was no guarantee that our Company would proceed with the Offer or that the Offer would be successful and result in listing of the Equity Shares. For further details, see "*Capital Structure*" and "*The Offer*" on pages 80, and 63, respectively.

**To be updated in the Prospectus upon finalisation of the Offer Price.*

70. *We have in this Updated Draft Red Herring Prospectus - I included certain non-generally accepted accounting principle financial measures ("Non-GAAP") and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*

Certain Non-GAAP financial measures and other industry-related operational metrics have been included in this Updated Draft Red Herring Prospectus - I. We present these because we believe they are useful indicators of business performance and because securities analysts, investors and others frequently use them to evaluate companies in our industry. These measures have limitations, however, and should not be used in isolation or as a substitute for our audited financial statements prepared in accordance with applicable accounting standards.

The Non-GAAP financial measures and other industry-related metrics included here may not be calculated using any standardised methodology applicable across our industry, and may therefore not be comparable to similarly named measures presented by other companies. For reconciliation of Non-GAAP measures, see "*Other Financial Information*" on page 391.

71. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

The Restated Financial Information included in this Updated Draft Red Herring Prospectus - I have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Updated Draft Red Herring Prospectus - I, 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 Updated Draft Red Herring Prospectus - I should be limited accordingly.

72. *The Offer Price, market capitalisation to revenue multiple and enterprise-value-to-EBITDA ratio based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.*

Our revenue from operations and EBITDA for Fiscal 2026 was ₹2,545.88 million and ₹1,209.28 million, respectively, and our market capitalisation to revenue from operations (Fiscal 2026) multiple is [●] times and our enterprise-value-to-EBITDA ratio (based on Fiscal 2026 profit for the year) is [●] at the upper end of the price band (*to be updated at Prospectus stage*). For further information, see "*Basis for Offer Price*" on page 140. 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 a book-building process, and certain quantitative and qualitative factors as set out in the section "*Basis for Offer Price*" on page 140 and the Offer Price, multiples and ratios may not be indicative of the market price of our Company on listing or thereafter.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

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 industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching new products, 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.

EXTERNAL RISKS

73. *Geopolitical developments, changes in customer procurement priorities, export controls, sanctions and international trade restrictions may adversely affect our business, operations and supply chain.*

Companies in our industry are particularly exposed to geopolitical shifts, changes in national security priorities and evolving domestic and international trade controls. Our business could be affected by regional conflicts, diplomatic tensions, changes in

government, shifts in defence spending, revised procurement policies, stricter customs requirements, changes to foreign-investment rules, export-licensing restrictions, sanctions, embargoes and other trade barriers. An increase in dependence on overseas vendors either directly or indirectly may expose us to disruptions arising from geopolitical tensions, retaliatory trade restrictions, foreign exchange risks, sanctions, export controls and wider macroeconomic uncertainty. Products and technologies used in autonomous systems, maritime security or surveillance may also attract heightened regulatory scrutiny, end-use restrictions and approval requirements, which can delay shipments, increase compliance costs or prevent certain transactions. Failing to respond effectively to any of these developments could mean project delays / violation of contractual term, higher costs, disruption to our supply arrangements, lost business and material harm to our business, results of operations and financial condition.

74. ***We face competition from established defence public sector enterprises, large private defence manufacturers, global OEMs, deep-tech start-ups and new entrants in the autonomous and unmanned systems industry, and increasing competitive intensity may adversely affect our market position, pricing and profitability.***

The autonomous and unmanned systems industry in India is witnessing increasing participation from multiple categories of competitors, including defence public sector undertakings, large private defence manufacturers, defence-focused technology companies, global OEMs with established capabilities in unmanned platforms, and a growing number of defence-tech start-ups. According to the CAREEdge Report, rising competition may intensify pricing pressure, reduce market share opportunities and increase the need for sustained innovation and strategic partnerships. While we believe our vertically integrated multi-domain capabilities, proprietary GENISYS autonomy stack and customer qualification track record provide a competitive advantage, there can be no assurance that competitors, including those with significantly greater financial, technical and organisational resources, will not develop or acquire technologies or capabilities that are superior to or more cost-effective than ours. The entry of new competitors or the expansion of existing competitors into our core segments could erode our market position, require us to reduce prices, increase our spending on research and development or marketing, or otherwise adversely affect our business, results of operations and financial condition.

Further, government procurement processes for defence platforms may not always favour private-sector participants, and defence public sector undertakings and ordnance establishments may receive preferential treatment or allocation in certain procurement categories. Any change in the competitive dynamics of the Indian defence industry, including changes in the balance between public and private sector participation, could adversely affect our ability to secure new orders and our growth prospects.

75. ***Natural disasters, climate-related events, environmental incidents and other physical disruptions may damage assets, interrupt operations and adversely affect delivery of our products and services.***

Our operations, and those of our suppliers, testing partners and logistics providers, could be disrupted by natural disasters and other physical events, including floods, cyclones, storms, earthquakes, fires, lightning, heatwaves and landslides. Climate change may make some of these events more frequent or severe. Damage to manufacturing, integration, storage, testing or research facilities, including any coastal or port-linked infrastructure relevant to maritime or defence operations, could mean equipment loss, inventory damage, production stoppages, delays in testing and certification, and disruption to product deployment and after-sales support. Environmental incidents, utility failures, telecommunications outages and transport disruptions can have similar effects. Our insurance and business continuity measures may not fully compensate for all such losses, and any serious disruption could result in missed delivery schedules, contractual liability, higher recovery costs and reputational harm.

76. ***Changing laws, rules and regulations in India and legal uncertainties including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.***

The Government of India has introduced various tax reforms through Finance Act, 2026, with effect from April 1, 2026. Additionally, the Government of India has enacted the Income-tax Act, 2025 ("**ITA 2025**") and Income-tax Rules, 2026, to repeal and replace the Income-tax Act, 1961 and Income-tax Rules, 1962 respectively with effect from April 1, 2026. We cannot predict whether the transition to ITA 2025 may create interpretive uncertainty and require changes to our systems, controls, contracts, and processes in India. Failure to implement timely changes or accurately comply with could result in higher tax liabilities, cash flow timing impacts from withholding, interest and penalties, increased administrative costs, and disputes.

Additionally, government policies affecting capital markets more broadly, including foreign investment regulations, corporate governance requirements, disclosure norms, and market infrastructure development, can impact the attractiveness and functioning of Indian capital markets. Political instability, changes in government, or shifts in economic policy priorities could result in regulatory uncertainty or adverse policy changes.

Furthermore, the Government of India introduced the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations. Pursuant to notifications issued by the GoI dated November 21, 2025, the Occupational Safety, Health and Working Conditions Code, 2020 has been made fully effective and certain provisions of the Wages Code and Social Security Code have been made effective, each as of November 21, 2025. Subsequently, the GoI has notified the Industrial Relations (Central) Rules, 2026, the Occupational Safety, Health and Working Conditions

(Central) Rules, 2026, the Social Security (Central) Rules, 2026 and the Code on Wages (Central) Rules, 2026 on May 8, 2026.The effect of these codes and rules on us cannot be predicted with certainty at this stage, which may adversely affect our profitability.

Inability to comply with any unfavourable 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. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and cash flows.

77. *Any adverse application or interpretation of competition laws could adversely affect our business and cash flows.*

The Competition Act, 2002, as amended (the "**Competition Act**"), prohibits practices that have or are likely to have an appreciable adverse effect on competition ("**AAEC**") in markets in India, and empowers the Competition Commission of India (the "**CCI**") to investigate and remedy such practices. Any arrangement, understanding or action, formal or informal, that causes or is likely to cause an AAEC is void and attracts substantial penalties.

The Competition Act also treats as presumptively anti-competitive any agreement among competitors that directly or indirectly fixes purchase or sale prices, limits or controls production, or divides markets by geography or customer base. The abuse of a dominant position is similarly prohibited by the CCI. If a company's contravention of the Competition Act is shown to have occurred with the consent, connivance or neglect of a director, manager, secretary or other officer, that person is personally liable.

The Competition (Amendment) Act, 2023 has further strengthened the regime by introducing deal-value thresholds for determining whether a transaction constitutes a "combination", expediting merger-review timelines, codifying a lower standard of "control", and increasing penalties for providing false or misleading information. Further, the Competition Commission of India (Combinations) Regulations, 2024, effective from September 10, 2024, set out detailed procedural guidance for the classification and regulation of 'combination' under the Competition Act. If we pursue acquisitions, we may be subject, directly or indirectly, to the Competition Act's provisions, CCI enforcement proceedings, or related prohibitions or penalties, any of which could adversely affect our business, results, cash flows and prospects.

78. *Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.*

India's sovereign credit rating could be downgraded for reasons outside our control, including adverse changes in tax or fiscal policy, or a decline in India's foreign exchange reserves. A downgrade could adversely affect the Indian economy more broadly and our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other terms on which any financing is available. That could in turn affect our business, financial performance, ability to fund capital expenditure and the price of our Equity Shares.

79. *The regulatory framework for autonomous and unmanned maritime, aerial and underwater systems is evolving and uncertain, and adverse or delayed regulatory developments could restrict the deployment or commercialisation of our products.*

The commercial deployment of autonomous and unmanned systems depends on regulatory frameworks that are still being developed, and in some respects still undeveloped. Relevant regimes include the International Maritime Organization's framework for Maritime Autonomous Surface Ships (the MASS Code), national maritime-safety, port-state and classification requirements, the drone rules and the framework administered by the Directorate General of Civil Aviation and the Draft Civil Drone (Promotion and Regulation) Bill, 2025 published by the Ministry of Civil Aviation, and evolving frameworks for autonomous operations in ports, coastal waters and inland waterways. If those frameworks develop in ways that are adverse or restrictive, or if supportive frameworks are not adopted, the deployment, certification or commercialisation of our products could be restricted or delayed.

80. *The unmanned and autonomous systems industry is subject to a number of threats and challenges, including technology complexity, supply-chain vulnerabilities, long development cycles and evolving regulatory requirements, any of which could adversely affect our business and the industry in which we operate.*

According to the CAREEdge Report, the unmanned systems industry faces multiple risks and challenges that are relevant to our business. These include: (a) high dependence on government procurement cycles, where order flows are closely linked to budget allocations, strategic priorities and tender timelines, and delays in approvals or changes in procurement priorities may adversely affect order conversion and revenue visibility; (b) long product validation and qualification cycles, as autonomous defence platforms require extensive field trials, operational validation and multiple-stage technical clearances prior to induction, which may delay commercialisation and increase development costs; (c) technology obsolescence risk, given the rapidly evolving technological environment driven by advancements in artificial intelligence, sensor fusion, autonomous navigation and electronic warfare, where failure to continuously upgrade product capabilities may reduce competitiveness; (d) concentration in early-stage and evolving defence programmes, where a considerable portion of demand is linked to emerging

government-led programmes that remain in prototype or developmental stages, and conversion into commercial procurement remains subject to successful testing and budgetary allocation; (e) dependence on indigenous defence ecosystem development, where any slowdown in policy implementation or reduced support for defence innovation programmes may affect the pace of industry expansion; (f) supply-chain and critical component dependency, as autonomous platforms depend on specialised components that may be sourced globally, and supply disruptions, export controls or geopolitical tensions may adversely impact production schedules; (g) cybersecurity and system integrity risks, as autonomous platforms are exposed to cyber intrusion, signal jamming, spoofing and electronic warfare attacks; and (h) capital intensity and R&D burden, as the autonomous defence and maritime robotics segments require significant and continuous investment in prototyping, testing infrastructure, software development and field trials, which may impact profitability and cash flows. These risks are more pronounced in marine environments, where unmanned platforms operate in dynamic sea conditions, face saltwater exposure, limited communication bandwidth and complex launch-recovery requirements. For a further discussion of the threats and challenges facing our industry, see "*Industry Overview*" on page 161.

81. *We do not have a directly comparable listed peer in India, and the peer companies identified in this Updated Draft Red Herring Prospectus - I may not be meaningful comparators for evaluating our business or valuation.*

We operate as a vertically integrated, multi-domain unmanned and autonomous systems company spanning the maritime surface, maritime sub-surface, aerial and land domains *(Source: CareEdge Report)*. As at the date of this Updated Draft Red Herring Prospectus - I, there is no listed company in India that operates exclusively or primarily in our segment or that offers a comparable range of autonomous and unmanned platforms across multiple domains. The peer companies identified in this Updated Draft Red Herring Prospectus - I for the purposes of comparison, including in "*Basis for Offer Price*" on page 140, are defence-focused technology companies listed on recognised stock exchanges in India. However, these peers may operate in only one or two sub-segments of the broader defence or aerospace sector (such as electronics, missiles, shipbuilding, aviation or conventional defence manufacturing), may have materially different business models, product portfolios, revenue profiles, customer bases, operating scales, capital structures and margin profiles, and may not be engaged in the design, development and manufacture of autonomous or unmanned systems at all.

Accordingly, any comparison of our financial or operating metrics, including revenue growth, EBITDA margins, Profit After Tax margins, return ratios, order book, R&D intensity or valuation multiples, with those of the identified peer companies should be read with caution and may not provide a reliable basis for evaluating our business, competitive position or the fairness of the Offer Price. As noted in the CAREEdge Report, we are the only company in India specialising in unmanned, integrated and multi-domain systems across the maritime surface, maritime sub-surface, aerial and land domains. The identified Indian peer companies either operate in a single domain, focus on sub-systems and components rather than complete platforms, or are large public-sector enterprises with materially different business models and operating scales. The absence of a directly comparable listed peer also means that there is no established listed-market benchmark against which our performance or valuation can be measured, and investors should form their own independent assessment of our business and prospects. For further details on the peer comparison, see "*Basis for Offer Price – Comparison of its KPIs with Listed Industry Peers*" on page 145.

82. *We are subject to extensive and evolving laws and regulations, including anti-corruption, integrity-pact, foreign-exchange and data-protection laws, and non-compliance could result in penalties and reputational harm.*

We operate in a highly regulated environment subject to extensive laws and regulations that are subject to change and differing interpretations. Any failure to comply, whether by us, our personnel, our agents or our partners, could lead to penalties, litigation, operational disruption and significant reputational harm.

There have been no instances of penalties, prosecution or other action for non-compliance with applicable laws that had a material adverse effect on us during six month period ended September 30, 2026, and Fiscals 2026, 2025 and 2024. There can be no assurance that such instances will not arise in the future.

83. *We have not declared dividends during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

We have not paid any dividend in six month period ended September 30, 2026 and Fiscals 2026, 2025 or 2024, or in the period from October 1, 2026 to the date of this Updated Draft Red Herring Prospectus - I. Our ability to pay dividends in the future will depend on our profitability, financial condition, cash flow, working-capital requirements, capital expenditure and the terms of our financing arrangements.

Any dividend decision will be made by our Board, having regard to our dividend distribution policy and a range of factors including our liquidity, accumulated reserves, current and future capital expenditure, financial commitments, contingent liabilities, cash flows and other relevant considerations. We may choose to retain all future earnings to fund our growth, and as a result we may not pay dividends for the foreseeable future.

If dividends are not paid, shareholders seeking a return on their investment will be dependent on any appreciation in the share price, which is not guaranteed. A prolonged absence of dividends may also create negative market sentiment around our stock, which could weigh on our share price and adversely affect our business, results and financial condition. For further information, see "*Dividend Policy*" on page 310.

OFFER-RELATED RISKS

84. ***There has been no public market for our Equity Shares prior to the Offer, and an active trading market may not develop or be sustained after the Offer.***

Before the Offer, there has been no public market for our Equity Shares. The Offer Price will be determined through a book-building process and is not necessarily indicative of the price at which our Equity Shares will trade after listing. An active secondary market may not develop or, if it does, may not be sustained. The market price of our Equity Shares may fluctuate significantly in response to factors many of which are beyond our control, including changes in our operating results or financial condition, revisions to analysts' financial estimates, changes in peer company valuations, significant contract wins or losses, additions or departures of key personnel, regulatory developments, and general economic and capital-market conditions.

Indian stock markets have been subject to significant price and volume swings in the past, and the price of our Equity Shares may be similarly volatile. Those swings may have little or no connection to our underlying operating performance. The market price of our Equity Shares may fall below the Offer Price, and investors may be unable to sell their shares at or above what they paid.

85. ***Our Equity Shares may be subject to price volatility, and investors may lose all or part of their investment.***

The price of our Equity Shares may be volatile and subject to wide swings in response to factors including quarterly results, changes in analyst estimates, industry conditions, economic and regulatory developments in India, and broader market sentiment. Price swings in Indian equity markets have often been unrelated to the operating performance of the companies involved, and our Equity Shares could be similarly affected.

86. ***As a newly listed company, we will be subject to additional compliance, governance and disclosure requirements, and any failure to satisfy these obligations could result in regulatory action, delisting or other adverse consequences.***

Following the Offer, we will become subject to the SEBI Listing Regulations and other continuing disclosure, corporate governance and reporting obligations applicable to listed companies in India, which are more extensive than those applicable to us as an unlisted company. Complying with these requirements will increase our legal, accounting and administrative costs, require significant management attention and may place strain on our personnel, systems and resources, particularly given that a majority of our Directors do not have prior experience of serving on the board of a listed company**.** If we are unable to satisfy these obligations in a timely manner or at all, we could be subject to regulatory action, fines, sanctions or, in severe cases, delisting, any of which could adversely affect our reputation, business and the price of our Equity Shares.

87. ***Our Equity Shares may be subject to Additional Surveillance Measures or Graded Surveillance Measures by stock exchanges, which could adversely affect the liquidity and market price of our Equity Shares.***

Indian stock exchanges operate Additional Surveillance Measures (ASM) and Graded Surveillance Measures (GSM) to promote market integrity and protect investors. These frameworks apply to securities showing abnormal price movements, high volatility or other characteristics that may indicate manipulation or excessive speculation. If our Equity Shares are placed under ASM or GSM, restrictions may apply, including tighter price bands, higher margin requirements, periodic call auctions or limits on trading frequency. Such measures could reduce liquidity in our Equity Shares, raise the cost of trading them, dampen investor confidence and contribute to further price declines. We intend to comply with all applicable regulations to avoid this outcome, but we cannot guarantee that our Equity Shares will not be placed under such measures in the future.

88. ***We will not receive any proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale by the Selling Shareholders. Proceeds from the Offer for Sale, net of the relevant share of Offer Expenses, go to the Selling Shareholders. Our Company will receive no proceeds from the Offer for Sale portion. For details, see "*Objects of the Offer – Offer for Sale*" on page 117.

89. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of the 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 tax in India, at the rate of 12.5% (plus applicable surcharge and cess). This beneficial rate is, among others, subject to payment of Securities Transaction Tax ("**STT**"). Any gain 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 at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident, if and to the extent applicable. Any dividends paid by an

Indian company are subject to tax in the hands of the shareholders at the applicable rates under Indian tax laws. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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

Our Articles of Association, the composition of our Board, and the Indian corporate-law framework, including rules governing the validity of corporate procedures, directors' duties and liabilities, and shareholders' rights, may differ from the equivalent rules in other jurisdictions. In particular, rights available to shareholders under Indian law, including in relation to class actions, may be less extensive than those available to shareholders of companies incorporated elsewhere. Investors should be aware that asserting rights as a shareholder in an Indian company may be more challenging than in other jurisdictions.

91. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

Subject to the requisite approvals, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges on listing. Dividends will also be paid in Indian Rupees and, where necessary, converted into foreign currency for repatriation. Adverse movements in exchange rates during conversion, and any transaction costs incurred, can reduce the net return to foreign investors. Similarly, any exchange-rate movement during the period needed to repatriate sale proceeds, for example because a regulatory approval is outstanding, can reduce what a foreign shareholder actually receives. The exchange rate between the Indian Rupee and major foreign currencies has been volatile in recent years and may remain so, which could affect the returns on our Equity Shares independently of our operating performance.

92. *Investors will experience immediate dilution in net tangible book value per share and may experience further dilution if we issue additional Equity Shares in the future.*

The Offer Price is expected to be considerably higher than our net tangible book value per Equity Share immediately before the Offer. Investors subscribing in the Offer will therefore experience an immediate dilution in net tangible book value per share. If we issue additional Equity Shares in the future, whether to raise capital, fund acquisitions or for other purposes, investors may experience further dilution in both their percentage ownership and their net tangible book value per share.

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

Subject to the requisite approvals, the Equity Shares will be listed on the Stock Exchanges. Certain regulatory steps must be completed before listing and trading can begin. Investors' demat accounts are expected to be credited within one working day of the Stock Exchanges approving the Basis of Allotment, and trading is expected to commence within three working days of the Bid/Offer Closing Date. A failure or delay in listing could restrict investors' ability to sell their Equity Shares during that period. There is no assurance that the crediting of demat accounts or commencement of trading will occur within those timelines. We may also be required to pay interest if allotment is not made, refund orders are not dispatched or demat credits are not made within the prescribed periods.

94. *Future sales of our Equity Shares by our Promoter Selling Shareholders or other shareholders could adversely affect the market price of our Equity Shares.*

Following the Offer, our Promoter Selling Shareholders will still hold a meaningful stake in the Company. If they, or other shareholders, sell substantial amounts of Equity Shares in the open market after the Offer, or if the market perceives that such sales may occur, the price of our Equity Shares could fall. Lock-in periods that apply to our Promoters under applicable regulations will eventually expire, after which additional Equity Shares may enter the market, which could weigh on the share price.

95. *Our Promoters will continue to hold a significant equity stake in our Company after the Offer, and their interests may differ from those of our other shareholders.*

As at the date of this Updated Draft Red Herring Prospectus - I, our Promoters hold 41.11% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis (i.e., pursuant to exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each as on the date of this Updated Draft Red Herring Prospectus - I under the ESOP Plan). Following completion of the Offer, our Promoters are expected to hold [●]% of our post-Offer equity share capital. As a result, our Promoters will continue to exercise significant influence over our Company's affairs, including decisions relating to business strategy, the composition of the Board, the appointment of Key Managerial Personnel, the declaration of dividends, the approval of material contracts and transactions, mergers and acquisitions, and any other matters requiring shareholder approval. The interests of our Promoters may differ from those of our other shareholders, and their continued significant equity stake and influence could deter, delay or prevent a change in control of our Company that other shareholders might consider favourable, or could result in decisions that are not aligned with the interests of minority shareholders. For further details, see "*Capital Structure*" on page 80.

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

Any future equity issuance by us, including a primary offering or equity-linked instruments, could dilute existing shareholders' ownership stakes. Similarly, any significant disposal of Equity Shares by major shareholders, or even the perception that such disposals may occur, including to meet minimum public-shareholding requirements, could adversely affect the trading price. There is no assurance that we will not issue further Equity Shares or that existing shareholders will not sell their holdings. Any future issuance or sale could also dilute the value of investors' existing holdings, and the mere expectation of such events may itself move the market price.

97. ***Investors may be unable to effect service of process or enforce judgements or other legal proceedings against us or our directors and executive officers.***

Our Company is incorporated in India. All of our assets are located in India, and all of our Directors, Key Managerial Personnel and Senior Management are resident in India. Investors outside India may therefore find it difficult to serve process on our Company or on those individuals, or to enforce against them judgments obtained in foreign courts.

India is not party to any multilateral treaty on the recognition or enforcement of foreign judgments. The United Kingdom, Singapore, United Arab Emirates and Hong Kong have been declared reciprocating territories for purposes of Section 44A of the Code of Civil Procedure. A judgment from a court in a non-reciprocating territory can be enforced in India only by bringing a fresh suit on the judgment under Section 13 of the Code, and cannot be directly executed. Only monetary decrees can be enforced through that route; judgments for taxes, fines or penalties are excluded.

Judgments from jurisdictions that do not have a reciprocal recognition arrangement with India cannot be enforced by execution proceedings in India. The United States is among those jurisdictions. A final money judgment from a US court for civil liability would not be directly enforceable in India; the investor would need to bring a fresh proceeding in an Indian court, and any such suit must be filed within three years of the date of the original judgment.

98. ***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.***

Indian foreign-exchange regulations generally permit transfers of shares between residents and non-residents without prior approval, provided the pricing guidelines and reporting requirements prescribed by the RBI are met. Transfers that fall outside those parameters, or that are subject to specified exceptions, require prior regulatory approval. Separately, foreign investment is generally permitted in all sectors of the Indian economy up to any extent and without prior approval, subject to prescribed procedural requirements.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, and subsequently as amended by Press Note No. 2 (2026 Series) dated March 15, 2026 which came into effect from May 2, 2026, issued by the DPIIT, all investments by entities 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 will require prior approval of the Government of India, subject to the conditions specified therein. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 484.

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

As an Indian company, we are subject to exchange-control regulations that govern foreign-currency borrowings. Those rules limit our financing options and may make it harder to raise debt on competitive terms or to refinance existing indebtedness. Regulatory approvals for foreign-currency borrowings may not be granted to us, or may come with conditions we find onerous. Those constraints could limit our ability to grow and could adversely affect our financial condition and results.

100. ***Qualified Institutional Buyers and Non-Institutional Investors 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, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, Qualified Institutional Buyers ("**QIBs**") and Non-Institutional Investors are required to block 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 Investors can revise their Bids during the Bid/Offer Period and/or withdraw their Bids until the Bid/Offer Closing Date, but not thereafter. 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.

101.*Holders of Equity Shares 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, 2013 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 equity 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 laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make 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 the 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-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

102.*A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.*

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, 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 subsequent to completion of this Offer. 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 our shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹2 each[#](1)(2)	[●] Equity Shares of face value of ₹2 each aggregating up to ₹34,120.00 million
of which:	
(i) Fresh Issue[#](1)	[●] Equity Shares of face value of ₹2 each aggregating up to ₹12,000.00 million
(ii) Offer for Sale(2)	[●] Equity Shares of face value of ₹2 each aggregating up to ₹22,120.00 million
Including	
Employee Reservation Portion(3)	[●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million
Accordingly	
Net Offer	[●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million
The Net Offer comprises:	
A) QIB Portion(4)(5)	Not less than [●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million
of which:	
(i) Anchor Investor Portion(4)	[●] Equity Shares of face value of ₹2 each
of which 40.00% of the Anchor Investor Portion shall be reserved in the following manners:	
33.33% of the Anchor Investor Portion shall be reserved for domestic Mutual Funds	[●] Equity Shares of face value of ₹2 each
6.67% of the Anchor Investor Portion shall be reserved for Life Insurance Companies and Pension Funds	[●] Equity Shares of face value of ₹2 each
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹2 each
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(4)	[●] Equity Shares of face value of ₹2 each
(b) Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹2 each
B) Non-Institutional Portion(6)(7)	Not more than [●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million
of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares of face value of ₹2 each
Two-thirds of the Non-Institutional Portion 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(6)	Not more than [●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer as on the date of this Updated Draft Red Herring Prospectus - I	2,084,731,257 Equity Shares of face value of ₹2 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹2 each
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" beginning on page 117 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

 # Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus-I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

(1) The Offer has been authorized by resolution of our Board of Directors at their meeting held on July 6, 2026 read with their resolution on November 12, 2026 and the Fresh Issue has been authorised by a special resolution passed by our Shareholders on July 11, 2026. Further, the Board has taken on record the Offer for Sale pursuant to resolution dated August 3, 2026 read with resolution dated November 12, 2026.

(2) Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it, at the time of filing of this

Updated Draft Red Herring Prospectus - I in accordance with Regulation 59B of the SEBI ICDR Regulations. Each of the Selling Shareholders has, severally and not jointly, confirmed and authorized their participation in the Offer for Sale are provided in "Annexure A" on page 533.

(3) *The Employee Reservation Portion shall not exceed 5% of the post-Offer paid up Equity Share capital and the value of Allotment to any Eligible Employee shall not exceed ₹0.20 million. Provided that, 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. Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million. Our Company, in consultation with the BRLMs, may offer a discount of [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion which shall be announced at least two Working Days prior to the Bid/Offer Opening Date. For further details, see "Offer Procedure" and "Offer Structure" on pages 465 and 460, respectively.*

(4) *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 applicable laws. 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.*

(5) *Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, of which, 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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. Any under-subscription in the reserved category specified in clause (b) above, may be allocated to domestic Mutual Funds. In the event of under-subscription or non-Allotment 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 Anchor Investors), 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 QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 465. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.*

(6) *Allocation to Bidders in all categories except the Anchor Investor Portion, the Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each RIB shall not be less than the minimum Bids Lot, and the allocation to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Retail Portion and Non-Institutional Portion, respectively, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. For further details, see "Offer Procedure" beginning on page 465.*

(7) *Not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors under the Non-Institutional Portion, which 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 ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants 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 applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. SEBI through the SEBI ICDR Master Circular, has prescribed that all individual investors applying in initial public offerings, where the application amount is up to ₹0.50 million, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through 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.*

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post- Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. For further details, see "*Offer Procedure*" and "*Offer Structure*" beginning on pages 465 and 460, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 454.

SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables provide the summary of the restated statement of assets and liabilities of our Company and our Subsidiary as at and for the six months period ended September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024 and the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the six months period ended September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024, all of which have been derived from the Restated Financial Information. The summary of financial information presented below should be read in conjunction with the "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 311 and 396, respectively.

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SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

(all amounts are in ₹ million)

Particulars	As at			
	September 30, 2026	March 31, 2026	March 31, 2025	March 31, 2024
ASSETS:				
A. Non-Current Assets:				
a) Property, Plant and Equipment	468.80	446.26	216.05	73.55
b) Right-of-use assets	257.54	263.68	183.91	5.30
c) Capital work-in-progress	123.87	95.50	-	-
d) Goodwill	173.69	-	-	-
e) Other intangible assets	620.32	70.24	80.71	86.64
f) Intangible assets under development	391.80	321.51	77.36	4.04
g) Financial Assets:				
(i) Investments	30.11	30.11	-	-
(ii) Other Financial Assets	359.58	168.53	192.39	8.97
h) Deferred tax assets (net)	58.76	66.17	29.94	57.35
i) Income tax assets	-	-	-	5.06
j) Other non-current assets	42.35	16.84	12.70	0.20
Total Non-Current Assets (A)	**2,526.82**	**1,478.84**	**793.06**	**241.11**
B. Current Assets:				
a) Inventories	313.66	77.84	69.44	118.36
b) Financial Assets:				
(i) Trade receivables	4,377.61	2,352.08	554.98	128.52
(ii) Cash and cash equivalents	25.08	965.25	395.73	153.12
(iii) Bank balances other than cash and cash equivalents	2,094.68	1,134.30	1,474.71	6.14
(iv) Other financial assets	72.50	25.70	29.44	4.21
c) Other Current Assets	598.59	161.54	198.67	110.79
Total Current Assets (B)	**7,482.12**	**4,716.71**	**2,722.97**	**521.14**
Total Assets (A+B)	**10,008.94**	**6,195.55**	**3,516.03**	**762.25**
EQUITY AND LIABILITIES:				
A. Equity:				
a) Equity Share Capital	4,107.78	1.03	1.03	1.03
b) Instruments entirely equity in nature	-	0.21	0.17	-
c) Other Equity	2,410.26	4,513.18	2,678.58	(15.40)
Total Equity (A)	**6,518.04**	**4,514.42**	**2,679.78**	**(14.37)**
Liabilities:				
B. Non-Current Liabilities:				
a) Financial Liabilities:				
(i) Borrowings	73.33	195.63	156.50	604.10
(ia) Lease Liabilities	257.04	254.58	166.39	4.04
b) Provisions	29.13	20.16	11.41	6.15
c) Other non-current liabilities	178.70	178.70	52.05	17.22
Total Non-Current Liabilities (B)	**538.20**	**649.07**	**386.35**	**631.51**
C. Current Liabilities:				
a) Financial Liabilities:				
(i) Borrowings	1,631.30	350.57	127.79	117.99
(ia) Lease Liabilities	23.39	23.42	18.92	2.06
(ii) Trade Payables				
a. Total outstanding dues of micro and small enterprises	16.51	62.61	0.94	0.72
b. Total outstanding dues of creditors other than micro and small enterprises	368.08	475.64	206.98	17.74
(iii) Other Financial Liabilities	702.75	4.51	-	0.06
b) Other Current Liabilities	69.64	4.05	85.62	2.36
c) Provisions	25.78	18.12	8.06	4.18
d) Current Tax Liabilities (Net)	115.25	93.14	1.59	-
Total Current Liabilities (C)	**2,952.70**	**1,032.06**	**449.90**	**145.11**
Total liabilities (B+C)	**3,490.90**	**1,681.13**	**836.25**	**776.62**
Total Equity and Liabilities (A+B+C)	**10,008.94**	**6,195.55**	**3,516.03**	**762.25**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(all amounts are in ₹ millions)

Particulars	For the six months period ended September 30, 2026	For the Financial Year ended March 31, 2026	For the Financial Year ended March 31, 2025	For the Financial Year ended March 31, 2024
Income				
I. Revenue from Operations	2,222.41	2,545.88	1,038.77	395.01
II. Other Income	90.22	103.64	151.32	5.84
III. Total Income (I+II)	**2,312.63**	**2,649.52**	**1,190.09**	**400.85**
IV. Expenses:				
(i) Cost of materials consumed	767.03	968.69	336.39	227.54
(ii) Changes in Inventories of Finished Goods and work-in-progress	(126.55)	-	40.11	-
(iii) Employee Benefit Expense[(1)]	144.43	179.68	68.59	56.99
(iv) Finance Cost	62.29	119.08	149.47	128.16
(v) Depreciation & Amortization Expense	64.15	90.59	40.92	14.41
(vi) Other Expenses	97.61	188.23	98.21	57.56
Total Expenses (IV)	**1,008.96**	**1,546.27**	**733.69**	**484.66**
V. Restated Profit/(Loss) before tax (III-IV)	**1,303.67**	**1,103.25**	**456.40**	**(83.81)**
VI. Income Tax Expense				
(i) Current Tax	311.07	260.23	118.90	6.15
(ii) Tax relating to earlier years	(31.16)	(0.35)	0.90	0.27
(iii) Deferred Tax Charge/(Credit)	7.64	(35.66)	28.02	(27.63)
Total income tax expense (VI)	**287.55**	**224.22**	**147.82**	**(21.21)**
VII. Restated Profit After Tax	**1,016.12**	**879.03**	**308.58**	**(62.60)**
Other Comprehensive Income / (Loss)				
Items that will not to be reclassified to profit or loss				
Remeasurements of post-employment defined benefit plans	(0.97)	(2.28)	(2.37)	0.25
Income tax relating to these items	0.24	0.57	0.60	(0.06)
VIII. Other comprehensive income/(loss) for the period/ year (net of tax)	**(0.73)**	**(1.71)**	**(1.77)**	**0.19**
IX. Total comprehensive income/(loss) for the period/ year (VII+VIII)	**1,015.39**	**877.32**	**306.81**	**(62.41)**
Earnings per equity share (Nominal value per share is ₹2*				
Basic (in ₹)	0.70	0.61	0.21	(0.04)
Diluted (in ₹)	0.49	0.49	0.17	(0.04)

**Our Company has, pursuant to a board resolution dated July 4, 2026 and shareholders resolution dated July 11, 2026 issued bonus shares in the ratio of 2,800 Equity Shares for every 1 Equity Share. Further, pursuant to a board resolution dated July 4, 2026 and Shareholders resolution dated July 11, 2026, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹2 each. EPS is considered post bonus issue and sub-division, accordingly EPS has been considered.*

[(1)]*The increase in "Employee Benefits Expense" was primarily on account of the increase in the number of employees during the relevant periods. The employee base increased from 92 employees as at March 31, 2024 to 142 employees as at March 31, 2025 to 330 employees as at March 31, 2026 and 442 employees as at September 30, 2026.*

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(all amounts are in ₹ million)

Particulars	For the six months period ended September 30, 2026	For the Financial Year ended March 31, 2026	For the Financial Year ended March 31, 2025	For the Financial Year ended March 31, 2024
Cash flows from Operating Activities				
Restated Profit Before Tax	1,303.67	**1,103.25**	**456.40**	**(83.81)**
Adjustments for:				
Depreciation and amortisation expense	64.15	90.59	40.92	14.41
Interest on borrowings	44.58	26.66	6.49	3.25
Interest on lease liability	9.01	18.27	9.20	0.70
Interest on financial liability at FVTPL	-	39.13	116.71	121.11
Interest income on bank deposits	(89.97)	(98.99)	(33.80)	(3.07)
Interest income on security deposits	(0.25)	(0.46)	(0.45)	(0.15)
Foreign exchange fluctuations	(1.03)	(4.19)	(2.07)	(2.62)
Interest on income tax refund	-	-	(0.15)	-
Gain on derecognition of financial liability	-	-	(114.01)	-
Gain on termination of lease	-	-	(0.84)	-
Provision for warranty	6.27	8.62	3.56	2.24
Provision for expected credit loss on trade receivables	-	35.28	9.90	7.41
Bad debts written off	-	-	13.90	-
Share based payments to employees	26.22	40.97	-	(0.55)
	1,362.65	**1,259.13**	**505.76**	**58.92**
Changes in operating assets and liabilities:				
(Increase) / Decrease in inventories	(224.81)	(8.41)	48.92	(40.10)
(Increase) in trade receivables	(1,988.65)	(1,832.38)	(450.25)	(84.82)
Decrease / (Increase) in other financial assets	(9.95)	0.14	(3.01)	1.28
Decrease / (Increase) in other assets	(434.84)	39.03	(100.16)	(47.39)
(Decrease)/Increase in trade payables	(163.49)	334.52	190.89	8.74
Increase in other liabilities	65.59	45.08	118.09	10.69
Increase/ (Decrease) in other financial liabilities	0.47	4.51	(0.06)	0.06
Increase in provisions and employee benefit obligations	(0.46)	10.20	5.58	1.31
Cash (used in) / generated from operations	**(1,393.49)**	**(148.18)**	**315.76**	**(91.31)**
Income taxes paid (net)	(258.03)	(168.89)	(113.90)	(14.56)
Net cash flows (used in) / from operating activities (A)	**(1,651.52)**	**(317.07)**	**201.86**	**(105.87)**
Cash flows from Investing Activities				
Purchase of property, plant and equipment and other intangible assets (including capital work-in-progress and intangibles under development)	(189.60)	(637.47)	(240.69)	(130.15)
Proceeds from bank deposits	57.92	364.72	-	54.66
Investment made in bank deposits	(1,151.18)	-	(1,649.20)	-
Acquisition of new businesses (Net of cash acquired)	(70.34)	-	-	-
Purchase of investments	-	(30.11)	-	-
Interest received	53.12	102.58	9.24	3.62
Net cash (used in) investing activities (B)	**(1,300.08)**	**(200.28)**	**(1,880.65)**	**(71.87)**
Cash flows from Financing Activities				
Proceeds from issue of shares and compulsory convertible preference shares ('CCPS')	795.53	916.36	2,167.33	-
Payment of Share issue expenses	(28.81)	-	-	-
Proceeds from borrowings	1,295.30	222.78	9.80	117.95
Redemption of 0.01% optionally convertible redeemable preference shares ('OCRPS')	-	-	(230.29)	-
Interest paid on borrowings	(44.01)	(26.68)	(6.49)	(3.25)
Repayment of lease liability including interest	(6.58)	(25.59)	(18.95)	(2.59)
Net cash flows from financing activities (C)	**2,011.43**	**1,086.87**	**1,921.40**	**112.11**
Net increase / (decrease) in cash and cash equivalents (A+B+C=D)	(940.17)	**569.52**	**242.61**	**(65.63)**
Cash and cash equivalents at beginning of the period/ year	965.25	395.73	153.12	218.75
Cash and cash equivalents at the end of the period/ year	**25.08**	**965.25**	**395.73**	**153.12**

SUMMARY OF CONTINGENT LIABILITIES

As at September 30, 2026, our Company does not have any contingent liabilities as per Ind AS 37.

SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of related party transactions as per the requirements under Ind AS 24 –Related Party Disclosures read with SEBI ICDR Regulations, entered into by our Company with related parties for the six months period ended September 30, 2026 and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024, as derived from the Restated Financial Information are as follows:

Sr. No.	Particulars	Nature of relationship	Nature of the Transaction	For the six months period ended September 30, 2026	For the Financial Year ended		
					2026	2025	2024
1.	Manoj Agrawal	Non-Executive Director (Executive Director upto 05.07.2026 and change in designation w.e.f. 06.07.2026)	Loan taken	-	-	10.20	19.95
2.	Sagar Ship Repairers & Marine Services	Entities in which key management personnel exercises significant influence	Loan given	-	-	-	2.00
3.	Manoj Agrawal	Non-Executive Director (Executive Director upto 05.07.2026 and change in designation w.e.f. 06.07.2026)	Loan repaid	-	-	27.30	2.85
4.	Sagar Ship Repairers & Marine Services	Entities in which key management personnel exercises significant influence	Loan repaid	-	-	-	2.00
5.	Ankit Desai	Relative of Director	Short term borrowings written back	-	-	0.04	-
6.	Nilesh Agrawal*	Relative of Director	Short term borrowings written back	-	-	0.00	-
7.	Ramkamalprasad Tribhuwan Singh	Relative of Director	Deposit given	-	-	11.29	-
8.	Saroj Singh	Relative of Director	Deposit repaid	-	-	1.99	-
9.	Sagar Ship Repairers & Marine Services	Entities in which key management personnel exercises significant influence	Interest expenses	-	-	-	0.01
10.	Ramkamalprasad Tribhuwan Singh	Relative of Director	Rent expenses	10.91	20.79	9.58	-
11.	Saroj Singh	Relative of Director	Rent expenses	-	-	1.59	2.60
12.	Nilesh Agrawal	Relative of Director	Rent expenses	0.00*	-	-	-
13.	Sagar Ship Repairers & Marine Services	Entities in which key management personnel exercises significant influence	Purchases	-	-	2.14	3.75
14.	Ramkamalprasad Tribhuwan Singh	Relative of Director	Purchase of Equity Shares	0.10	-	-	-
15.	Sagar Ship Repairers & Marine Services	Entities in which key management personnel exercises significant influence	Labour charges	-	2.68	-	5.07
16.	Sagar Ship Repairers & Marine Services	Entities in which key management personnel exercises significant influence	Revenue from contracts with customers	-	0.62	-	-
17.	Nikunj Parashar	Directors and key management personnel	Managerial remuneration#	22.79	13.75	9.78	11.13
18.	Manoj Agrawal						
19.	Mridul Babbar						
20.	Anurag Gupta (resigned w.e.f. March 21, 2024)						
21.	Komal M Hingu (appointed w.e.f. May 26, 2023 and resigned w.e.f. April 30, 2025)						
22.	Ankur Taparia (w.e.f. January 23, 2026)						
23.	Shraddha Khare (appointed w.e.f. July 06, 2026)						
24.	Ramkamalprasad Tribhuwan Singh	Directors and key management personnel of subsidiary			-	-	-
25.	Ajendra Bahadur Singh	Independent Director (appointed w.e.f. July 06, 2026)	Sitting Fees	0.60	-	-	-
26.	Dr. Tessy Thomas			0.60	-	-	-

Sr. No.	Particulars	Nature of relationship	Nature of the Transaction	For the six months period ended September 30, 2026	For the Financial Year ended		
					2026	2025	2024
27.	Konark Kavoorguthu Rai			0.60	-	-	-
28.	Nikunj Parashar	Chairman & Managing Director	Conversion of Series B1 CCPS to Equity Shares	4.37	-	-	-
29.	Mridul Babbar	Non-Executive Director (Whole-Time Director upto 05.07.2026 and change in designation w.e.f. 06.07.2026)		1.33	-	-	-
30.	Manoj Agrawal	Non-Executive Director (Executive Director upto 05.07.2026 and change in designation w.e.f. 06.07.2026)		1.72	-	-	-
31.	Ramkamalprasad Tribhuwan Singh	Relative of Director	Purchase consideration towards business acquisition	750.00	-	-	-
32.	Issue and allotment of Series B1 CCPS[&]	Key managerial personnel	Equity contribution	-	7.42	-	-

[*] *Amounts less than ₹5,000 are shown as 0.00*

[#] *Managerial remuneration excludes gratuity and Employee share-based compensation expense, as such costs are recognized on the basis of actuarial valuation and share-based payment valuation, respectively, and are not specifically allocable to individual key management personnel.*

[&] *Represents 380 Series B1 CCPS of face value ₹10 each issued to key management personnel pursuant to board approval dated March 26, 2026 and shareholders approval dated March 27, 2026.*

For details of the related party transactions, see "*Other Financial Information –Related Party Transactions*" on page 393.

GENERAL INFORMATION

Registered office of our Company:

Sagar Defence Engineering Limited
101/104, Triveni Kripa
Opp. Ambaji Mandir
Carter Road No.3, Borivali East
Mumbai 400 066
Maharashtra, India

Corporate office of our Company:

Sagar Defence Engineering Limited
Plot No. PAP-V-13, Chakan Industrial Area,
Phase-II MIDC, Chakan,
Pune, Khed 410 501
Maharashtra, India
Corporate Identity Number: U29253MH2015PLC264539

Company Registration Number: 264539

For further details of our incorporation and changes to our name, and changes to our registered office, see "*History and Certain Corporate Matters – Brief history of our Company*" and "*History and Certain Corporate Matters – Changes in the Registered Office*" on pages 279 and 279, respectively.

Address of the RoC

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

Registrar of Companies, Mumbai – I, at Mumbai
100, Everest Marine Drive
Mumbai 400 002
Maharashtra, India

Board of Directors of our Company

As on the date of this Updated Draft Red Herring Prospectus - I, our Board of Directors comprises the following:

Name	Designation	DIN	Address
Nikunj Parashar	Chairman and Managing Director	07139877	Sagar Smriti Row House No.1, New Parijat CHS, Agashi Road Virat Nagar, Virar West, Palghar 401 303, Maharashtra, India
Mridul Babbar	Non-Executive Director	07516300	18/304, Old Char Chaman, Karnal (Rural) (Part)(1), Karnal 132 001, Haryana, India
Manoj Kanhaiyalal Agrawal	Non-Executive Director	02509181	G-1801, Gundecha Garden, Dr. Babasaheb Ambedkar Road, Opp Ganesh Cinema, Lalbaug, Mumbai 400 012, Maharashtra, India
Ajendra Bahadur Singh	Non-Executive Independent Director	10966204	Flat 204, Tower 4 Malibu Towne, South City-2, Gurgaon 122 018, Haryana, India
Tessy Thomas	Non-Executive Independent Director	08189164	Villa No.- 533, Phase -5, Nambiar Bellezea, Near Muthanallur Circle, Narayanghatta Sarjapura Hobli, Bengaluru 560 099, Karnataka, India
Konark Kavoorguthu Rai	Non-Executive Independent Director	08447991	Kajemar, Puttur Taluk, Kedambady, Dakshina Kannada 574 210, Karnataka, India

For further details in relation to our Board, see "*Our Management*" beginning on page 289.

Our Company Secretary and Compliance Officer

Shraddha Ajaykumar Khare is the Company Secretary and Compliance Officer of our Company. Her contact details are as set forth below:

Shraddha Ajaykumar Khare
Plot No. PAP-V-13, Chakan Industrial Area,
Phase-II MIDC, Chakan,
Pune, Khed 410 501
Maharashtra, India
Tel: +91 21 3569 6300

E-mail: investor.relations@sagardefence.com

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: sde.ipo@jmfl.com
Investor grievance ID: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

IIFL Capital Services Limited
24th Floor, One Lodha Place,
Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4728
E-mail: sagardefence.ipo@iiflcap.com
Investor grievance ID: ig.ib@iiflcap.com
Website: www.iiflcapital.com
Contact Person: Pawan Kumar Jain/ Jesica Thakkar
SEBI Registration Number: INM000010940

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor
Plot No. C – 27, "G" Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: sagardefence.ipo@kotak.com
Investor grievance ID: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

UBS Securities India Private Limited
Unit 2901, Level 29 Altimus,
Dr. GM Gokhale Marg / Pandurang Budhkar Road,
Worli, Mumbai 400 018,
Maharashtra, India
Tel: +91 22 6155 6000
E-mail: ol-sagardefenceipo@ubs.com
Investor grievance ID: igmbindia@ubs.com
Website: www.ubs.com/indiaoffers
Contact Person: Pavan Teja Macharla/Viral Jain
SEBI Registration Number: INM000013101

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
5th floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455
Email: ipo.cam@cyrilshroff.com

Registrar to the Offer

MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited)*
C-101, Embassy 247, L.B.S. Marg
Vikhroli (West), Mumbai 400 083
Tel: +91 810 811 4949
E-mail: sagardefence.ipo@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
Investor Grievance ID: sagardefence.ipo@in.mpms.mufg.com
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Statutory Auditors to our Company

M/s. M S K A & Associates LLP (*formerly known as M S K A & Associates*), Chartered Accountants
1101/B Manjeera Trinity Corporate
JNTU-High Tech City Road
Kukatpally,
Hyderabad 500 072
Telangana, India
Tel: +91 40 4852 4966
E-mail: AnanthakrishnanGovindan@mska.in
Firm Registration Number: 105047W/ W101187
Peer Review Number: 016966

Except as stated below, there has been no change in the auditors of our Company during the three years preceding the date of this Updated Draft Red Herring Prospectus - I.

Particulars	Date of Change	Reasons for Change
M/s. M S K A & Associates LLP (*formerly known as M S K A & Associates*), Chartered Accountants 1101/B Manjeera Trinity Corporate JNTU-High Tech City Road Kuktapally, Hyderabad 500 072 Telangana, India **Tel:** +91 40 4852 4966 **E-mail:** AnanthakrishnanGovindan@mska.in **Firm Registration Number:** 105047W/ W101187 **Peer Review Number:** 016966	March 27, 2026	Appointed due to casual vacancy.
M/s. Jain Ambavat & Associates LLP, Chartered Accountants Office No. 10 & 12, Chemox House, 3rd Floor 7 Barrack Lane, Opp. Bombay Hospital Mumbai 400 020, Maharashtra, India **Tel***:* +91 22 22036260 **E-mail***:* Jitesh.jain@mumbaica.com **Firm registration number***:* 103887W/ W100364 **Peer review number***:* 016628	February 24, 2026	Resignation as statutory auditor of our Company due to professional commitment, capacity constraint and logistic difficulties arising from shifting of company's operations to Pune.
M/s. Jain Ambavat & Associates LLP, Chartered Accountants Office No. 10 & 12, Chemox House, 3rd Floor 7 Barrack Lane, Opp. Bombay Hospital Mumbai 400 020, Maharashtra, India **Tel***:* +91 22 22036260 **E-mail***:* Jitesh.jain@mumbaica.com **Firm registration number***:* 103887W/ W100364 **Peer review number***:* 016628	June 16, 2025 September 30, 2024	Reappointment

Further, except for Jain Ambavat & Associates, LLP, Chartered Accountants, who resigned due to reasons stated above, there has been no change in the statutory auditors of our Company before completion of their respective appointed term in any of the past five fiscal years.

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Banker to our Company

State Bank of India
State Bank of India
SME MIDC Andheri Branch
B1, MIDC Ind. Area, Central Road
Andheri (E), Mumbai – 400093, Maharashtra
Telephone: +91 9853558535
E-mail: rmsme2.smemidcandheri@sbi.co.in
Website: www.sbi.bank.in
Contact person: Binay Bhusan Pradhan

Syndicate Members

[●]

Filing

A copy of the Pre-filed Draft Red Herring Prospectus and a copy of this Updated Draft Red Herring Prospectus - I along with a copy of the Draft Abridged Prospectus have been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 59C(1) of the SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular. A copy of this Updated Draft Red Herring Prospectus - I has been filed at:

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 (E), Mumbai 400 051
Maharashtra, India

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, would be filed with the RoC at its office 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act through the electronic portal at www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	All BRLMs	JM Financial Limited
2.	Drafting and approval of all statutory advertisements including audio video presentation	All BRLMs	JM Financial Limited
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, corporate advertising and brochures and filing of media compliance report with SEBI.	All BRLMs	UBS Securities India Private Limited
4.	Appointment of Registrar to the Offer, advertising agency, Printer including co-ordination for their agreements	All BRLMs	JM Financial Limited
5.	Appointment of all other intermediaries including Bankers to the Offer, Share Escrow Agent, Monitoring Agency (including coordination of all agreements)	All BRLMs	Kotak Mahindra Capital Company Limited
6.	Preparation of road show marketing presentation and frequently asked questions	All BRLMs	UBS Securities India Private Limited
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	All BRLMs	UBS Securities India Private Limited
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	All BRLMs	JM Financial Limited
9.	Conduct non-institutional marketing of the Offer, which will cover, inter-alia – • Finalising media, marketing and public relations strategy • Formulating strategies for marketing to Non–Institutional Investors	All BRLMs	Kotak Mahindra Capital Company Limited

Sr.	Activity	Responsibility	Co-ordination
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalizing media, marketing, public relations strategy and publicity budget including list of frequently asked questions a retail road shows; • Finalizing collection centres • Finalizing commission structure • Finalizing Collection centre • Finalizing centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	All BRLMs	IIFL Capital Services Limited
11.	Coordination with Stock Exchanges for book building software and bidding terminals and mock trading.	All BRLMs	Kotak Mahindra Capital Company Limited
12.	Managing the book and finalization of pricing in compliance with Company in accordance with SEBI ICDR regulations	All BRLMs	UBS Securities India Private Limited
13	Coordination with Stock Exchanges, managing anchor book related activities including allocation to Anchor Investors, coordination with Stock Exchanges for anchor intimation, Anchor CAN, submission of letters regulators post completion of anchor allocation	All BRLMs	IIFL Capital Services Limited
14.	Post-Offer activities – Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government. Submission of all post Offer reports including the final post Offer report to SEBI.	All BRLMs	IIFL Capital Services Limited

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring Agency

Our Company will appoint the monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI, for the ASBA process is available at (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time or at such other websites as may be prescribed by SEBI from time to time, (ii) A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI ICDR Master Circular, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is provided in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and 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 Investor) 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. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com and https://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/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, 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 name and contact details, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated November 12, 2026 from M S K A & Associates LLP (*formerly known as M S K A & Associates*), Chartered Accountants, to include their name as required under Section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated November 12, 2026 on our Restated Financial Information; and (ii) report dated November 12, 2026 on the statement of special tax benefits in this Updated Draft Red Herring Prospectus - I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received written consent dated November 12, 2026 from Jain Ambavat & Associates LLP, Chartered Accountants, to include their name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act in connection with the Offer in their capacity as previous statutory auditor to our Company, and such consent has not been withdrawn as on

the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received a written consent dated November 12, 2026 from S C Mehra & Associates LLP, Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26 (5) of the Companies Act read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in connection with the Offer in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received a written consent dated November 11, 2026 from Praveen Subramanya, Chartered Engineers, to include his name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 to the extent and in respect of the certificates issued by him in connection with the Offer in him capacity as an independent chartered engineer to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received a written consent dated November 12, 2026 from M/s. BYG & Associates, Company Secretaries, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in connection with the Offer, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received detailed project report along with the consent dated November 12, 2026 from Proconvis Consultants Private Limited, detailed project report agency, prepared under the supervision of its head of structural design, More Ranjitsinh Abhayrao to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the report issued by them in connection with the Offer and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Book Building Process

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 and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company in consultation with the BRLMs, and which will either be included in the Red Herring Prospectus or will be notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and the Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 465.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIB Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. 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. Pursuant to SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period. Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

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

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" beginning on pages 454, 460, and 465 respectively.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

Underwriting Agreement

Prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company, the Selling Shareholders, and the Registrar to the Offer intend to 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 in the Offer shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in 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 of ₹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 aforementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst 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 extent of underwriting obligations (including any defaults in payment for which the respective Underwriter is required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount) and the Bids to be underwritten in the Offer by each Book Running Lead Manager shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Updated Draft Red Herring Prospectus - I is set forth below:

(in ₹, except share data, unless otherwise stated)

Sr. No.	Particulars	Aggregate nominal value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**[(1)]		
	Equity Shares comprising of		
	2,249,775,000 Equity Shares of face value of ₹2 each	4,499,550,000	-
	Preference Shares comprising of		
	45,000 Preference Shares of face value of ₹10 each	450,000	-
	Total	4,500,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	2,084,731,257 Equity Shares of face value of ₹2 each	4,169,462,514	-
	Total	4,169,462,514	-
C	**PRESENT OFFER**		
	Offer of [●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million[(2)(3)]	[●]	[●]
	of which		
	Fresh Issue of [●] Equity Shares of face value of ₹2 each aggregating up to ₹12,000.00 million [(2) (3)]	[●]	[●]
	Offer for Sale of [●] Equity Shares of face value of ₹2 each aggregating up to ₹22,120.00 million[(3)(4)]	[●]	[●]
	which includes		
	Employee Reservation Portion of [●] Equity Shares of face value of ₹2 each aggregating up to ₹[●] million [(5)]	[●]	[●]
	Net Offer of [●] Equity Shares of face value of ₹2 each	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹2 each	[●]	-
E	**SECURITIES PREMIUM ACCOUNT^**		
	Before the Offer (in ₹ million)		3,083.85
	After the Offer (in ₹ million)^*		[●]

* *To be included upon finalization of the Offer Price and subject to the Basis of Allotment.*

^ *Assuming full subscription to the Offer.*

(1) For details in relation to the changes in the authorised share capital of our Company since its incorporation, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association since the incorporation of our Company" on page 279.

(2) Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

(3) The Offer has been authorized by resolution of our Board of Directors at their meeting held on July 6, 2026 read with their resolution on November 12, 2026 and the Fresh Issue has been authorised by a special resolution passed by our Shareholders at an annual general meeting held on July 11, 2026. Further, our Board pursuant to its resolution dated August 3, 2026 read with resolution dated November 12, 2026 has taken on record the consent from each of the Selling Shareholders to participate in the Offer for Sale. For further details, see "Other Regulatory and Statutory Disclosures- Authority for the Offer" and "The Offer" on pages 438 and 63, respectively.

(4) Each of the Selling Shareholders have, severally and not jointly, confirmed and authorized their participation in the Offer for Sale in relation to their respective portion of the Offered Shares. Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it, at the time of filing of this Updated Draft Red Herring Prospectus - I in accordance with Regulation 59B of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "The Offer", "Other Regulatory and Statutory Disclosures" and "Annexure A" on pages 63, 438 and 533 respectively.

(5) The Employee Reservation Portion shall not exceed 5% of our post-Offer Equity Share capital. Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only 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 (net of Employee Discount, if any), subject to the total Allotment to an Eligible Employee 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), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount of [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion which shall be announced at least two Working Days prior to the Bid/Offer Opening Date. For further details, see "The Offer" and the "Offer Structure" on pages 63 and 460, respectively.

Notes to the Capital Structure

1. Share capital history of our Company

(a) Equity share capital

The history of the equity share capital of our Company is set forth below:

Date of allotment of equity shares	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Name of allottees/ shareholders	Number of allottees	Cumulative number of equity shares	Cumulative paid-up equity shares capital (in ₹)
May 16, 2015[#]	10,000	10	10.00	Initial subscription to MoA	Cash	**Name of allottee** / **Number of equity shares**: Nikunj Parashar 5,000; Ramkamalprasad Tribhuwan Singh 5,000	2	10,000	100,000
November 21, 2016	90,000	10	10.00	Preferential allotment	Cash	**Name of allottee** / **Number of equity shares**: Nikunj Parashar 20,000; Ramkamalprasad Tribhuwan Singh 20,000; Amish Deepak Desai 12,500; Ankit Deepak Desai 12,500; Manoj Kanhaiyalal Agrawal 9,000; Rajesh Kanhaiyalal Agrawal 8,000; Nilesh K. Agrawal 8,000	7	100,000	1,000,000
August 5, 2021	1,000	10	3,555.00	Private Placement	Cash	**Name of allottee** / **Number of equity shares**: Maharashtra Defence and Aerospace Venture Fund[1] 1,000	1	101,000	1,010,000
January 30, 2023	1,317	10	61,103.00	Preferential allotment	Cash	**Name of allottee** / **Number of equity shares**: Focus Marine Partners[2] 949; Focus Marine Group[2] 368	2	102,317	1,023,170
February 14, 2023	127	10	61,103.00	Preferential allotment	Cash	**Name of allottee** / **Number of equity shares**: Essel Omega Trust 127	1	102,744	1,027,440

Date of allotment of equity shares	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Name of allottees/ shareholders	Number of allottees	Cumulative number of equity shares	Cumulative paid-up equity shares capital (in ₹)
	300			Allotment of Equity Shares pursuant to conversion of outstanding loan	Consideration other than cash[3]	**Name of allottee** / **Number of equity shares**: Nilesh K. Agrawal — 209; Ankit Deepak Desai — 91	2		
July 12, 2026	287,683,200	10	N.A.	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	N.A.	The details of allottees are included in "*Annexure B*" on page 534	115	287,785,944	2,877,859,440
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026 and special resolution passed by our Shareholders at the annual general meeting held on July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 287,785,944 equity shares of face value of ₹10 each into 1,438,929,720 Equity Shares of face value of ₹2 each.									
September 28, 2026	178,857,855	2	N.A.	Conversion of 12,771 0.01% CCPS into Equity Shares	N.A.^	**Name of allottee** / **Number of equity shares**: ONGC Start up Fund — 178,857,855	1	1,617,787,575	3,235,575,150
September 28, 2026	249,989,250	2	N.A.	Conversion of 16,631 0.01% Series A CCPS into Equity Shares	N.A.^	**Name of allottee** / **Number of equity shares**: SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*) — 249,989,250	1	1,867,776,825	3,735,553,650
September 28, 2026	115,653,291	2	N.A.	Conversion of 7,496 0.01% Series B CCPS into Equity Shares	N.A.^	**Name of allottee** / **Number of equity shares**: SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*) — 40,808,825; BSR Infratech India Limited — 34,004,783	8	1,983,430,116	3,966,860,232

Date of allotment of equity shares	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Name of allottees/ shareholders		Number of allottees	Cumulative number of equity shares	Cumulative paid-up equity shares capital (in ₹)
						Skegen Asset Management LLP	13,608,085			
						India SME Growth Fund-Series 2	8,501,196			
						RCC Nutra Fill Private Limited	6,804,042			
						Shakti Finvest Partners	4,428,028			
						NS Trading and Investments LLP	4,088,597			
						Ramachandra Kollareddy	3,409,735			
September 28, 2026	70,459,155	2	N.A.	Conversion of 559 0.01% Series B1 CCPS into Equity Shares	N.A.^	**Name of allottee**	**Number of equity shares**	7	2,053,889,271	4,107,778,542
						Nikunj Parashar	28,234,080			
						Manoj Kanhaiyalal Agrawal	11,091,960			
						Lakshay Dang	8,571,060			
						Mridul Babbar	8,571,060			
						Ankit Kumar	6,176,205			
						Saurabh Avinash Patil	6,176,205			
						Amit Singla	1,638,585			
November 6, 2026	30,841,986	2	97.27	Private Placement	Cash	**Name of allottee**	**Number of equity shares**	2	2,084,731,257	4,169,462,514
						ValueQuest S.C.A.L.E Fund II	17,991,158			
						ValueQuest Founders Conviction LVF	12,850,828			

[#] *Our Company was incorporated on May 16, 2015, and the date of subscription to the MoA was May 8, 2015. The allotment of equity shares pursuant to such subscription was noted pursuant to resolution passed by our Board on June 10, 2015.*

[^] *Consideration was paid at the time of issuance of compulsorily convertible preference shares.*

[1] *Allotted to IDBI Trustee Company Limited on behalf of the Maharashtra Defence and Aerospace Venture Fund.*

[2] *Allotted to Ruchi Khetal on behalf of Focus Marine Partners and Focus Marine Group each.*

[3] *Pursuant to a loan agreement dated December 20, 2022, entered into among Nilesh K. Agrawal, Ankit Deepak Desai, and our Company, 300 equity shares of ₹10 each were allotted upon conversion of the loan.*

(b) Preference share capital

(i) As on the date of this Updated Draft Red Herring Prospectus – I, our Company does not have any outstanding CCPS. The history of the compulsorily convertible preference share capital of our Company is set forth below:

Date of allotment/conversion of CCPS	Number of CCPS allotted/(converted)	Face value per CCPS (in ₹)	Issue price per CCPS (in ₹)	Nature of allotment	Nature of consideration	Details of allottees/ shareholders	Number of allottees	Conversion Ratio	Cumulative number of CCPS	Cumulative paid-up preference shares capital (in ₹)	Acquisition price per preference share (in ₹)	Estimated price per equity share (based on conversion) (in ₹)
0.01% CCPS												
September 9, 2019[#]	12,658	10	3,555.00	Private placement	Cash	ONGC Start up Fund	1	1:14,005.00	12,658	126,580	N.A.	N.A.
December 10, 2021	113	10	3,555.00	Private placement	Cash	ONGC Start up Fund	1	1:14,005.00	12,771	127,710	N.A.	N.A.
September 28, 2026	(12,771)	10	N.A.	Conversion into Equity Shares	N.A.[^]	ONGC Start up Fund	1	1:14,005.00	-	-	N.A.	N.A.
0.01% Series A CCPS												
December 30, 2024	13,301	10	150,409.00	Private placement	Cash	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	1	1:15,031.52	13,301	133,010	N.A	N.A
March 18, 2025	2,198	10	150,409.00	Pursuant to conversion of compulsorily convertible debentures of face value of ₹100 to CCPS	N.A.[*]	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	1	1:15,031.52	15,499	154,990	N.A	N.A
March 25, 2025	1,132	10	150,409.00	Private placement	Cash	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	1	1:15,031.52	16,631	166,310	N.A	N.A
September 28, 2026	(16,631)	10	N.A.	Conversion into Equity Shares	N.A.[^]	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	1	1:15,031.52	-	-	N.A	N.A
Series B CCPS												
March 31, 2026	3,991	10	226,872.00	Private placement	Cash	**Name of allottee** / **Number of CCPS**: SVADHA India Emerging — 2,645	4	1:15,428.67	3,991	39,910	N.A	N.A

Date of allotment/conversion of CCPS	Number of CCPS allotted/(converted)	Face value per CCPS (in ₹)	Issue price per CCPS (in ₹)	Nature of allotment	Nature of consideration	Details of allottees/ shareholders	Number of allottees	Conversion Ratio	Cumulative number of CCPS	Cumulative paid-up preference shares capital (in ₹)	Acquisition price per preference share (in ₹)	Estimated price per equity share (based on conversion) (in ₹)
						Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)						
						Skegen Asset Management LLP: 838						
						Shakti Finvest Partners[$]: 287						
						Ramachandra Kollareddy: 221						
April 2, 2026[#]	2,645	10	226,872.00	Private placement	Cash	**Name of allottee** / **Number of CCPS** BSR Infratech India Limited: 2,204 RCC Nutra Fill Private Limited: 441	2	1:15,428.67	6,636	66,360	N.A	N.A
April 6, 2026	551	10	226,872.00	Private placement	Cash	India SME Growth Fund - Series 2	1	1:15,428.67	7,187	71,870	N.A	N.A
April 9, 2026	265	10	226,872.00	Private placement	Cash	NS Trading and Investments LLP	1	1:15,428.67	7,452	74,520	N.A	N.A
June 29, 2026	44	10	226,872.00	Private placement	Cash	Skegen Asset Management LLP	1	1:15,428.67	7,496	74,960	N.A	N.A
September 28, 2026	(7,496)	10	N.A.	Conversion into Equity Shares	N.A.[^]	**Name of allottee** / **Number of CCPS** SVADHA India Emerging Opportunities: (2,645)	8	1:15,428.67	-	-	N.A	N.A

Date of allotment/conversion of CCPS	Number of CCPS allotted/(converted)	Face value per CCPS (in ₹)	Issue price per CCPS (in ₹)	Nature of allotment	Nature of consideration	Details of allottees/ shareholders	Number of allottees	Conversion Ratio	Cumulative number of CCPS	Cumulative paid-up preference shares capital (in ₹)	Acquisition price per preference share (in ₹)	Estimated price per equity share (based on conversion) (in ₹)
						Scheme 1 (*through investment manager Skegen Asset Management LLP*)						
						BSR Infratech India Limited (2,204)						
						Skegen Asset Management LLP (882)						
						India SME Growth Fund-Series 2 (551)						
						RCC Nutra Fill Private Limited (441)						
						Shakti Finvest Partners (287)						
						NS Trading and Investments LLP (265)						
						Ramachandra Kollareddy (221)						
Series B1 CCPS												
March 30, 2026	559	10	19,514.00	Private placement	Cash	**Name of allottee** / **Number of CCPS**: Nikunj Parashar 224; Manoj Kanhaiyalal Agrawal 88; Lakshay Dang 68	7	1:126,045.00	559	5,590	N.A	N.A

Date of allotment/conversion of CCPS	Number of CCPS allotted/(converted)	Face value per CCPS (in ₹)	Issue price per CCPS (in ₹)	Nature of allotment	Nature of consideration	Details of allottees/ shareholders		Number of allottees	Conversion Ratio	Cumulative number of CCPS	Cumulative paid-up preference shares capital (in ₹)	Acquisition price per preference share (in ₹)	Estimated price per equity share (based on conversion) (in ₹)
						Mridul Babbar	68						
						Ankit Kumar	49						
						Saurabh Avinash Patil	49						
						Amit Singla	13						
September 28, 2026	(559)	10	N.A.	Conversion into Equity Shares	N.A.^	**Name of allottee**	**Number of CCPS**	7	1:126,045.00	-	-	N.A	N.A
						Nikunj Parashar	(224)						
						Manoj Kanhaiyalal Agrawal	(88)						
						Lakshay Dang	(68)						
						Mridul Babbar	(68)						
						Ankit Kumar	(49)						
						Saurabh Avinash Patil	(49)						
						Amit Singla	(13)						

*[*] Our Company had allotted 2,200,000 compulsorily convertible debentures of face value ₹100 each ("**CCDs**") on February 16, 2023 to IDBI Trustee Company Limited (on behalf of Maharashtra Defence and Aerospace Venture Fund). Subsequently such CCDs were transferred to SVADHA India Emerging Opportunities Scheme 1 (through investment manager Skegen Asset Management LLP). Pursuant to a shareholders' resolution dated December 27, 2024, our Company converted the CCDs to 2,198 Series A CCPS on March 18, 2025. The issue price in respect of Series A CCPS allotted pursuant to conversion of CCDs was paid at the time of issuance of such CCDs. Accordingly, no consideration was paid at the time of conversion.*

[#] The Form PAS-3 filed in respect of this allotment contained certain inaccuracies. Our Company has subsequently made the requisite revised filing of Form PAS-3, together with clarificatory letters dated April 14, 2021 and April 7, 2026, to rectify such inaccuracies. For further details, please see "Risk Factors - 34. Certain filings may have inadvertent errors or inaccuracies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will not be subject to any penalty imposed by the competent regulatory authority." on page 41.

[$] Allotted to Kavita Atha on behalf of Shakti Finvest Partners.

[^] Consideration was paid at the time of issuance of compulsorily convertible preference shares.

(ii) As on date of this Updated Draft Red Herring Prospectus - I, our Company does not have any outstanding optionally convertible redeemable preference shares.

(c) Compulsorily convertible debentures of our Company

As on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have any outstanding compulsorily convertible debentures. For details see *"– Notes to the Capital Structure – 1. Share capital history of our Company – (b) Preference share capital*" on page 83.

(d) ***Details of acquisition of Specified Securities through secondary transactions by our Promoters (including Promoter Selling Shareholders), members of Promoter Group (including Promoter Group Selling Shareholders), and the Other Selling Shareholders.***

Except as disclosed in "– *History of the share capital held by our Promoters*" on page 97, our Promoters (including Promoter Selling Shareholders) have not undertaken any other acquisition or transfer of securities through secondary transactions.

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, members of our Promoter Group (including the Promoter Group Selling Shareholders) have not undertaken any other acquisition or transfer of Specified Securities through secondary transactions:

Date of transfer	Nature of transaction	Nature of Specified Securities	Number of Specified Securities	Nature of consideration	Face value per security (in ₹)	Transfer Price per security (in ₹)
Nilesh K. Agrawal						
April 8, 2024	Gift to Ankit Kumar	Equity shares	(4,305)	Gift	10	-
December 27, 2024	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	Equity shares	(300)	Cash	10	167,121.00
June 29, 2026	Transfer to Blue Sky Holdings Private Limited	Equity shares	(200)	Cash	10	19,514.00
Rajesh Kanhaiyalal Agrawal						
August 22, 2023	Gift to Lakshay Dang	Equity shares	(1,005)	Gift	10	-
March 30, 2024	Gift to Amit Singla	Equity shares	(1,339)	Gift	10	-
	Gift to Ankit Kumar	Equity shares	(1,052)	Gift	10	-
	Gift to Saurabh Avinash Patil	Equity shares	(700)	Gift	10	-
December 27, 2024	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	Equity shares	(291)	Cash	10	167,121.00
March 28, 2025	Gift to Suresh Kumar Batra	Equity shares	(6)	Gift	10	-
June 29, 2026	Transfer to Blue Sky Holdings Private Limited	Equity shares	(200)	Cash	10	19,514.00
July 20, 2026	Gift to Renu Tiwari	Equity Shares	(42,015)	Gift	2	-
Amish Deepak Desai						
August 22, 2023	Gift to Lakshay Dang	Equity shares	(1,004)	Gift	10	-
March 21, 2024	Gift to Lakshay Dang	Equity shares	(3,092)	Gift	10	-
December 27, 2024	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	Equity shares	(291)	Cash	10	167,121.00
December 2, 2025	Gift to Santosh Dogra	Equity shares	(6)	Gift	10	-
June 29, 2026	Transfer to Blue Sky Holdings Private Limited	Equity shares	(200)	Cash	10	19,514.00
July 20, 2026	Gift to Renu Tiwari	Equity Shares	(42,015)	Gift	2	-
Ankit Deepak Desai						
April 8, 2024	Gift to Saurabh Avinash Patil	Equity shares	(4,187)	Gift	10	-
December 27, 2024	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	Equity shares	(300)	Cash	10	167,121.00
June 29, 2026	Transfer to Blue Sky Holdings Private Limited	Equity shares	(200)	Cash	10	19,514.00
Ramkamalprasad Tribhuwan Singh						
April 1, 2023	Gift to Lakshay Dang	Equity shares	(2,009)	Gift	10	-
March 21, 2024	Gift to Lakshay Dang	Equity shares	(256)	Gift	10	-
March 21, 2024	Gift to Saurabh Avinash Patil	Equity shares	(470)	Gift	10	-

Date of transfer	Nature of transaction	Nature of Specified Securities	Number of Specified Securities	Nature of consideration	Face value per security (in ₹)	Transfer Price per security (in ₹)
April 23, 2024	Gift to Mridul Babbar	Equity shares	(7,366)	Gift	10	-
December 27, 2024	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	Equity shares	(18)	Cash	10	167,121.00
	Transfer to Harsha Upadhyaya		(180)			
	Transfer to Purva Singhal		(33)			
	Transfer to Tanay Sudhir Bheda		(6)			
	Transfer to Aman Chowhan		(30)			
	Transfer to Mylktree Consultants LLP		(89)			
	Transfer to Vaibhav Dussad		(30)			
	Transfer to Satish Chandra Mishra		(21)			
	Transfer to Abhinav Sharma		(21)			
	Transfer to Vivea Holdings and Services Private Limited		(600)			
	Transfer to Ramadi Advisory Private Limited		(120)			
	Transfer to Saumik Ketan Doshi		(300)			
	Transfer to Systematix Fincorp India Limited		(180)			
	Transfer to Harjit Singh Sethi		(60)			
	Transfer to A2 Square Investment, Ashruti Khera		(1,069)			
	Transfer to Oceanic Hope Partners, Jaya Mariam Samuel		(311)			
	Transfer to Singhvi Heritage LLP		(60)			
	Transfer to V.M. Spice Company Private Limited		(60)			
	Transfer to Aakash Jain		(60)			
	Transfer to Ashish Singhania		(60)			
	Transfer to Aarkay Investments - Banti Agrawal		(60)			
	Transfer to Aarkay Investments - Banti Agrawal		(60)			
	Transfer to Sunil Sponge Private Limited		(60)			
	Transfer to Mahati Hydro Power Projects Private Limited		(60)			
	Transfer to Stheertha Ventures LLP		(60)			
May 27, 2025	Transfer to Paulomi Ketan Doshi	Equity shares	(70)	Cash	10	167,121.00
October 31, 2025	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	Equity shares	(458)	Cash	10	188,017.00
	Transfer to Ramachandra Kollareddy		(107)			
December 30, 2025	Transfer to Ramachandra Kollareddy	Equity shares	(160)	Cash	10	188,017.00
	Transfer to Tripuraneni Venkata Aditya Chowdary	Equity shares	(54)	Cash	10	188,017.00
June 5, 2026	Transfer to Lalit Kumar	Equity shares	(67)	Cash	10	226,872.00
	Transfer to Vaibhav Dusad		(12)			
	Transfer to Rekha Vivek Vyas		(23)			
	Transfer to Uma Kollareddy		(221)			
	Transfer to Disha Lakhotia		(12)			
	Transfer to Venugopal Manghat		(12)			
	Transfer to Amar Ravi Shah		(12)			
	Transfer to Anish Dilip Shah		(23)			
	Transfer to Himanshi Bhupendra Joshi		(12)			
	Transfer to Vivek Sridharan		(12)			
	Transfer to Dhwanil Sanjay Shah HUF		(22)			

Date of transfer	Nature of transaction	Nature of Specified Securities	Number of Specified Securities	Nature of consideration	Face value per security (in ₹)	Transfer Price per security (in ₹)
	Transfer to Aman Chowhan		(45)			
	Transfer to Harsha Upadhyaya		(23)			
	Transfer to Abhishek Bisen		(23)			
	Transfer to Myraa Raheja		(45)			
	Transfer to Anand Nareshbhai Shah		(45)			
	Transfer to Vijaya Holdings India LLP		(221)			
	Transfer to Hanumanth Rao Madhavarapu		(133)			
	Transfer to Mukul Jain		(23)			
	Transfer to Punita Somani		(23)			
	Transfer to Green Ivy Ventures Private Limited		(89)			
June 15, 2026	Transfer to Bimal Parikh HUF	Equity shares	(23)	Cash	10	226,872.00
	Transfer to Bipin Ramanlal Shah		(11)			
	Transfer to S Vipin Bhandari		(12)			
	Transfer to Raman Chopra		(23)			
	Transfer to Sudhir Shivji Bheda		(23)			
	Transfer to Satwani Holdings LLP		(23)			
	Transfer to Nikhil Tambolkar		(23)			
	Transfer to Rohan Agarwal		(23)			
	Transfer to Vasanti Gunvant Sheth		(34)			
	Transfer to Hetal Ramesh Gandhi		(23)			
	Transfer to Zubin Zainuddin		(88)			
July 2, 2026	Transfer to Baldau Prasad Tikariha	Equity shares	(23)	Cash	10	226,872.00
	Transfer to Chirag Pramod Vora		(23)			
	Transfer to Rohit Kumar Tandon		(23)			
	Transfer to Atul Suhas Penkar		(23)			
July 20, 2026	Transfer to Prutha Rupesh Vaze	Equity Shares	(350,125)	Cash	2	16.20
	Transfer to Sushila Bhalchandra Vaze		(350,125)			
	Transfer to Kirit Kumar Shah		(1,246,445)			

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, the Other Selling Shareholders have not undertaken any other acquisition or transfer of Specified Securities through secondary transactions:

Date of transfer	Nature of transaction	Nature of Specified Securities	Number of Specified Securities	Nature of consideration	Face value per security (in ₹)	Transfer Price per security (in ₹)
Varun L Reddy						
July 23, 2025	Transfer from Mridul Babbar	Equity shares	160	Cash	10	188,017.00
Focus Marine Group						
March 27, 2025	Transfer from Manoj Kanhaiyalal Agrawal	Equity shares	146	Cash	10	150,409.00
April 10, 2025	Transfer to Focus Marine Partners, Ruchi Khetal	Equity shares	(105)	Cash	10	150,409.00
July 20, 2026	Transfer from Saurabh Avinash Patil	Equity Shares	532,190	Cash	2	16.20
	Transfer from Lakshay Dang		56,020			
July 28, 2026	Transfer from Ankit Kumar	Equity Shares	532,190	Cash		
Focus Marine Partners						
April 10, 2025	Transfer from Focus Marine Group, Ruchi Khetal	Equity shares	105	Cash	10	150,409.00

Date of transfer	Nature of transaction	Nature of Specified Securities	Number of Specified Securities	Nature of consideration	Face value per security (in ₹)	Transfer Price per security (in ₹)
July 20, 2026	Transfer from Mridul Babbar	Equity Shares	532,190	Cash	2	16.20
	Transfer from Lakshay Dang		476,170			
NS Trading and Investments LLP						
July 23, 2025	Transfer from Mridul Babbar	Equity shares	50	Cash	10	188,017.00
	Transfer from Lakshay Dang		152			
	Transfer from Saurabh Avinash Patil		12			
	Transfer from Ankit Kumar		102			
Oceanic Hope Partners						
December 27, 2024	Transfer from Ramkamalprasad Tribhuwan Singh	Equity shares	311	Cash	10	167,121.00
Ramagiri Ramadevi						
January 4, 2025	Transfer from Ankit Kumar	Equity shares	60	Cash	10	167,121.00
Ushodaya Enterprises Private Limited						
June 13, 2025	Transfer from Nikunj Parashar	Equity shares	600	Cash	10	167,121.00
Ramachandra Kollareddy						
July 24, 2025	Transfer from Nikunj Parashar	Equity shares	107	Cash	10	188,017.00
October 31, 2025	Transfer from Ramkamalprasad Tribhuwan Singh		107			
December 30, 2025	Transfer from Ramkamalprasad Tribhuwan Singh		160			
Malaxmi Infra Ventures India Private Limited						
January 3, 2025	Transfer from Lakshay Dang	Equity shares	120	Cash	10	167,121.00
Uma Kollareddy						
January 3, 2025	Transfer from Ankit Kumar	Equity shares	60	Cash	10	167,121.00
June 5, 2026	Transfer from Ramkamalprasad Tribhuwan Singh	Equity shares	221	Cash	10	226,872.00
SVADHA India Emerging Opportunities Scheme 1 (through investment manager Skegen Asset Management LLP)						
December 13, 2024[1]	Transfer from Maharashtra Defence and Aerospace Venture Fund	Compulsorily convertible debentures	2,200,000	Cash	100	150.27
December 27, 2024	Transfer from Ramkamalprasad Tribhuwan Singh	Equity shares	18	Cash	10	167,121.00
	Transfer from Nilesh K Agrawal		300			
	Transfer from Amish Deepak Desai		291			
	Transfer from Rajesh Kanhaiyalal Agrawal		291			
	Transfer from Ankit Deepak Desai		300			
July 23, 2025	Transfer from Mridul Babbar	Equity shares	17	Cash	10	188,017.00
	Transfer from Lakshay Dang		17			
	Transfer from Saurabh Avinash Patil		17			
	Transfer from Ankit Kumar		17			
July 24, 2025	Transfer from Nikunj Parashar	Equity shares	631	Cash	10	188,017.00
October 31, 2025	Transfer from Ramkamalprasad Tribhuwan Singh	Equity shares	458	Cash	10	188,017.00

[1] *Transferred by IDBI Trustee Company Limited on behalf of the Maharashtra Defence and Aerospace Venture Fund.*

2. **Issue of Specified Securities through bonus issue or for consideration other than cash or out of revaluation of reserves**

As on the date of this Updated Draft Red Herring Prospectus - I, our Company has not issued any Specified Securities out of revaluation reserves since its incorporation.

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, our Company has not issued any Specified Securities by way of a bonus issue or for consideration other than cash since its incorporation:

<table>
<tr><th>Date of allotment</th><th>Name of allottees</th><th>Face value per Equity Share (in ₹)</th><th>Issue price per Equity Share (in ₹)</th><th>Total number of Equity Share allotted</th><th>Reason for allotment</th><th>Benefits accrued to our Company</th></tr>
<tr><td>February 14, 2023</td><td><table><tr><th>Name of allottee</th><th>Number of equity shares</th></tr><tr><td>Nilesh K Agrawal</td><td>209</td></tr><tr><td>Ankit Deepak Desai</td><td>91</td></tr></table></td><td>10</td><td>61,103.00</td><td>300</td><td>Allotment of equity shares pursuant to conversion of outstanding loan^</td><td>Adjustment of outstanding loan amount</td></tr>
<tr><td>July 12, 2026</td><td>The details of allottees are included in "Annexure B" on page 534</td><td>10</td><td>N.A.</td><td>287,683,200</td><td>Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held</td><td>-</td></tr>
</table>

^ *Pursuant to a loan agreement dated December 20, 2022, entered into among Nilesh K Agrawal, Ankit Deepak Desai, and our Company, 300 equity shares of ₹10 each were allotted upon conversion of the loan.*

3. **Issue of shares pursuant to schemes of arrangement**

As of the date of this Updated Draft Red Herring Prospectus - I, our Company has not allotted any equity shares or preference shares pursuant to any scheme of arrangement approved under sections 230 to 234 of the Companies Act.

4. **Issue of Equity Shares under employee stock option schemes**

As of the date of this Updated Draft Red Herring Prospectus - I, our Company has not issued any equity shares pursuant to exercise of stock options granted pursuant to the ESOP Plan. For details of outstanding options granted pursuant to the ESOP Plan, see *"- Employee Stock Option Schemes of our Company*" on page 113.

5. **Issue of Specified Securities at a price lower than the Offer Price in the last year**

The Offer Price is [●]. Except as disclosed in "*– Notes to the Capital Structure – Share capital history of our Company*" on page 81, our Company has not issued any Specified Securities to any person, at a price which is lower than the Offer Price during a period of one year preceding the date of this Updated Draft Red Herring Prospectus - I.

6. **Shareholding pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Updated Draft Red Herring Prospectus - I:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares 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+C)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants)* (X)	Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) (XI)=(VII+X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)= (VII)+(X) As a % of (A+B+C)	Number of Locked in shares (XIII)		Number of Shares pledged (XIV)		Non-Disposal Undertaking (XV)		Other encumbrances if any (XVI)		Total Number of Shares encumbered (XVII)		Number of Equity Shares held in dematerialized form (XVIII)
								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)	Number (a)	As a % of total Shares held (b)	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	12	1,298,109,445	-	-	1,298,109,445	62.27	-	-	-	62.27	-	1,298,109,445	62.20	-	-	-	-	-	-	-	-	-	-	1,298,109,445
(B)	Public	118	786,621,812	-	-	786,621,812	37.73	-	-	-	37.73	2,268,810	788,890,622	37.80	-	-	-	-	-	-	-	-	-	-	786,621,812
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	130	2,084,731,257	-	-	2,084,731,257	100.00	-	-	-	100.00	2,268,810	2,087,000,067	100.00	-	-	-	-	-	-	-	-	-	-	2,084,731,257

** Assuming exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each, as applicable.*

7. **Details of shareholding of major shareholders of our Company**

(a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company (on a fully diluted basis) as on the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^
1.	Nikunj Parashar	344,901,135	344,901,135	16.53%
2.	Ramkamalprasad Tribhuwan Singh	123,342,035	123,342,035	5.91%
3.	Manoj Kanhaiyalal Agrawal	135,092,230	135,092,230	6.47%
4.	Amish Deepak Desai	110,695,520	110,695,520	5.30%
5.	Ankit Deepak Desai	110,695,520	110,695,520	5.30%
6.	Mridul Babbar	104,057,150	104,057,150	4.99%
7.	Lakshay Dang	104,057,150	104,057,150	4.99%
8.	Saurabh Avinash Patil	74,926,750	74,926,750	3.59%
9.	Ankit Kumar	74,926,750	74,926,750	3.59%
10.	Rajesh Kanhaiyalal Agrawal	47,673,020	47,673,020	2.28%
11.	Nilesh K. Agrawal	47,673,020	47,673,020	2.28%
12.	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	323,807,860	323,807,860	15.52%
13.	ONGC Start up Fund	178,857,855	178,857,855	8.57%
14.	BSR Infratech India Limited	34,004,783	34,004,783	1.63%
	Total	**1,814,710,778**	**1,814,710,778**	**86.95%**

Based on the beneficiary position statement dated November 18, 2026.
^ Assuming exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each, as applicable.

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company (on a fully diluted basis) as of ten days prior to the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis^
1.	Nikunj Parashar	344,901,135	344,901,135	16.53%
2.	Ramkamalprasad Tribhuwan Singh	123,342,035	123,342,035	5.91%
3.	Manoj Kanhaiyalal Agrawal	135,092,230	135,092,230	6.47%
4.	Amish Deepak Desai	110,695,520	110,695,520	5.30%
5.	Ankit Deepak Desai	110,695,520	110,695,520	5.30%
6.	Mridul Babbar	104,057,150	104,057,150	4.99%
7.	Lakshay Dang	104,057,150	104,057,150	4.99%
8.	Saurabh Avinash Patil	74,926,750	74,926,750	3.59%
9.	Ankit Kumar	74,926,750	74,926,750	3.59%
10.	Rajesh Kanhaiyalal Agrawal	47,673,020	47,673,020	2.28%
11.	Nilesh K. Agrawal	47,673,020	47,673,020	2.28%
12.	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	323,807,860	323,807,860	15.52%
13.	ONGC Start up Fund	178,857,855	178,857,855	8.57%
14.	BSR Infratech India Limited	34,004,783	34,004,783	1.63%
	Total	**1,814,710,778**	**1,814,710,778**	**86.95%**

Based on the beneficiary position statement dated November 9, 2026.
^ Assuming exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each, as applicable.

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company (on a fully diluted basis) as of one year prior to the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Number of Preference Shares held	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis
1.	Nikunj Parashar	22,611	-	22,611	16.95%
2.	Ramkamalprasad Tribhuwan	10,656	-	10,656	7.99%

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Number of Preference Shares held	Number of Equity Shares held on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis
	Singh				
3.	Manoj Kanhaiyalal Agrawal	8,854	-	8,854	6.64%
4.	Amish Deepak Desai	8,113	-	8,113	6.08%
5.	Ankit Deepak Desai	8,104	-	8,104	6.08%
6.	Mridul Babbar	6,856	-	6,856	5.14%
7.	Lakshay Dang	6,889	-	6,889	5.17%
8.	Saurabh Avinash Patil	4,947	-	4,947	3.71%
9.	Ankit Kumar	4,947	-	4,947	3.71%
10.	Rajesh Kanhaiyalal Agrawal	3,607	-	3,607	2.70%
11.	Nilesh K. Agrawal	3,604	-	3,604	2.70%
12.	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	2,357	16,631	20,207	15.15%
13.	ONGC Start up Fund	-	12,771	12,771	9.58%
14.	Amit Singla	1,339	-	1,339	1.00%
	Total	**92,884**	**29,402**	**122,595**	**92.60%**

Based on the beneficiary position statement dated November 19, 2025.

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company (on a fully diluted basis) as of two years prior to the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Number of Preference Shares held[#]	Number of Equity Shares held on a fully diluted basis[*]	Percentage of the pre-Offer Equity Share capital on a fully diluted basis[*]
1.	Nikunj Parashar	25,000	-	25,000	21.64%
2.	Ramkamalprasad Tribhuwan Singh	14,899	-	14,899	12.90%
3.	Mridul Babbar	7,366	-	7,366	6.38%
4.	Manoj Kanhaiyalal Agrawal	9,000	-	9,000	7.79%
5.	Amish Deepak Desai	8,404	-	8,404	7.28%
6.	Ankit Deepak Desai	8,404	-	8,404	7.28%
7.	Lakshay Dang	7,366	-	7,366	6.38%
8.	Saurabh Avinash Patil	5,357	-	5,357	4.64%
9.	Ankit Kumar	5,357	-	5,357	4.64%
10.	Rajesh Kanhaiyalal Agrawal	3,904	-	3,904	3.38%
11.	Nilesh K. Agrawal	3,904	-	3,904	3.38%
12.	ONGC Start up Fund	-	12,771	12,771	11.06%
13.	Amit Singla	1,339	-	1,339	1.16%
	Total	**1,00,300**	**12,771**	**1,13,071**	**97.91%**

Based on the beneficiary position statement dated November 19, 2024.

[*] *Exclusive of (i) 804,450 optionally convertible redeemable preference shares which were held by IDBI Trustee Company Limited (on behalf of Maharashtra Defence and Aerospace Venture Fund) and 400,000 optionally convertible redeemable preference shares which were held by ONGC Start up Fund each of which have been subsequently redeemed and (ii) 2,200,000 compulsory convertible debentures which were subsequently converted to 2,198 0.01% Series A CCPS allotted to SVADHA India Emerging Opportunities Scheme 1 (through investment manager Skegen Asset Management LLP) on March 18, 2025. Further, as on date of this Updated Draft Red Herring Prospectus - I, our Company does not have any outstanding optionally convertible redeemable preference shares or compulsory convertible debentures.*

8. **The aggregate pre-Offer and post-Offer shareholding of the Promoter, members of Promoter Group, and additional top 10 Shareholders**

The aggregate pre-Offer and post-Offer shareholding of the Promoter, members of Promoter Group, and additional top 10 Shareholders, is set forth below:

S. No.	Pre-Offer shareholding as at the date of this Updated Draft Red Herring Prospectus - I			Post-Offer shareholding as at the date of Allotment^^(1)			
	Name of the shareholder	Number of Equity Shares of face value of ₹ 2 each on a fully diluted basis	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 of ₹ 2 each on a fully diluted basis*	Shareholding on a fully diluted basis (in %)*	Number of Equity Shares of face value of ₹ 2 each on a fully diluted basis *	Shareholding on a fully diluted basis (in %)*
Promoters (Also the Promoter Selling Shareholders)							
1.	Nikunj Parashar	344,901,135	16.53	[●]	[●]	[●]	[●]
2.	Mridul Babbar	104,057,150	4.99	[●]	[●]	[●]	[●]
3.	Lakshay Dang	104,057,150	4.99	[●]	[●]	[●]	[●]
4.	Saurabh Avinash Patil	74,926,750	3.59	[●]	[●]	[●]	[●]
5.	Ankit Kumar	74,926,750	3.59	[●]	[●]	[●]	[●]
6.	Amit Singla	20,069,165	0.96	[●]	[●]	[●]	[●]
7.	Manoj Kanhaiyalal Agrawal	135,092,230	6.47	[●]	[●]	[●]	[●]
Total (A)		**858,030,330**	**41.11**	[●]	[●]	[●]	[●]
Members of Promoter Group (Also the Promoter Group Selling Shareholders)							
1.	Ramkamalprasad Tribhuwan Singh	123,342,035	5.91	[●]	[●]	[●]	[●]
2.	Amish Deepak Desai	110,695,520	5.30	[●]	[●]	[●]	[●]
3.	Ankit Deepak Desai	110,695,520	5.30	[●]	[●]	[●]	[●]
4.	Rajesh Kanhaiyalal Agrawal	47,673,020	2.28	[●]	[●]	[●]	[●]
5.	Nilesh K. Agrawal	47,673,020	2.28	[●]	[●]	[●]	[●]
Total (B)		**440,079,115**	**21.09**	[●]	[●]	[●]	[●]
Additional top 10 Shareholders							
1.	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	323,807,860	15.52	[●]	[●]	[●]	[●]
2.	ONGC Start up Fund	178,857,855	8.57	[●]	[●]	[●]	[●]
3.	BSR Infratech India Limited	34,004,783	1.63	[●]	[●]	[●]	[●]
4.	ValueQuest S.C.A.L.E Fund II	17,991,158	0.86	[●]	[●]	[●]	[●]
5.	A2 Square Investment, Ashruti Khera	17,282,170	0.83	[●]	[●]	[●]	[●]
6.	Focus Marine Partners, Ruchi Khetal	15,769,630	0.76	[●]	[●]	[●]	[●]
7.	Pravin Ramkrishna Uplanchiwar	14,005,000	0.67	[●]	[●]	[●]	[●]
8.	Skegen Asset Management LLP	13,608,085	0.65	[●]	[●]	[●]	[●]
9.	Blue Sky Holdings Private Limited	11,204,000	0.54	[●]	[●]	[●]	[●]
10.	ValueQuest Founders Conviction LVF	12,850,828	0.62	[●]	[●]	[●]	[●]
Total (C)		**639,381,369**	**30.64**	[●]	[●]	[●]	[●]
Other Public Shareholders							
11.	-(2)	149,509,253	7.16	[●]	[●]	[●]	[●]
Total (D)		**149,509,253**	**7.16**	[●]	[●]	[●]	[●]
Total (A)+(B)+(C)+(D)		**2,087,000,067**	**100.00**	[●]	[●]	[●]	[●]

***** *The post-Offer shareholding shall be updated in the Abridged Prospectus and Prospectus.*

^^ *Assuming full subscription in the Offer. The post-Offer shareholding details as at Allotment will be based on the actual subscription and the Offer Price and updated in the Prospectus, subject to finalization of the Basis of Allotment.*

To be updated in the Prospectus.

^ *Assuming exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each, as applicable.*

(1) *Based on the Offer price of ₹[●] and subject to finalisation of the basis of allotment.*

(2) *As on the date of this Updated Draft Red Herring Prospectus - I, our Company has 108 other public shareholders (based on beneficiary position statement available on November 18, 2026).*

9. **History of the share capital held by our Promoters**

As on the date of this Updated Draft Red Herring Prospectus - I, our Promoters collectively hold 858,030,330 Equity Shares of face value of ₹2 each equivalent to 41.11% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis.

a. *Build-up of the equity shareholding of our Promoters in our Company*

The details regarding the build-up of the equity shareholding of our Promoters in our Company is set forth in the table below:

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer Price per equity share (in ₹)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)@$	Percentage of post-Offer Equity Share capital (%)*
Nikunj Parashar							
May 16, 2015#	Initial subscription to MoA	5,000	Cash	10	10.00	Negligible	[●]
November 21, 2016	Preferential allotment	20,000	Cash	10	10.00	Negligible	[●]
January 7, 2025	Transfer to Dhananjay Tikariha	(36)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Mylktree Consultants LLP	(31)				Negligible	[●]
January 23, 2025	Transfer to Dinesh Kumar Sarda	(29)	Cash	10	167,121.00	Negligible	[●]
	Transfer to SB Opportunities Fund I	(329)				Negligible	[●]
	Transfer to Winfinity Partners LLP	(29)				Negligible	[●]
June 13, 2025	Transfer to Ushodaya Enterprises Private Limited	(600)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Santhosh Jain	(29)				Negligible	[●]
	Transfer to Tarun Kantilal Votavat	(29)				Negligible	[●]
	Transfer to Ankur Surana	(29)				Negligible	[●]
June 17, 2025	Transfer to SB Opportunities Fund I	(1)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Mahaveerchand Mahendra	(29)				Negligible	[●]
July 23, 2025	Transfer to Mr. Akshit A Jain	(29)	Cash	10	167,121.00	Negligible	[●]
July 24, 2025	Transfer to Harsha Upadhyaya	(54)	Cash	10	188,017.00	Negligible	[●]
	Transfer to Ramachandra Kollareddy	(107)				Negligible	[●]
	Transfer to Devender Singhal	(107)				Negligible	[●]
	Transfer to Arathi Suresh	(5)				Negligible	[●]
	Transfer to P Maurya Chandra	(13)				Negligible	[●]
	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	(631)				Negligible	[●]
	Transfer to Disha Lakhotia	(14)				Negligible	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer Price per equity share (in ₹)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)[@$]	Percentage of post-Offer Equity Share capital (%)*
July 25, 2025	Transfer to Chandravali Mittul Kalawadia	(65)	Cash	10	188,017.00	Negligible	[●]
	Transfer to Rathakrishnan Damayanthi	(160)				Negligible	[●]
October 23, 2025	Transfer to A2 Square Investment, Ashruti Khera	(33)	Cash	10	225,620.00	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	63,310,800	N.A.	10	N.A.	15.17	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Nikunj Parashar was sub-divided from 63,333,411 equity shares of face value of ₹10 each into 316,667,055 Equity Shares of face value of ₹2 each.							
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	28,234,080	N.A.[^]	2	N.A.	1.35	[●]
Sub Total[@]		**344,901,135**				16.53	[●]
Mridul Babbar							
April 23, 2024	Gift from Ramkamalprasad Tribhuwan Singh	7,366	Gift	10	-	Negligible	[●]
December 31, 2024	Transfer to Tanay Sudhir Bheda	(54)	Cash	10	167,121.00	Negligible	[●]
January 3, 2025	Transfer to Hemant Thakorlal Kanawala	(30)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Sachin Agarwal	(60)				Negligible	[●]
	Transfer to Poonam Shekhawat	(6)				Negligible	[●]
July 23, 2025	Transfer to Hemant Thakorlal Kanawala	(27)	Cash	10	188,017.00	Negligible	[●]
	Transfer to Chandravali Mittul Kalawadia	(23)				Negligible	[●]
	Transfer to Srishant Challa	(50)				Negligible	[●]
	Transfer to Varun L Reddy	(160)				Negligible	[●]
	Transfer to NS Trading and Investments LLP	(50)				Negligible	[●]
	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	(17)				Negligible	[●]
October 23, 2025	Transfer to A2 Square Investment, Ashruti Khera	(33)	Cash	10	225,620.00	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	19,196,800	N.A.	10	N.A.	4.60	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Mridul Babbar was sub-divided from 19,203,656 equity shares of face value of ₹10 each into 96,018,280 Equity Shares of face value of ₹2 each.							

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer Price per equity share (in ₹)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)[@$]	Percentage of post-Offer Equity Share capital (%)*
July 20, 2026	Transfer to Focus Marine Partners, Ruchi Khetal	(532,190)	Cash	2	16.20	(0.03)	[●]
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	8,571,060	N.A.[^]	2	N.A.	0.41	[●]
Sub-total[@]		**104,057,150**				4.99	**[●]**
Lakshay Dang							
April 1, 2023	Gift from Ramkamalprasad Tribhuwan Singh	2,009	Gift	10	-	Negligible	[●]
August 22, 2023	Gift from Amish Deepak Desai	1,004	Gift	10	-	Negligible	[●]
	Gift from Rajesh Kanhaiyalal Agrawal	1,005				Negligible	[●]
March 21, 2024	Gift from Amish Deepak Desai	3,092	Gift	10	-	Negligible	[●]
	Gift from Ramkamalprasad Tribhuwan Singh	256				Negligible	[●]
January 3, 2025	Transfer to Rajat Chandak	(30)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Malaxmi Infra Ventures India Private Limited	(120)				Negligible	[●]
July 23, 2025	Transfer to Dhananjay Tikariha	(35)	Cash	10	188,017.00	Negligible	[●]
	Transfer to Tanay Sudhir Bheda	(54)				Negligible	[●]
	Transfer to Rajat Chandak	(27)				Negligible	[●]
	Transfer to Lalit Kumar	(38)				Negligible	[●]
	Transfer to Srishant Challa	(4)				Negligible	[●]
	Transfer to NS Trading and Investments LLP	(152)				Negligible	[●]
	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	(17)				Negligible	[●]
December 26, 2025	Transfer to A2 Square Investment, Ashruti Khera	(33)	Cash	10	225,620.00	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	19,196,800	N.A.	10	N.A.	4.60	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Lakshay Dang was sub-divided from 19,203,656 equity shares of face value of ₹10 each into 96,018,280 Equity Shares of face value of ₹2 each.							
July 20, 2026	Transfer to Focus Marine Partners, Ruchi Khetal	(476,170)	Cash	2	16.20	(0.02)	[●]
	Transfer to Focus Marine Group, Ruchi Khetal	(56,020)	Cash	2	16.20	Negligible	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer Price per equity share (in ₹)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)[@$]	Percentage of post-Offer Equity Share capital (%)*
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	8,571,060	N.A.[^]	2	N.A.	0.41	[●]
Sub-total[@]		**104,057,150**				4.99	[●]
Saurabh Avinash Patil							
March 21, 2024	Gift from Ramkamalprasad Tribhuwan Singh	470	Gift	10	-	Negligible	[●]
March 30, 2024	Gift from Rajesh Kanhaiyalal Agrawal	700	Gift	10	-	Negligible	[●]
April 8, 2024	Gift from Ankit Deepak Desai	4,187	Gift	10	-	Negligible	[●]
January 3, 2025	Transfer to Lalit Kumar	(60)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Vivek Gautam	(60)				Negligible	[●]
January 4, 2025	Transfer to Nitin Chandalia	(30)	Cash	10	167,121.00	Negligible	[●]
July 23, 2025	Transfer to Florensa Care Products LLP	(27)	Cash	10	188,017.00	Negligible	[●]
	Transfer to Ritesh Lunawat	(19)				Negligible	[●]
	Transfer to Nitya Mishra	(14)				Negligible	[●]
	Transfer to Salonee Adarsh Agrawal	(14)				Negligible	[●]
	Transfer to Arathi Suresh	(14)				Negligible	[●]
	Transfer to P Maurya Chandra	(14)				Negligible	[●]
	Transfer to Abhishek Bisen	(54)				Negligible	[●]
	Transfer to NS Trading and Investments LLP	(12)				Negligible	[●]
	Transfer to Prateek Poddar	(14)				Negligible	[●]
	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	(17)				Negligible	[●]
	Transfer to Sri Sharma	(14)				Negligible	[●]
	Transfer to Vaibhav Dusad	(14)				Negligible	[●]
October 23, 2025	Transfer to A2 Square Investment, Ashruti Khera	(33)	Cash	10	225,620.00	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	13,851,600	N.A.	10	N.A.	3.32	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Saurabh Avinash Patil was sub-divided from 13,856,547 equity shares of face value of ₹10 each into 69,282,735 Equity Shares of face value of ₹2 each.							
July 20, 2026	Transfer to Focus Marine Group, Ruchi Khetal	(532,190)	Cash	2	16.20	(0.03)	[●]
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	6,176,205	N.A.[^]	2	N.A.	0.30	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer Price per equity share (in ₹)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)[@$]	Percentage of post-Offer Equity Share capital (%)*
Sub-total[@]		**74,926,750**				3.59	**[●]**
Ankit Kumar							
March 30, 2024	Gift from Rajesh Kanhaiyalal Agrawal	1,052	Gift	10	-	Negligible	[●]
April 8, 2024	Gift from Nilesh K. Agrawal	4,305	Gift	10	-	Negligible	[●]
January 3, 2025	Transfer to Sunit Garg	(30)	Cash	10	167,121.00	Negligible	[●]
	Transfer to Uma Kollareddy	(60)				Negligible	[●]
January 4, 2025	Transfer to Ramagiri Ramadevi	(60)	Cash	10	167,121.00	Negligible	[●]
July 23, 2025	Transfer to Venugopal Manghat	(27)	Cash	10	188,017.00	Negligible	[●]
	Transfer to Sachin Agarwal	(27)				Negligible	[●]
	Transfer to Mukul Jain	(27)				Negligible	[●]
	Transfer to Rohit Kumar Tandon	(27)				Negligible	[●]
	Transfer to NS Trading and Investments LLP	(102)				Negligible	[●]
	Transfer to SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	(17)				Negligible	[●]
October 23, 2025	Transfer to A2 Square Investment, Ashruti Khera	(33)	Cash	10	225,620.00	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	13,851,600	N.A.	10	N.A.	3.32	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Ankit Kumar was sub-divided from 13,856,547 equity shares of face value of ₹10 each into 69,282,735 Equity Shares of face value of ₹2 each.							
July 28, 2026	Transfer to Focus Marine Group, Ruchi Khetal	(532,190)	Cash	2	16.20	(0.03)	[●]
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	6,176,205	N.A.[^]	2	N.A.	0.30	[●]
Sub-total[@]		**74,926,750**				3.59	**[●]**
Amit Singla							
March 30, 2024	Gift from Rajesh Kanhaiyalal Agrawal	1,339	Gift	10	-	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	3,749,200	N.A.	10	N.A.	0.90	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Amit Singla was sub-divided from 3,750,539 equity shares of face value of ₹10 each into 18,752,695 Equity Shares of face value of ₹2 each.							
July 20, 2026	Transfer to Madhur Batra	(322,115)	Cash	2	16.20	(0.02)	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value per equity share (in ₹)	Issue/ Transfer Price per equity share (in ₹)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)@$	Percentage of post-Offer Equity Share capital (%)*
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	1,638,585	N.A.^	2	N.A.	0.08	[●]
Sub-total@		**20,069,165**				0.96	**[●]**
Manoj Kanhaiyalal Agrawal							
November 21, 2016	Preferential allotment	9,000	Cash	10	10	Negligible	[●]
March 27, 2025	Transfer to Focus Marine Group, Ruchi Khetal	(146)	Cash	10	150,409.00	Negligible	[●]
July 12, 2026	Bonus issue in the ratio of 2,800 equity shares of face value ₹10 each for every one equity share held	24,791,200	N.A.	10	N.A.	5.94	[●]
Pursuant to a resolution passed by our Board of Directors dated July 4, 2026, and special resolution passed by our Shareholders at the annual general meeting, dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Accordingly, the number of equity shares held by Manoj Kanhaiyalal Agrawal was sub-divided from 24,800,054 equity shares of face value of ₹10 each into 124,000,270 Equity Shares of face value of ₹2 each.							
September 28, 2026	Conversion of 0.01% Series B1 CCPS into Equity Shares	11,091,960	N.A.^	2	N.A.	0.53	[●]
Sub Total@		**135,092,230**				6.47	**[●]**
Total@		**858,030,330**				41.11	**[●]**

** To be included upon finalization of the Offer Price and subject to the Basis of Allotment.*
 # Our Company was incorporated on May 16, 2015 and the date of subscription to the MoA was May 8, 2015. The allotment of equity shares pursuant to such subscription was noted pursuant to resolution passed by our Board on June 10, 2015.
@ Considering the impact of share split.
^ Consideration was paid at the time of issuance of compulsorily convertible preference shares.
$ Assuming exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each, as applicable.

b. *Build-up of the preference shareholding of our Promoters in our Company*

The details regarding the build-up of the preference shareholding of our Promoters in our Company is set forth in the table below:

Date of allotment/ transfer	Number of Preference Shares allotted/ transferred	Nature of transaction	Nature of consideration	Face value per Preference Share (₹)	Issue price/ transfer price per Preference Share (₹)	Percentage of the pre- Offer equity share capital on a fully diluted basis (%)
Series B1 CCPS						
Nikunj Parashar						
March 30, 2026	224	Private placement	Cash	10	19,514.00	1.37
September 28, 2026	(224)	Conversion into Equity Shares	N.A.^	10	N.A.	(1.37)
Mridul Babbar						
March 30, 2026	68	Private placement	Cash	10	19,514.00	0.42
September 28, 2026	(68)	Conversion into Equity Shares	N.A.^	10	N.A.	(0.42)
Lakshay Dang						
March 30, 2026	68	Private placement	Cash	10	19,514.00	0.42
September 28, 2026	(68)	Conversion into Equity Shares	N.A.^	10	N.A.	(0.42)
Saurabh Avinash Patil						

Date of allotment/ transfer	Number of Preference Shares allotted/ transferred	Nature of transaction	Nature of consideration	Face value per Preference Share (₹)	Issue price/ transfer price per Preference Share (₹)	Percentage of the pre- Offer equity share capital on a fully diluted basis (%)
March 30, 2026	49	Private placement	Cash	10	19,514.00	0.30
September 28, 2026	(49)	Conversion into Equity Shares	N.A.^	10	N.A.	(0.30)
Ankit Kumar						
March 30, 2026	49	Private placement	Cash	10	19,514.00	0.30
September 28, 2026	(49)	Conversion into Equity Shares	N.A.^	10	N.A.	(0.30)
Amit Singla						
March 30, 2026	13	Private placement	Cash	10	19,514.00	0.08
September 28, 2026	(13)	Conversion into Equity Shares	N.A.^	10	N.A.	(0.08)
Manoj Kanhaiyalal Agrawal						
March 30, 2026	88	Private Placement	Cash	10	19,514.00	0.54
September 28, 2026	(88)	Conversion into Equity Shares	N.A.^	10	N.A.	(0.54)

^ *Consideration was paid at the time of issuance of compulsorily convertible preference shares.*

10. **Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company**

Except as disclosed below, none of the Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management hold any Equity Shares or Preference shares of our Company:

Name	Number of Equity Shares of face value of ₹2 each	Number of Preference Shares held	Number of Equity Shares of face value of ₹2 held on a fully diluted basis	Percentage of the pre-Offer paid-up share capital on a fully diluted basis	Percentage of the post-Offer paid-up share capital on a fully diluted basis (%)#
Promoters (including Promoter Selling Shareholders)					
Nikunj Parashar[&]	344,901,135	-	344,901,135	16.53%	[●]
Mridul Babbar[&]	104,057,150	-	104,057,150	4.99%	[●]
Lakshay Dang[$]	104,057,150	-	104,057,150	4.99%	[●]
Saurabh Avinash Patil[$]	74,926,750	-	74,926,750	3.59%	[●]
Ankit Kumar[$]	74,926,750	-	74,926,750	3.59%	[●]
Amit Singla[$]	20,069,165	-	20,069,165	0.96%	[●]
Manoj Kanhaiyalal Agrawal[&]	135,092,230	-	135,092,230	6.47%	[●]
Total	**858,030,330**	-	**858,030,330**	**41.11%**	[●]
Members of Promoter Group (including Promoter Group Selling Shareholders)					
Ramkamalprasad Tribhuwan Singh	123,342,035	-	123,342,035	5.91%	[●]
Amish Deepak Desai	110,695,520	-	110,695,520	5.30%	[●]
Ankit Deepak Desai	110,695,520	-	110,695,520	5.30%	[●]
Rajesh Kanhaiyalal Agrawal	47,673,020	-	47,673,020	2.28%	[●]

Name	Number of Equity Shares of face value of ₹2 each	Number of Preference Shares held	Number of Equity Shares of face value of ₹2 held on a fully diluted basis	Percentage of the pre-Offer paid-up share capital on a fully diluted basis	Percentage of the post-Offer paid-up share capital on a fully diluted basis (%)#
Nilesh K. Agrawal	47,673,020	-	47,673,020	2.28%	[●]
Total	**440,079,115**	**-**	**440,079,115**	**21.09%**	[●]
Other Selling Shareholders					
Varun L Reddy	2,240,800	-	2,240,800	0.11%	[●]
Focus Marine Group, Ruchi Khetal	6,848,445	-	6,848,445	0.33%	[●]
Focus Marine Partners, Ruchi Khetal	15,769,630	-	15,769,630	0.76%	[●]
NS Trading and investments LLP	8,514,177	-	8,514,177	0.41%	[●]
Oceanic Hope Partners, Jaya Mariam Samuel	4,355,555	-	4,355,555	0.21%	[●]
Ramagiri Ramadevi	840,300	-	840,300	0.04%	[●]
Ushodaya Enterprises Private Limited	8,403,000	-	8,403,000	0.40%	[●]
Ramachandra Kollareddy	8,647,605	-	8,647,605	0.41%	[●]
Malaxmi Infra Ventures India Private Limited	1,680,600	-	1,680,600	0.08%	[●]
Uma Kollareddy	3,935,405	-	3,935,405	0.19%	[●]
SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	323,807,860	-	323,807,860	15.52%	[●]
Total	**385,043,377**	**-**	**385,043,377**	**18.45%**	[●]

[#] *To be included upon finalization of the Offer Price and subject to the Basis of Allotment.*
[&] *Also a Director.*
[$] *Also a member of the Senior Management.*

11. **Details of Promoters' contribution and lock-in**

i. Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20.00% of the post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of three years, or any other period as prescribed under the SEBI ICDR Regulations, as minimum Promoters' contribution ("**Minimum Promoters' Contribution**") from the date of Allotment and the shareholding of our Promoters in excess of 20.00% of the post-Offer Equity Share capital shall be locked in for a period of 12 months from the date of Allotment.

ii. Details of the Equity Shares to be locked-in for three years from the date of Allotment as Minimum Promoters' Contribution, as prescribed under the SEBI ICDR Regulations, are set forth in the table below:

Name of the Promoter	Number of Equity Shares of face value ₹2 each held	Number of Equity Shares of face value ₹2 each locked-in[(1)]	Date of allotment / transfer of Equity Shares of face value ₹2 each [(2)]	Nature of transaction	Face Value per Equity Share (in ₹)	Issue/Allotment/ Acquisition Price per Equity Share (in ₹)	Percentage of the pre-Offer paid-up Equity Share capital (%)	Percentage of the post-Offer paid-up Equity Share capital (%)	Date up to which the Equity Shares of face of face value ₹2 each are subjected to lock in
[●]	[●]	[●]	[●]	[●]	2	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

(1) Subject to finalisation of Basis of Allotment.

(2) All Equity Shares were fully paid-up as on the date of allotment/acquisition.

Our Promoters, severally and not jointly, have each given their respective consents to include such number of Equity Shares held by our Promoters as disclosed above, constituting 20.00% of the post-Offer Equity Share capital of our Company as Minimum Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge, lien or otherwise encumber in any manner the Minimum Promoters' Contribution from the date of filing this Updated Draft Red Herring Prospectus - I, 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 SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of build-up of shareholding of our Promoters, see "*–9. History of the share capital held by our Promoters – a. Build-up of the Equity shareholding of our Promoters in our Company*" on page 97.

In this connection, please note that:

a. The Equity Shares offered for Minimum Promoters' Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets not involved in such transactions, or (ii) Equity Shares that have resulted from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or resulted from bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters' Contribution.

b. The Minimum Promoters' Contribution does not include any Equity Shares acquired during the one year immediately preceding the date of this Updated Draft Red Herring Prospectus - I, 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 and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Updated Draft Red Herring Prospectus - I pursuant to conversion from one or more partnership firms or limited liability partnerships.

d. All the Equity Shares held by our Promoters are in dematerialised form.

e. The Equity Shares held by our Promoters and offered for Minimum Promoters' Contribution are not subject to pledge or any other encumbrance with any third party.

Other lock-in requirements:

i. In accordance with Regulation 14 and Regulation 16(1)(a) of the SEBI ICDR Regulations, an aggregate of 20.00% of the fully diluted post-Offer equity share capital of our Company held by our Promoters, shall be locked in for a period of three years from the date of Allotment as minimum Promoters' contribution, or any other period as may be prescribed under applicable law. The shareholding of our Promoters in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of one year from the date of Allotment.

ii. The entire pre-Offer Equity Share Capital held by persons other than our Promoters shall be locked in for a period of six months from the date of Allotment. In the event where lock-in of the pre-Offer Equity Share capital of our Company, which is held by persons other than our Promoters, cannot be created under SEBI ICDR Regulations, the relevant Depositories, upon instructions from our Company, shall record such Equity Shares as 'non-transferable' for such duration from the date of Allotment in the Offer. Relevant provisions in this regard have been included in the articles of association of our Company. For details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 485. However, the above lock-in of Equity Shares shall not be applicable

for (i) the Equity Shares offered pursuant to the Offer for Sale, and (ii) any Equity Shares transferred to and held by employees (whether currently employees or not) of our Company in accordance with ESOP Plan. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations; (iii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCIs, subject to certain conditions set out in Regulations 8A and 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

iii. 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.

iv. In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among the members of our Promoter Group or to any new promoter of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the SEBI Takeover Regulations, as applicable.

v. Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of 3 years from the date of Allotment (as mentioned above) may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

vi. Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of 12 months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

Provided that the lock-in of Equity Shares shall continue post the invocation of the pledge referenced above in (v) and (vi), for the relevant lock-in period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

vii. Pursuant to Regulation 22 of the SEBI ICDR Regulations, (a) the Equity Shares held by our Promoters, which are locked-in may be transferred to and among the members of our Promoter Group or to any new promoter of our Company and (b) the Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the SEBI Takeover Regulations.

Lock-in of the Equity Shares to be allotted, if any, to the Anchor Investors

50.00% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

12. As on the date of the filing of this Updated Draft Red Herring Prospectus - I, our Company has 130 Shareholders.

13. Except as disclosed in "*History of the share capital held by our Promoters - (a) Build-up of the Equity shareholding of our Promoters in our Company*" and *"– Notes to the Capital Structure – Share capital history of our Company – (d) Details of acquisition of Specified Securities through secondary transactions by our Promoters, members of Promoter Group, and the Selling Shareholders*" on pages 87 and 88, respectively, none of our Promoters, members of the Promoter Group, Directors of our Company or their relatives have purchased or sold any Specified Securities during a period of six months preceding the date of this Updated Draft Red Herring Prospectus - I.

14. Except for Equity Shares to be allotted pursuant to the Fresh Issue and issue of any Equity Shares pursuant to exercise of options that may be granted under the ESOP Plan, our Company presently does not intend or propose 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 and/ or preference shares, or by way of 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 otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to

necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

15. Neither our Company, nor the Directors have entered into any buy-back arrangements for purchase of Equity Shares or Preference Shares from any person. Further, the Book Running Lead Managers have not entered into any buy-back arrangements for purchase of Equity Shares or Preference Shares from any person.

16. **Details of weighted average cost of acquisition of Equity Shares of our Promoters (including our Promoter Selling Shareholders), Promoter Group Selling Shareholders, and Other Selling Shareholders**

The weighted average cost of acquisition at which the Equity Shares were acquired by our Promoters (including Promoter Selling Shareholder, Promoter Group Selling Shareholders, and Other Selling Shareholders) as on the date of this Updated Draft Red Herring Prospectus - I, in the one year and three years preceding the date of this Updated Draft Red Herring Prospectus - I is as follows:

Name	Number of Equity Shares of face value of ₹2 each held	Weighted average cost of acquisition per Equity Share of face value of ₹2 each acquired (in ₹)**^	Weighted average cost of acquisition per equity share acquired in the last one year on a fully diluted basis (in ₹)**^	Weighted average cost of acquisition per equity share acquired in the last three years on a fully diluted basis (in ₹)**^
Promoters (including the Promoter Selling Shareholders)				
Nikunj Parashar	344,901,135	0.01	0.01	0.01
Mridul Babbar	104,057,150	0.01	0.01	0.01
Lakshay Dang	104,057,150	0.01	0.01	0.01
Saurabh Avinash Patil	74,926,750	0.01	0.01	0.01
Ankit Kumar	74,926,750	0.01	0.01	0.01
Amit Singla	20,069,165	0.01	0.01	0.01
Manoj Kanhaiyalal Agrawal	135,092,230	0.01	0.01	0.01
Promoter Group Selling Shareholders				
Ramkamalprasad Tribhuwan Singh	123,342,035	Negligible@	Nil	Nil
Amish Deepak Desai	110,695,520	Negligible@	Nil	Nil
Ankit Deepak Desai	110,695,520	0.05	Nil	Nil
Rajesh Kanhaiyalal Agrawal	47,673,020	Negligible@	Nil	Nil
Nilesh K Agrawal	47,673,020	0.27	Nil	Nil
Other Selling Shareholders				
Varun L Reddy	2,240,800	13.42	Negligible@	13.42
Focus Marine Group, Ruchi Khetal	6,848,445	8.20	2.65	5.86
Focus Marine Partners, Ruchi Khetal	15,769,630	5.71	1.04	2.04
NS Trading and investments LLP	8,514,177	14.04	7.06	14.04
Oceanic Hope Partners	4,355,555	11.93	Negligible@	11.93
Ramagiri Ramadevi	840,300	11.93	Negligible@	11.93
Ushodaya Enterprises Private Limited	8,403,000	11.93	Negligible@	11.93
Ramachandra Kollareddy	8,647,605	13.93	5.80	13.93
Malaxmi Infra Ventures India Private Limited	1,680,600	11.93	Negligible@	11.93
Uma Kollareddy	3,935,405	15.29	12.74	15.29
SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	323,807,860	10.87	8.13	10.87

As certified by S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026.

** *Adjusted for sub-division pursuant to a resolution passed by the Shareholders on July 11, 2026, each fully paid-up equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each.*

@ *Negligible" represents that the weighted average cost of acquisition per Equity Share is less than ₹0.01*

^ *For the purposes of weighted average cost of acquisition calculations, CCPS have been assumed to be converted on the date of original allotment of such CCPS (i.e., when the cash consideration was paid on original allotment of such CCPS).*

17. **Weighted average cost of acquisition of all Specified Securities transacted in the last one year, eighteen months and three years preceding the date of this Updated Draft Red Herring Prospectus - I**

The weighted average cost of acquisition of all specified securities transacted in the last one year, 18 months and three years preceding the date of this Updated Draft Red Herring Prospectus - I is as follows:

Equity Shares:

Period	Equity Shares transacted	Weighted Average Cost of Acquisition per equity share (in ₹)[&*]	Cap Price is 'X' times the Weighted Average Cost of Acquisition[^*]	Range of acquisition price: lowest price – highest price (in ₹)[&*]
Last one year preceding the date of this Updated Draft Red Herring Prospectus - I	1,468,018,163	2.59	[●]	Nil – 97.27
Last 18 months preceding the date of this Updated Draft Red Herring Prospectus - I	1,468,031,198	2.92	[●]	Nil – 97.27
Last three years preceding the date of this Updated Draft Red Herring Prospectus - I	1,718,140,793	4.14	[●]	Nil – 97.27

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[^] To be updated upon finalization of Offer Price at Prospectus stage.

[&] Pursuant to the shareholders' resolution of our Company dated July 11, 2026, our Company approved a bonus issue of 2,800 equity shares for every 1 equity share of face value of ₹10 held by shareholders as on the record date, i.e., July 3, 2026. Further, pursuant to a resolution passed by the Shareholders on July 11, 2026, each fully paid-up equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each.

[*] For the purposes of weighted average cost of acquisition calculations, CCPS have been assumed to be converted on the date of original allotment of such CCPS (i.e., when the cash consideration was paid on original allotment of such CCPS).

Note: In the above table, weighted average cost of acquisition and range of acquisition price is considered based on both primary and secondary issuances.

18. **Details of price at which Specified Securities were acquired by each of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights in the last three years immediately preceding the date of this Updated Draft Red Herring Prospectus - I**

Except as stated below, there have been no Specified Securities that were acquired in the last three years preceding the date of this Updated Draft Red Herring Prospectus - I, by the Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including the Promoter Group Selling Shareholders), Other Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights:

Equity Shares:

Name of Shareholder	Nature of transaction	Date of acquisition of equity shares	Number of equity shares acquired [(1)]	Face value per equity share (in ₹)	Acquisition price per equity share (in ₹) (including securities premium, in case of primary issuance)[#]
Promoters (including Promoters Selling Shareholders)[*]					
Nikunj Parashar	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	63,310,800	10	-
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	28,234,080	2	N.A.
Mridul Babbar	Gift from Ramkamalprasad Tribhuwan Singh	April 23, 2024	7,366	10	-
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	19,196,800	10	-
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	8,571,060	2	N.A.
Lakshay Dang	Gift from Amish Deepak Desai	March 21, 2024	3,092	10	-
	Gift from Ramkamalprasad Tribhuwan Singh	March 21, 2024	256	10	-
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	19,196,800	10	-

Name of Shareholder	Nature of transaction	Date of acquisition of equity shares	Number of equity shares acquired [(1)]	Face value per equity share (in ₹)	Acquisition price per equity share (in ₹) (including securities premium, in case of primary issuance)[#]
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	8,571,060	2	N.A.
Saurabh Avinash Patil	Gift from Ramkamalprasad Tribhuwan Singh	March 21, 2024	470	10	-
	Gift from Rajesh Kanhaiyalal Agrawal	March 30, 2024	700	10	-
	Gift from Ankit Deepak Desai	April 8, 2024	4,187	10	-
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	13,851,600	10	-
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	6,176,205	2	N.A.
Ankit Kumar	Gift from Rajesh Kanhaiyalal Agrawal	March 30, 2024	1,052	10	-
	Gift from Nilesh K Agrawal	April 8, 2024	4,305	10	-
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	13,851,600	10	-
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	6,176,205	2	N.A.
Amit Singla	Gift from Rajesh Kanhaiyalal Agrawal	March 30, 2024	1,339	10	-
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	3,749,200	10	-
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	1,638,585	2	N.A.
Manoj Kanhaiyalal Agrawal	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	24,791,200	10	-
	Conversion of 0.01% Series B1 CCPS into Equity Shares	September 28, 2026	11,091,960	2	N.A.
Members of Promoter Group (including the Promoter Group Selling Shareholders) [*]					
Nilesh K Agrawal	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	9,531,200	10	-
Rajesh Kanhaiyalal Agrawal	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	9,539,600	10	-
Amish Deepak Desai	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	22,139,600	10	-
Ankit Deepak Desai	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	22,131,200	10	-
Ramkamalprasad Tribhuwan Singh	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	25,048,800	10	-
Other Selling Shareholders					
Varun L Reddy	Transfer from Mridul Babbar	July 23, 2025	160	10	188,017.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	448,000	10	-
Focus Marine Group, Ruchi Khetal[*]	Transfer from Manoj Kanhaiyalal Agrawal	March 27, 2025	146	10	150,409.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	1,145,200	10	-
	Transfer from Lakshay Dang	July 20, 2026	56,020	2	16.20

Name of Shareholder	Nature of transaction	Date of acquisition of equity shares	Number of equity shares acquired [(1)]	Face value per equity share (in ₹)	Acquisition price per equity share (in ₹) (including securities premium, in case of primary issuance)[#]
	Transfer from Saurabh Avinash Patil	July 20, 2026	532,190		
	Transfer from Ankit Kumar	July 28, 2026	532,190		
Focus Marine Partners, Ruchi Khetal[*]	Transfer from Focus Marine Group, Ruchi Khetal	April 10, 2025	105	10	150,409.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	2,951,200	10	-
	Transfer from Mridul Babbar	July 20, 2026	532,190	2	16.20
	Transfer from Lakshay Dang		476,170		
NS Trading and Investments LLP[*]	Transfer from Mridul Babbar	July 23, 2025	50	10	188,017.00
	Transfer from Lakshay Dang		152		
	Transfer from Saurabh Avinash Patil		12		
	Transfer from Ankit Kumar		102		
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	884,800	10	-
	Conversion of 0.01% Series B CCPS into Equity Shares	September 28, 2026	4,088,597	2	N.A.
Oceanic Hope Partners	Transfer from Ramkamalprasad Tribhuwan Singh	December 27, 2024	311	10	167,121.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	870,800	10	-
Ramagiri Ramadevi	Transfer from Ankit Kumar	January 4, 2025	60	10	167,121.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	168,000	10	-
Ushodaya Enterprises Private Limited	Transfer from Nikunj Parashar	June 13, 2025	600	10	167,121.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	1,680,000	10	-
Ramachandra Kollareddy[*]	Transfer from Nikunj Parashar	July 24, 2025	107	10	188,017.00
	Transfer from Ramkamalprasad Tribhuwan Singh		160		
	Transfer from Ramkamalprasad Tribhuwan Singh		107		
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held .	July 12, 2026	1,047,200	10	-
	Conversion of 0.01% Series B CCPS into Equity Shares	September 28, 2026	3,409,735	2	N.A.
Malaxmi Infra Ventures India Private Limited	Transfer from Lakshay Dang	January 3, 2025	120	10	167,121.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	336,000	10	-
Uma Kollareddy	Transfer from Ankit Kumar	January 3, 2025	60	10	167,121.00
	Transfer from Ramkamalprasad Tribhuwan Singh	June 5, 2026	221	10	226,872.00

Name of Shareholder	Nature of transaction	Date of acquisition of equity shares	Number of equity shares acquired [(1)]	Face value per equity share (in ₹)	Acquisition price per equity share (in ₹) (including securities premium, in case of primary issuance)[#]
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	786,800	10	-
SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*) [*]	Transfer from Ramkamalprasad Tribhuwan Singh	December 27, 2024	18	10	167,121.00
	Transfer from Nilesh K Agrawal		300		
	Transfer from Amish Deepak Desai		291		
	Transfer from Rajesh Kanhaiyalal Agrawal		291		
	Transfer from Ankit Deepak Desai		300		
	Transfer from Mridul Babbar	July 23, 2025	17	10	188,017.00
	Transfer from Lakshay Dang		17		
	Transfer from Saurabh Avinash Patil		17		
	Transfer from Ankit Kumar		17		
	Transfer from Nikunj Parashar	July 24, 2025	631	10	188,017.00
	Transfer from Ramkamalprasad Tribhuwan Singh	October 31, 2025	458	10	188,017.00
	Bonus issue in the ratio of 2,800 equity shares for every one equity share held	July 12, 2026	6,599,600	10	-
	Conversion of 0.01% Series A CCPS into Equity Shares	September 28, 2026	249,989,250	2	N.A.
	Conversion of 0.01% Series B CCPS into Equity Shares	September 28, 2026	40,808,825	2	N.A.

[*] *Also Shareholders entitled with the right to nominate directors or other rights.*

[#] *As certified by S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026.*

Preference Shares:

Name of Shareholder	Class of Preference Shares acquired	Nature of transaction	Date of acquisition of preference shares	Number of preference shares acquired [(1)] [&]	Face value per preference share (in ₹)	Acquisition price per preference share (in ₹) (including securities premium, in case of primary issuance)[# $]
Promoters (including Promoter Selling Shareholders) [*]						
Nikunj Parashar	Series B1 CCPS	Private placement	March 30, 2026	224	10	19,514.00
Mridul Babbar				68		
Lakshay Dang				68		
Saurabh Avinash Patil				49		
Ankit Kumar				49		
Amit Singla				13		
Manoj Kanhaiyalal Agrawal				88		
Other Selling Shareholders [*]						
SVADHA India Emerging	0.01% Series A CCPS	Private Placement	December 30, 2024	13,301	10	150,409.00
			March 18, 2025	2,198		

Name of Shareholder	Class of Preference Shares acquired	Nature of transaction	Date of acquisition of preference shares	Number of preference shares acquired [(1)] [&]	Face value per preference share (in ₹)	Acquisition price per preference share (in ₹) (including securities premium, in case of primary issuance)[# $]
Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)			March 25, 2025	1,132		
Ramachandra Kollareddy	Series B CCPS	Private placement	March 31, 2026	221	10	226,872.00
SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)			March 31, 2026	2,645		
NS Trading and Investments LLP			April 9, 2026	265		

[*] *Also Shareholders entitled with the right to nominate directors or other rights.*

[#] *As certified by S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026.*

Notes:

[&] *We have considered the number of preference shares acquired during last three years for all selling shareholders from the date of filing of this Updated Draft Red Herring Prospectus - I.*

[$] *Accordingly, the acquisition price of preference share is calculated as the amount paid towards the acquisition of the securities during the last three years and cumulative number of shares acquired during the last three years. The 37,457 CCPS were subsequently converted into 614,959,551 Equity Shares of face value of ₹ 2 each which were allotted on September 28, 2026:*

Outstanding Preference Shares as on the date of this Pre-filed Draft Red Herring Prospectus	***Conversion Ratio***	***Maximum number of resultant Equity Shares of face value of ₹2 each that may be allotted upon conversion of Preference Shares***
12,771 0.01% CCPS of face value of ₹10 each	*1:14,005.00*	*178,857,855 Equity Shares of face value of ₹2 each*
16,631 0.01% Series A CCPS of face value of ₹	*1:15,031.52*	*249,989,250 Equity Shares of face value of ₹2 each*
7,496 Series B CCPS of face value of ₹10 each	*1:15,428.67*	*115,653,291 Equity Shares of face value of ₹2 each*
559 Series B1 CCPS of face value of ₹10 each	*1:126,045.00*	*70,459,155 Equity Shares of face value of ₹2 each*
Total		***614,959,551 Equity Shares of face value of ₹2 each***

19. Except for the outstanding stock options granted pursuant to the ESOP Plan, our Company has no outstanding convertible securities, warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Updated Draft Red Herring Prospectus - I.

20. As certified by BYG & Associates, Company Secretaries, by way of their certificate dated November 13, 2026, our Company is in compliance with the Companies Act, to the extent applicable, with respect to issuance of Equity Shares (including securities convertible or exchangeable into Equity Shares) from the date of incorporation of our Company till the date of filing of this Updated Draft Red Herring Prospectus - I.

21. The secondary transactions of Specified Securities involving our Promoters and members of the Promoter Group are in compliance with the Companies Act, 2013, as amended, the rules made thereunder, as applicable, and other applicable laws.

22. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Updated Draft Red Herring Prospectus - I. All Equity Shares offered and Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.

23. None of the Book Running Lead Managers and their associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company, as on the date of this Updated Draft Red Herring Prospectus - I. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in

transactions with, and perform services for, our Company, the Selling Shareholders and their respective directors and officers, partners, trustees, affiliates, associates or third parties 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 and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in future receive, compensation.

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

25. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the relevant financing entity, during a period of six months immediately preceding the date of filing of this Updated Draft Red Herring Prospectus - I.

26. No person connected with the Offer, including, but not limited to, the Book Running Lead Managers, the Syndicate Members, our Company, Directors, Promoters, and members of our Promoter Group shall offer any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

27. Our Promoters and the members of our Promoter Group will not participate in the Offer and will not receive any proceeds of the Offer, except to the extent of the sale of Offered Shares by way of Offer for Sale and as disclosed in the '*Objects of the Offer*' on page 117.

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

29. Except for the Fresh Issue and any Equity Shares to be allotted pursuant to the ESOP Plan, 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 filing this Updated Draft Red Herring Prospectus - I until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

30. Our Company shall ensure that transactions in Specified Securities by our Promoters and members of our Promoter Group, during the period between the date of filing of this Updated Draft Red Herring Prospectus - I and the date of Bid/Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction. Further, the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

31. All Equity Shares of our Company are in dematerialised form.

32. **Employee stock options scheme of our Company**

ESOP Plan 2021 ("**ESOP Plan**")

Our Company, pursuant to the resolution passed by our Board on December 1, 2021, and by our Shareholders on March 2, 2022, adopted the ESOP Plan. Further, the ESOP Plan was amended pursuant to the resolutions dated July 4, 2026 and July 11, 2026 passed by our Board and our Shareholders, respectively. Our Company adopted ESOP Plan to create, offer, grant and allot in one or more tranches, employee stock options which are convertible into Equity Shares. The purpose of ESOP Plan is to attract and retain employees of our Company and reward employees for their performance and recognition for their efforts. The ESOP Plan is in compliance with the SEBI SBEB & SE Regulations and other applicable laws.

ESOP Plan provides that the maximum number of options that can be granted to an eligible employee under it shall not, at any time during the tenure of the ESOP Plan, exceed 10% of options (exercisable for 175,300,585 Equity Shares^), i.e., the option pool (or such other adjusted figure for any corporate action) under the ESOP Plan.

Under the ESOP Plan, 16,370 options (exercisable for 16,370 equity shares of face value ₹10 each) have lapsed and been added back to the option pool. As on the date of this Updated Draft Red Herring Prospectus - I, an aggregate of 3,285 options (post corporate actions and exercisable for 9,201,285 Equity Shares^) granted are outstanding out of which 810 options (post corporate actions and exercisable for 2,268,810 Equity Shares^) have been vested under ESOP Plan. Therefore, 166,099,300 options (post corporate actions and exercisable for 166,099,300 Equity Shares^) are available for grant under the ESOP Plan. No options have been exercised under ESOP Plan. These options have been granted in compliance with the relevant provisions of the Companies Act, 2013 and only to the employees of our Company.

The details of ESOP Plan, as certified by S C Mehra & Associates LLP, Chartered Accountants through their certificate dated November 19, 2026 are as follows:

Particulars	Details				
	From October 1, 2026 till the date of this Updated Draft Red Herring Prospectus - I^	For the six months period ended September 30, 2026^	Fiscal 2024^	Fiscal 2025^	Fiscal 2026^
Total options granted	-	-	16,370	-	3,285
Total options vested (cumulative)	810	810	-	-	-
Total options exercised	-	-	-	-	-
Exercise price of options (per option) (in ₹) (as on the date of grant)	-	-	2	-	2
The total number of Equity Shares that would arise as a result of full exercise of granted options	-	-	45,852,370	-	9,201,285
Options forfeited/lapsed/cancelled	-	-	(16,370)	-	-
Variation of terms of options	There are no variations in the terms of options.				
Vesting period	One – five years				
Money realized by exercise of options (₹)	-	-	-	-	-
Total number of options outstanding in force	-	-	-	-	3,285
Employee wise details of options granted to:	-	-	-	-	-
(i) Key Management Personnel	-	-	-	-	-
Ankur Taparia	-	-	-	-	990
(ii) Members of the Senior Management	-	-	-	-	-
Sanyukta Singh	-	-	-	-	110
(iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil	Nil
(iv) Identified employees who are 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	Nil	Nil	Nil	Nil	Nil
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share' (in ₹)	NA	NA	(0.04)	0.17	0.49
Weighted average exercise price of options whose exercise price either equals or exceeds or is less than the market price of the stock (in ₹)	-	-	2	-	2

Particulars	Details				
	From October 1, 2026 till the date of this Updated Draft Red Herring Prospectus - I^	For the six months period ended September 30, 2026^	Fiscal 2024^	Fiscal 2025^	Fiscal 2026^
Weighted average exercise fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock (in ₹)	-	-	-	-	34,690.47
Difference, 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 our Company and on the EPS of our Company	Not Applicable. As per the valuation report, the fair value has been estimated using the Black-Scholes Model.				
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, 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	Fair value under Black Scholes Model of Valuation.				
Risk free interest rate	NA	NA	NA	NA	6.01% - 6.69%
Expected Life	NA	NA	NA	NA	Five years from grant date
Expected Annual Volatility of Shares	NA	NA	NA	NA	50%
Expected Dividend Yield	NA	NA	NA	NA	0%
Price of the underlying share in market at the time of grant (in ₹)	NA	NA	NA	NA	10.74-16.20
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable				

Particulars	Details				
	From October 1, 2026 till the date of this Updated Draft Red Herring Prospectus - I^	For the six months period ended September 30, 2026^	Fiscal 2024^	Fiscal 2025^	Fiscal 2026^
Intention of the key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	Not applicable*				
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, key managerial personnel, senior management and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	Not applicable*				

As certified by S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026.

Note: Pursuant to the ESOP Plan, our Company has not issued Equity Shares yet to employees of our Company since none of the vested options have been exercised as on the date of this Updated Draft Red Herring Prospectus - I.

^ Pursuant to the shareholders' resolution dated July 11, 2026, our Company approved a bonus issue of 2,800 equity shares for every 1 equity share of face value of ₹10 held by shareholders as on the record date, i.e., July 3, 2026. Further, pursuant to the shareholders' resolution dated July 11, 2026, each equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each. Consequently, in accordance with the provisions of the ESOP Plan, appropriate adjustments were made to all stock options. Accordingly, the number of granted options (i.e., 657 options) was proportionately increased to reflect the impact of the share subdivision (and has therefore been increased to 3,285 options, as detailed in the table above). Further, for the 3,285 options currently granted under the ESOP Plan, 2,801 equity shares shall be allotted upon exercise of 1 option (as the same shall suitably adjusted to reflect the impact of bonus issue of equity shares dated July 11, 2026). Additionally, the number of options available for grant (including lapsed and forfeited options available for reissue) under the ESOP Plan was suitably adjusted to reflect the impact of the bonus issue and share subdivision (and has therefore been increased from 11,860 options to 166,099,300 options).

** A few of our Key Managerial Personnel and members of Senior Management may sell Equity Shares arising out of the ESOP Plan upon exercise of their options thereunder within three months after the date of listing of Equity Shares.*

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of [●] Equity Shares having face value of ₹ 2 each, aggregating up to ₹ 12,000.00 million by our Company and an Offer for Sale of [●] Equity Shares having face value of ₹ 2 each, aggregating up to ₹ 22,120.00 million by the Selling Shareholders. See "*The Offer*" on page 63.

Offer for Sale

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorized their participation in the Offer for Sale in relation to their respective portion of the Offered Shares. For details of the Selling Shareholders, see "*Annexure A*" to this Updated Draft Red Herring Prospectus - I on page 533. Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer related expenses and relevant taxes thereon. See "**-** *Offer Expenses*" on page 136. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

The details of the Proceeds of the Fresh Issue are summarized in the table below.

Particulars	Estimated Amount (in ₹ million)
Gross Proceeds of the Fresh Issue	12,000.00*
Less: Offer expenses to the extent applicable to the Fresh Issue^^	[●]
Total Net Proceeds^(1)	[●]

* *Subject to finalisation of Basis of Allotment.*

^ *Additionally our Company, in consultation with the BRLMs, undertook a Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus-I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.*

^^ *See "- Offer Expenses" on page 136.*

(1) The aggregate proceeds of the Pre-IPO Placement and the Fresh Issue is ₹15,000.00 million and the Offer expenses apportioned to our Company is ₹[●] million. Accordingly, the aggregate of the Net Proceeds and the proceeds of the Pre-IPO Placement is ₹[●] million. For details with respect to the fees and expenses related to the Offer, please refer to "- Offer related expenses" on page 136.

Requirements of funds

We are a vertically integrated Indian deep-tech company that designs, develops, manufactures and supports multi-domain unmanned platforms across the maritime surface, maritime sub-surface, aerial and land domains. Our platforms are physical vehicles and robotic systems capable of navigating their environment, executing complex missions and making operational decisions without real-time human intervention. We are the only company in India specializing in unmanned and integrated systems across the maritime surface, maritime sub-surface, aerial and land domains. *(Source: CAREEdge Report)* For further details, see *"Our Business"* on page 237.

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to herein as the "**Objects**"):

1. Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, Andhra Pradesh;

2. Funding purchase of new machinery for our facilities in Chakan, Pune, Maharashtra

3. Investment in research and development; and

4. Inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancement of our Company's brand name among existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects and the objects incidental or ancillary to the attainment of the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

Utilisation of Net Proceeds

We propose to utilize the Net Proceeds in the manner set forth in the table below:

S. No.	Particulars	Estimated Amount (in ₹ million)
1.	Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh	7,247.80
2.	Funding purchase of new machinery for our facilities in Chakan, Pune, Maharashtra	827.24
3.	Investment in research and development	1,700.00
4.	Inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes[(1)(2)]	[●]
	Total Net Proceeds [(2)(3)]	[●]

(1) The cumulative amount to be utilised for funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes (including Pre-IPO Placement) shall not exceed 35% of the Gross Proceeds and proceeds from the Pre-IPO Placement. The amount to be utilised for each of: (a) funding inorganic growth through unidentified acquisitions and other strategic initiatives; and (b) general corporate purposes (including Pre-IPO Placement) shall not exceed 25% of the Gross Proceeds and proceeds from the Pre-IPO Placement.

(2) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

(3) Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as set forth in the table below:

(in ₹ million)

Particulars	Total estimated cost proposed to be funded out of Net Proceeds	Estimated deployment of Net Proceeds in Fiscal 2027	Estimated deployment of Net Proceeds in Fiscal 2028	Estimated deployment of Net Proceeds in Fiscal 2029
1. Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh	7,247.80	271.50	5,903.70	1,072.60
2. Funding purchase of new machinery for our facilities in Chakan, Pune, Maharashtra	827.24	300.00	527.24	-
3. Investment in research and development	1,700.00	300.00	700.00	700.00
4. Inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes[(1)(2)]	[●]	[●]	[●]	[●]
Total Net Proceeds[(1)(3)]	[●]	[●]	[●]	[●]

(1) To be finalised upon determination of Offer Price and updated in the Prospectus, at the time of filing with the RoC.

(2) The cumulative amount to be utilised for funding inorganic growth through unidentified acquisitions and general corporate purposes (including Pre-IPO Placement) shall not exceed 35% of the Gross Proceeds and proceeds from the Pre-IPO Placement. Further, the amount to be utilised for each of: (a) funding inorganic growth through unidentified acquisitions and other strategic initiatives; and (b) general corporate purposes (including Pre-IPO Placement) shall not exceed 25% of the Gross Proceeds and proceeds from the Pre-IPO Placement.

(3) Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

The total estimated cost and deployment of funds indicated above is based on our existing business plan, management estimates, valid quotations received from third parties, a project report dated November 12, 2026 prepared by Proconvis Consultants Private Limited under the supervision of its head of structural design, More Ranjitsinh Abhayrao, who is a qualified Chartered Engineer (India) and a registered member of The Institution of Engineers (India) ("**Proconvis Report**"), certificates from Praveen Subramanya, an independent chartered engineer, certificate dated November 19, 2026 by S C Mehra & Associates LLP, Chartered Accountants, current circumstances of our business, prevailing market conditions and other commercial and technical considerations. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, changes in cost, financial and market conditions, geo-political situations or scenarios, demand for our products, change in technology, our management's analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate proposed investments as well as general factors affecting our results of operations, financial condition, access to capital, business and strategy and interest/exchange rate fluctuations or other external factors such as changes in the business or regulatory environment, which may not be within the control of our management.

We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the business requirements of our Company. The deployment of funds described above has not been appraised by any bank or financial institution or any other independent agency. For further details, see "*Risk Factors - 60. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval. Further, our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds.*" on page 52.

If the Net Proceeds are not utilized (in full or in part) for the Objects during the respective periods stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the deployment of funds at the discretion of our management, subject to compliance with applicable laws. Further, our Company may decide to accelerate the estimated deployment of Net Proceeds ahead of the schedule of implementation specified above. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular Object vis-à-vis the utilization of Net Proceeds. In case of any surplus amount after utilization of the Net Proceeds towards any of the aforementioned Objects, we may use such surplus amount towards other Objects as set out above, provided that (i) cumulative amount to be utilised for funding inorganic growth through unidentified acquisitions and general corporate purposes (including Pre-IPO Placement) shall not exceed 35% of the Gross Proceeds and proceeds from the Pre-IPO Placement; and (ii) the amount to be utilised for each of: (a) funding inorganic growth through unidentified acquisitions and other strategic initiatives; and (b) general corporate purposes (including Pre-IPO Placement) shall not exceed 25% of the Gross Proceeds and proceeds from the Pre-IPO Placement. Further, in case of a shortfall in meeting the aforementioned Objects, we may explore a range of alternate funding options including utilizing our internal accruals and / or availing future debt from lenders

Details of the Objects

I. Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh

We are the pioneer of the autonomous marine systems segment in India, being the first company to successfully develop and deliver autonomous Unmanned Surface Vehicles ("**USV**") in 2023 *(Source: CAREEdge Report)*. Our portfolio of unmanned platforms within the maritime domain span across maritime surface, maritime sub-surface and maritime aerial sub-domains. We also develop indigenous advanced sensing solutions for mission-critical applications, including maritime patrol, anti-submarine and sub-surface operations. For further details, see "*Our Business*" beginning on page 237.

We propose to establish an autonomous maritime shipyard and systems development centre at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh ("**Autonomous Maritime Shipyard and Systems Development Centre**"). The Autonomous Maritime Shipyard and Systems Development Centre will serve as a centre for the design, manufacturing, assembly, testing, integration, and lifecycle support of autonomous maritime platforms and associated defence systems. The Autonomous Maritime Shipyard and Systems Development Centre aims to create infrastructure for shipbuilding, marine engineering, electronics manufacturing, research and development, testing, and system validation. The proposed site provides strategic advantages, including direct waterfront access, navigable waters for sea trials, connectivity to road networks, and proximity to the east coast maritime corridor. The availability of marine infrastructure enables efficient testing, commissioning, and operational validation of autonomous maritime platforms under real environmental conditions. We believe that such a facility is critical for a company such as ours that designs, develops, manufactures and supports multi-domain unmanned platforms across the maritime surface and maritime sub-surface domains in addition to aerial and land domains.

The Autonomous Maritime Shipyard and Systems Development Centre will comprise of a 22-acre development which is proposed to be our primary manufacturing and technology campus forming our long-term production facility ("**Manufacturing and Technology Campus**"). We propose to utilise ₹7,247.80 million from the Net Proceeds for funding

capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus. As on the date of this Updated Draft Red Herring Prospectus - I, we have not yet commenced any construction for the Manufacturing and Technology Campus.

The Manufacturing and Technology Campus shall broadly comprise:

(a) Main manufacturing workshops;

(b) Hull fabrication and structural assembly bays;

(c) Computer Numerical Control ("**CNC**") machining facilities;

(d) Composite fabrication facilities;

(e) Electrical and electronic integration workshops;

(f) Autonomous systems integration laboratories;

(g) Quality assurance and testing laboratories;

(h) Warehouse and logistics facilities;

(i) Engineering and design centre;

(j) Administrative building;

(k) Employee amenities; and

(l) Future expansion area for additional manufacturing lines.

For applicable risks, see "*Risk Factors – 3. We propose to establish the Manufacturing and Technology Campus in Andhra Pradesh, India. The setting up of the Manufacturing and Technology Campus is proposed to be funded by Net Proceeds, with an estimated project cost of ₹7,247.80 million. The construction of the Manufacturing and Technology Campus has not yet commenced as on date of this Updated Draft Red Herring Prospectus- I. We also do not have prior experience operating a coastal facility. The project is subject to construction, regulatory approvals, execution, time and cost-overrun risks.*" on page 23.

Land

The proposed Manufacturing and Technology Campus is being set up on a land admeasuring 22.00 acres of harbour land situated at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, Andhra Pradesh. We possess such land on a leasehold basis pursuant to a lease deed dated March 5, 2026, ("**Lease Deed**") entered into between the Andhra Pradesh Maritime Board ("**AP Maritime Board**") and our Company.

In terms of the Lease Deed, the lease has been granted for an initial term of 30 years from the date of execution of the Lease Deed, being March 5, 2026 ("**Lease Commencement Date**"), with an option of renewal for another 30 years subject to fulfilment of our obligations under the Lease Deed and applicable guidelines, policies and regulations in force at the time of such extension. Pursuant to the Lease Deed, we are required to pay an annual rental of ₹3.17 million for the land underlying the Manufacturing and Technology Campus, which is subject to an annual escalation of 5.00%. We have already paid AP Maritime Board the amount due towards rentals for the first year as advance.

Separately, our Company has paid a one-time, non-refundable amount of ₹109.86 million out of our internal accruals to AP Maritime Board towards infrastructure and development charges incurred by AP Maritime Board at the site of the overall 29.58 acres of leased land with respect to the Autonomous Maritime Shipyard and Systems Development Centre.

Estimated schedule of implementation

The Manufacturing and Technology Campus is expected to be operational around December 2028. In terms of the Proconvis Report, the proposed timeline for implementation of the various activities in relation to the setting up of the Manufacturing and Technology Campus are set out below:

Particulars	Estimated timeline for completion
Engineering and approvals*	January 2027 to March 2027
Site development	April 2027 to June 2027
Civil construction	October 2027 to December 2027

Particulars	Estimated timeline for completion
Plant and machinery procurement	January 2028 to March 2028
Plant and machinery installation	April 2028 to June 2028
Utilities, and mechanical, electrical, and plumbing ("**MEP**")	April 2028 to June 2028
System integration	April 2028 to June 2028
Trial production	July 2028 to September 2028
Commercial production	October 2028 to December 2028

[*]Approvals include (a) issuance of service connection for power supply and (b) approval for usage of water required which is to be applied for at an appropriate stage while setting up the factory forming part of the Manufacturing and Technology Campus. See "Objects of the Offer - Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh - Government and other approvals" on page *119*.

Estimated cost of setting up the Manufacturing and Technology Campus

The total estimated cost of setting up the Manufacturing and Technology Campus is ₹7,247.80 million (including taxes and duties), based on the Proconvis Report. We propose to fund the entire cost of setting up the Manufacturing and Technology Campus from the Net Proceeds. We have not deployed any funds towards the cost of ₹7,247.80 million for setting up the Manufacturing and Technology Campus as on the date of this Updated Draft Red Herring Prospectus - I.

Below is a summary of the investments required in relation to setting up the Manufacturing and Technology Campus and the estimated cost, as per the Proconvis Report.

(in ₹ million)

Particulars	Total estimated cost*
Site development and grading	807.90
Admin/Main factory building	1,176.80
Workshop	852.30
Office and admin accessories	774.00
Engineering work	558.70
MEP, Heating, Ventilation, and Air Conditioning ("**HVAC**"), Public Health Engineering ("**PHE**"), electrical and fire fighting	936.70
Contingency and escalation^	162.40
Machinery	1,979.00
Total	**7,247.80**

[*] *Includes GST and basic customs duty and cess as applicable*

[^] *Comprises of cost escalation reserve, design modifications and any additional items required during the execution of the Manufacturing and Technology Campus.*

Note: Prior to filing of the Red Herring Prospectus, we may consider availing bridge financing if the proposed setting up of the Manufacturing and Technology Campus is initiated pending receipt of the Net Proceeds. For further details, see " - Bridge financing facilities" on page 136.

As on the date of this Updated Draft Red Herring Prospectus - I, there are no subsidies available to us presently in relation to the setting up of the Manufacturing and Technology Campus.

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Below is a detailed breakdown of the estimated cost along with details of the quotations obtained of the estimated cost in relation to setting up of the Manufacturing and Technology Campus as per the Proconvis Report.

S. No.	Major head	Key specifications and inclusions	Total estimated cost (in ₹ million)*	Vendor	Date of quotation	Period of validity, as applicable
1.	Site development and grading	Land development, conducting soil tests, pile norms (which refers to the standardized regulations, technical codes, design guidelines, and performance metrics), installation of lighting and signages, construction of internal roads and drainage network	807.90	Wani Projects & Infra Private Limited	July 30, 2026	One year from the date of submission i.e July 30, 2026
2.	Admin/Main factory building	Reinforced Cement Concrete ("**RCC**") work of admin building with pile footing, construction of building and other amenities.	1,176.80			
3.	Workshop	Civil work for workshop with pile footing, installation and procurement of cranes, and construction of specialized equipment foundations for machinery.	852.30			
4.	Office and admin accessories	Integration of building systems such as lifts, automation systems, public address systems, the building management system, closed-circuit television (CCTV), community master antenna television, and cable television systems to ensure seamless operations and centralized monitoring.	774.00			
5.	Engineering work	Architectural design, structural planning, quantity surveying, multidisciplinary engineering services (civil, mechanical, utility, and marine), winch certification in accordance with Indian Register of Shipping standards, obtaining fire no-objection approvals, and designing the building to comply applicable quality standards.	558.70			
6.	MEP, HVAC, PHE, electrical and fire fighting	Installation of a dedicated electrical and utility infrastructure, including a substation, diesel generator backup, solar power generation system, uninterrupted power supply system, HVAC plant room, modular water tank, sewage treatment plant, fire water tank, and a comprehensive fire protection system comprising sprinklers and hydrants.	936.70	Concept Engineering Projects Private Limited	July 14, 2026	One year from the date of submission i.e July 14, 2026
7.	Contingency and escalation	Miscellaneous civil works, provisions for cost escalations, execution of additional project scope as required, and structural design modifications to accommodate project requirements.	162.40	-	-	-
8.	Machinery	Refer note 1 below	1,979.00	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below
Total estimated cost						**₹7,247.80**

* *Includes GST and basic customs duty and cess as applicable.*

Note: The estimated costs for setting up of the Manufacturing and Technology Campus mentioned above are based on standard basic rates of raw materials required (such as cement, river sand, brick, or structured steel) considered reasonable and should not be construed as fixed procurement prices or contractual commitments. There may be variations in such rates due to factors such as market conditions, inflation, statutory revisions, or other project specific considerations.

Note 1: Machinery

Sr. No.	Particulars	Description	Vendor	Date of the quotation	Validity of the quotation	Cost per unit (in ₹ million)**	Total number of units	Total cost** (in ₹ million)
1.	SYNCHRO 3 Selective Soldering System	Selective soldering system	Daiichi Jitsugyo Co., Ltd^	July 9, 2026	One year from the date of quotation	39.10	1	39.10
2.	Formlabs Fuse X1 Complete Package	The Formlabs Fuse X1 Complete Package is a large-format selective laser sintering (SLS) additive-manufacturing system designed for the production of strong, complex and functional polymer components without the need for support structures. It offers an approximate build volume of 60 litres, with a maximum build dimension of approximately 550 mm along one axis. The system will support advanced research, product development, rapid prototyping, process optimization and the production of durable end-use parts.	Phillips Machine Tools India Private Limited	May 18, 2026	One year from the date of quotation	25.37	5	126.87
3.	Formlabs Fuse 1+ Complete Package	The Formlabs Fuse 1+ Complete Package is an industrial Selective Laser Sintering (SLS) additive-manufacturing system designed for the production of strong, functional and complex polymer components without the need for support structures. It provides a build volume of 165 × 165 × 300 mm and supports engineering-grade materials. The system will support advanced research, product development, rapid prototyping, process optimization and the production of functional end-use parts.				10.78	10	107.84
4.	EOS M 400	The EOS M 400 is an industrial metal additive-manufacturing system based on Direct Metal Laser Sintering technology. It is designed for the fabrication of large, complex and high-performance metal components with a build volume of 400 × 400				317.18	1	317.18

Sr. No.	Particulars	Description	Vendor	Date of the quotation	Validity of the quotation	Cost per unit (in ₹ million)**	Total number of units	Total cost** (in ₹ million)
		× 400 mm. The system will be used for advanced research, product development, rapid prototyping, process optimization, tooling and the production of functional end-use parts						
5.	2OneLab 2CreatePlus	The 2onelab 2Create Plus is a compact metal additive-manufacturing system that uses Laser Powder Bed Fusion technology to produce precise and complex metal parts. The machine offers a build volume of 150 × 150 × 100 mm and features a 400 W fibre laser for efficient processing and high-quality component fabrication. It is suitable for working with materials such as cobalt-chromium, aluminium, stainless steel, nickel-based alloys, copper alloys and titanium. The system will be used for research, material testing, process development, rapid prototyping and the manufacture of functional components.				50.75	2	101.50
6.	Rugged Simulator & Special Test Equipment (STE)	Offline testing and base repair platform for embedded systems	Dynalog India Limited	July 4, 2026	One year from the date of quotation	23.60	1	23.60
7.	Hardware-in-the-Loop (HIL) Test Bench	Real-time controller validation				27.14	1	27.14
8.	ST-35LY Long-Bed CNC Lathe with 13.75" x 62.5" (349 x 1587 mm) max capacity and 4.0" (102 mm) bar capacity	Long-Bed CNC Lathe machine	Phillips Machine Tools India Private Limited, USA Branch Office^	July 13, 2026	50 weeks from the date of the quotation	32.29	4	129.17
9.	UMC-1250 5-Axis CNC Vertical	CNC Vertical Machining Center				45.42	10	454.20

Sr. No.	Particulars	Description	Vendor	Date of the quotation	Validity of the quotation	Cost per unit (in ₹ million)**	Total number of units	Total cost** (in ₹ million)
	Machining Center with 50" x 30" x 28" (1270 x 762 x 711 mm) Export packaging travels							
10.	VM-9 CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine(VM-9)				33.05	2	66.11
11.	VF-8SS CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine (VF-8SS)				34.25	1	34.25
12.	VF-9SS CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine (VF-9SS)				46.19	3	138.57
13.	ST-20LY Y-Axis CNC Lathe with 11.75" x 42.5" (298 x 1080 mm) max capacity and 2.5" (63.5 mm) bar capacity	Y-Axis CNC Lathe machine				33.77	4	135.08
14.	VF-14/50 CNC Vertical Machining Center with 150" x 40" x 30" (3810 x 1016 x 762 mm) travels	CNC Vertical Machining Center				69.60	4	278.38
Total (in ₹ million)								**1,979.00**

^ *The costs mentioned herein are based on an exchange rate of 1 USD = INR 94.14 which is the applicable exchange rate as of November 6, 2026. (source: rbi.org.in) The underlying quotation is denominated in USD and invoicing/payment shall be done at the prevailing USD to INR currency exchange rate*

** *Includes GST and basic customs duty and cess as applicable*

All quotations received from the vendors mentioned above are valid as on the date of this Updated Draft Red Herring Prospectus - I. We have not entered into any definitive agreements or placed orders with any of these vendors and will do so at an appropriate time. Hence, there can be no assurance that the same vendors would be engaged to supply the services/equipment or at the same costs at the time of placing such orders. The quantity of equipment to be purchased is based on the present business requirements and management estimates. Our Company shall have the flexibility to deploy such equipment and machinery being procured for our shipyard, according to the business requirements of such facilities and based on the estimates of our management. For further details see, "*Risk Factors - 19 We have not entered into any definitive agreements or placed orders for the capital expenditure proposed to be undertaken as part of the Objects of the Offer, including in relation to the setting up a Manufacturing and Technology Campus in Andhra Pradesh and the purchase of new machinery for our facilities in Chakan, Pune, Maharashtra and there can be no assurance that such capital expenditure will be undertaken at the costs or within the timelines estimated"* on page 33. Further, no time, cost, or project appraisal has been undertaken for the proposed Manufacturing and Technology Campus.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds.

Our Board pursuant to the resolution dated August 3, 2026 read with their resolution on November 12, 2026 has approved the setting up of the Manufacturing and Technology Campus and the costs mentioned above are proposed to be funded from the Net Proceeds towards the entire cost of setting up of the Manufacturing and Technology Campus.

Government and other approvals

In relation to the construction of the Manufacturing and Technology Campus, we are required to obtain certain pre-construction and post-construction approvals. Prior to construction of the Manufacturing and Technology Campus, we require certain material approvals.

Each such material approval has either been received or will be applied for at an appropriate stage while setting up the factory forming part of the Manufacturing and Technology Campus, as set forth below:

Pre-construction:

S. No.	Regulatory Authority	Compliances/ Name of material approval	Status
5.	Infrastructure and Investments (Ports) Department, Government of Andhra Pradesh	Approval of our proposal to establish the Autonomous Maritime Shipyard and Systems Centre and allotment of land through lease by AP Maritime Board	Received
6.	AP Maritime Board	Permission for construction of compound wall on allotted land	Received
7.	Andhra Pradesh Southern Power Distribution Company Limited	Issuance of service connection for power supply	To be applied for at the appropriate stage i.e., while setting up the factory forming part of the Manufacturing and Technology Campus
8.	Gram Panchayat/Water Department	Approval for usage of water required	To be applied for at the appropriate stage i.e., while setting up the factory forming part of the Manufacturing and Technology Campus

Post construction:

S. No.	Regulatory Authority	Compliances/ Name of approval	Stage at which the approval is required
4.	Department of Factories, Government of Andhra Pradesh	License under the Factories Act, 1948	Upon completion of civil works and prior to commencement of commercial production
5.	Andhra Pradesh Fire Service Department	Fire no-objection certificate	Prior to commencement of commercial production
6.	Andhra Pradesh Pollution Control Board	Consent to operate	Upon completion of construction and before commercial production

Utilities

We propose to source necessary utilities requirements in relation to the setting up and operations of the Manufacturing and Technology Campus such as (i) water through metered water connections, and temporarily through authorised water

tankers (ii) power through electrical connections from relevant authorities and diesel generator backup, and (iii) fuel through authorised vendors based on future requirements.

II. Funding purchase of new machinery for our facilities in Chakan, Pune, Maharashtra

As on the date of this Updated Draft Red Herring Prospectus - I, we operate two manufacturing and integration facilities, at Chakan, Pune, Maharashtra, with an aggregate built-up area of approximately 217,968.29 sq. ft. The facilities house our mechanical manufacturing, machining, fabrication, additive manufacturing and electronics integration capabilities. Engineering support, software development, production planning, quality assurance and programme maintenance resources are shared across both facilities. For further details, see "*Our Business*" beginning on page 237. For details of our manufacturing process, see "*Our Business - Manufacturing Process*" on page 256. For risks pertaining to possible under-utilization of our manufacturing capacities see "*Risk Factors – 20. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded and proposed manufacturing capacities could have an adverse effect on our business, prospects, financial performance and cash flows.*" on page 33.

In the ordinary course of business, we invest in procuring machinery for carrying out our operations and future requirements based on management's estimates. We propose to utilise ₹827.24 million out of the Net Proceeds to fund capital expenditure for purchase of new machinery for our facilities in Chakan, Pune, Maharashtra.

Considering that our Company operates across aviation, maritime and land domains, where manufacturing requirements vary significantly depending upon the type, size, order structure, customer specifications and delivery configuration of the platforms, which requires a higher space, our proposed purchase of new machineries is capability and growth oriented and not premised on utilisation of capacity of the existing plants.

In order to continue manufacturing such large platforms while simultaneously increasing production volumes and revenues, our Company requires additional manufacturing, integration and testing infrastructure. Accordingly, the proposed purchase of new machineries for our facilities in Chakan, Pune, Maharashtra is intended to implement automation of existing manufacturing processes through automation of our chip manufacturing lines. The proposed utilisation will also help us increase the scale at which our facilities operate. Our facilities have the necessary space and approvals for the installation of such machinery.

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We have identified the machinery to be purchased and obtained quotations. Based on a certificate dated November 11, 2026, provided by Praveen Subramanya, Chartered Engineer, the total estimated costs for the proposed purchase of machinery and details of machinery are set forth in the table below.

Sr. No.	Particulars	Description	Vendor	Date of the quotation	Validity of the quotation	Cost per unit (in ₹ million)**	Total number of units	Total cost** (in ₹ million)
1.	Yjlink VINA Board Handling Equipments^	Includes components such as magazine loaders, work conveyor, NG conveyor, tower and cooling, magazine unloader	Daiichi Jitsugyo Co., Ltd	July 9, 2026	One year from the date of the quotation	5.61	2	11.23
2.	Parmi solder paste inspection machine and Automated Optical Inspection system ^	Solder paste inspection machine and automated optical inspection system				24.37	2	48.74
3.	Reflow N2 (Reflow Oven, TRN III-a103M)^	Reflow oven				15.09	2	30.18
4.	Panasonic Screen Printer (NPM GPL)*	Solder paste printer				11.68	2	23.36
5.	Panasonic NPM-W2 and NPM-W2 accessories *	Panasonic Next Production Modular -W2, along with accessories				26.79	2	53.59
6.	JT WSM US-450^	Wave soldering machine				6.92	1	6.92
7.	3D CT Xray X-eye SF 160FCT ^	X-ray inspection machine				29.99	1	29.99
8.	Select Coat SL-940^	Conformal coating				16.01	1	16.01
9.	EOS M 290	The EOS M 290 is an industrial metal additive-manufacturing system based on Direct Metal Laser Sintering technology. It is equipped with a 400 W ytterbium fibre laser and provides a build volume of 250 × 250 × 325 mm. The system is designed for the reliable production of complex, high-quality metal components directly from computer-aided design data. It will support advanced research, product development, rapid prototyping, process optimization, tooling and the production of functional end-use parts	Phillips Machine Tools India Private Limited	May 18, 2026	One year from the date of quotation	126.87	3	380.62
10.	VM-3 CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine (VM-3)	Phillips Machine Tools India Private Limited,	July 13, 2026	50 weeks from the date of the quotation	24.78	1	24.78
11.	VM-6 CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine (VM-6)				34.25	1	34.25

Sr. No.	Particulars	Description	Vendor	Date of the quotation	Validity of the quotation	Cost per unit (in ₹ million)**	Total number of units	Total cost** (in ₹ million)
12.	VF-6SS CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine (VF-6SS)	USA Branch Office^			31.86	1	31.86
13.	VF-7SS CNC Vertical Mold Making Machine with 64" x 32" x 30" (1626 x 813 x 762 mm) travels	CNC Vertical Mold Making Machine (VF-7SS)				33.05	1	33.05
14.	Embedded ECU Functional Test Bench	Automated testing of embedded controller hardware	Dynalog India Limited	July 4, 2026	One year from the date of quotation	9.44	1	9.44
15.	Software-in-the-Loop (SIL) Test Bench	Embedded software verification				11.21	1	11.21
16.	Sensor Simulation Test Bench	Sensor emulation and validation				11.21	1	11.21
17.	Power Electronics Test Bench	Testing converters and motor controllers				11.80	1	11.80
18.	Data Acquisition Test Bench	Multi-channel signal acquisition				15.34	1	15.34
19.	Communication Protocol Test Bench	Network protocol validation				21.24	1	21.24
20.	Production Functional Test Bench	Manufacturing end-of-line testing				9.44	1	9.44
21.	Custom Embedded Validation Bench	Customer-specific embedded hardware and software testing				8.26	1	8.26
22.	1000 kVA					4.72	1	4.72
Total (in ₹ million)								**827.24**

^ *The costs mentioned herein are based on an exchange rate of 1 USD = INR 94.14 which is the applicable exchange rate as of November 6, 2026. (source: rbi.org.in) The underlying quotation is denominated in USD and invoicing/payment shall be done at the prevailing USD to INR currency exchange rate.*

* *The costs mentioned herein are based on an exchange rate of 1 JPY = INR 0.60 which is the applicable exchange rate as of November 6, 2026. (source: rbi.org.in) The underlying quotation is denominated in JPY and invoicing/payment shall be done at the prevailing JPY to INR currency exchange rate.*

** *Includes applicable GST and duties.*

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. All quotations received from the vendors mentioned above are valid as on the date of this Updated Draft Red Herring Prospectus - I. We have not entered into any definitive agreements or placed orders with any of these vendors and will do so at an appropriate time. Hence, there can be no assurance that the same vendors would be engaged to supply the machinery or at the same costs at the time of placing such orders. The quantity of machinery to be purchased is based on the present business requirements and management estimates. Our Company shall have the flexibility to deploy such machinery being procured for our facilities at Chakan, Pune, Maharashtra according to the business requirements of such facilities and based on the estimates of our management. For further details see, "*Risk Factors 19. - We have not entered into any definitive agreements or placed orders for the capital expenditure proposed to be undertaken as part of the Objects of the Offer, including in relation to the setting up a Manufacturing and Technology Campus in Andhra Pradesh and the purchase of new machinery for our facilities in Chakan, Pune, Maharashtra and there can be no assurance that such capital expenditure will be undertaken at the costs or within the timelines estimated"* on page 33.

Our Board pursuant to the resolution dated August 3, 2026 read with their resolution on November 12, 2026 has approved and the costs mentioned above are proposed to be funded from the Net Proceeds towards the purchase of machinery.

As the capital expenditure to be undertaken involves expansion of existing facilities and no additional land or building is proposed to be acquired in connection with this Object, we do not perceive any requirements for additional material approvals other than those as disclosed under "*Government and Other Approvals*" beginning on page 436.

While we currently intend to install the proposed machinery at our facilities in Chakan, Pune, Maharashtra we may install such machinery across our facilities including the Manufacturing and Technology Campus in the future at our discretion depending on business requirements, commercial considerations or such other factors as considered necessary.

III. Investment in research and development

Research and development ("**R&D**") is fundamental to our business model and plays a crucial role in enabling us to cater to our customers. Since our incorporation in 2015, we have grown from a single-domain developer of unmanned maritime systems into a company that designs, develops and supports unmanned platforms across multiple domains. *(Source: CAREEdge Report)*. We began as an R&D-oriented engineering enterprise with a focus on indigenous technology development. Our progression produced our proprietary autonomous mission-control, navigation and command-and-control architecture, and it shifted our character as a company: from an R&D-led engineering enterprise, we moved to the end-to-end design, development and manufacture of complete unmanned systems, and then to the vertically integrated unmanned systems company we are today.

Our Company received the startup recognition from DPIIT, Government of India, in recognition of its research and development activities relating to unmanned and autonomous marine and aerial systems in January, 2017 and subsequently received the Deep Tech Startup recognition from DPIIT, Government of India, in May 2026.

Pursuant to our R&D initiatives, our capabilities have expanded beyond unmanned maritime systems. Today our portfolio encompasses unmanned maritime systems, underwater mission systems, airborne mission systems, hazardous-material and ordnance robotics, strategic electronics and strategic payloads, serving defence, commercial, scientific, industrial and strategic-electronics applications across maritime, underwater, airborne and hazardous-environment contexts. We offer a portfolio of unmanned platforms across four domains, each integrated with GENISYS, our proprietary autonomy and command-and-control software platform. GENISYS enables integration and connectivity across all of our domains, making us one of the few companies globally to have achieved this. *(Source: CAREEdge Report).*

It is the core of our systems and our most significant proprietary asset that addresses a wide range of applications spanning government, strategic, commercial, scientific and industrial use cases. It is a self-learning autonomous operating, platform-agnostic navigation and command-and-control system that translates a human operator's mission intent into the specific control actions and improves continuously from the sensor feedback and operational data that each mission generates. The architecture and applications of GENISYS are protected by our patent portfolio.

Our technology is protected by a patent-backed portfolio across unmanned, autonomous and defence-technology systems, the core of which is GENISYS, our proprietary autonomous operating and command-and-control system. As of the date of this Updated Draft Red Herring Prospectus - I, we had filed 46 patents and trademarks, of which 22 have been published and/or granted, across multiple jurisdictions. The details of our patents registered on account of our R&D initiatives as at September 30, 2026, Fiscal 2026, 2025 and 2024 are as follows:

Number of patents registered	For six months period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
	13	12	10	2

For further details, see, "*Our Business - Intellectual property*" on page 266.

As set out in the table below our revenue from operations grew from ₹395.01 million in Fiscal 2024 to ₹2,545.88 million in Fiscal 2026 and the intangible assets under development and manufacturing facilities have also increased across the corresponding periods:

Particulars	As at/September 30, 2026	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Revenue from Operations (in ₹ million)	2,222.41	2,545.88	1,038.77	395.01
Intangible assets under development (₹ in million)	391.80	321.51	77.36	4.04
Manufacturing facilities	Plant I and Plant II	Plant I and Plant II	Plant I and Plant II	Plant I
Built-up area of the manufacturing facilities	Plant I – approximately 33,217.43 sq. ft Plant II - approximately 184,750.86 sq. ft	Plant I – approximately 33,217.43 sq. ft Plant II - approximately 184,750.86 sq. ft	Plant I – approximately 33,217.43 sq. ft Plant II - approximately 184,750.86 sq. ft	Plant I – approximately 33,217.43 sq. ft

The key driver contributing to this performance included addition to intangible assets under development, enhanced manufacturing and R&D facilities, reflecting continued investment in next-generation unmanned platforms alongside the commercial scaling of the existing portfolio. For details see, "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations*" on page 416. Further, our order book, which represents the total value of confirmed customer orders yet to be fulfilled at the end of year, stood at ₹8,900.50 million as at September 30, 2026, and reflects repeat orders from customers who have qualified and deployed our systems, providing increased scale of R&D in the future.

R&D activities

Our R&D draws on dedicated engineering and software-integration laboratories, AI/ML edge-computing and prototyping capability, simulation and data-management infrastructure, and in-house testing and validation facilities, which allow us to move from concept and design through prototyping, integration and trials to qualification.

Our R&D activities are performed at our manufacturing facilities located in Chakan, Pune, Maharashtra. These manufacturing facilities include a manufacturing unit for naval systems comprising software, electronics and integration laboratories alongside manufacturing areas and testing infrastructure. Our R&D activities have scaled over time. For instance, our Plant 1 at Chakan, Pune, Maharashtra commenced manufacturing operations in Fiscal 2021 and comprises of a built-up area of approximately 33,217.43 sq. ft. Our Plant 2 at Chakan, Pune, Maharashtra commenced manufacturing operations in Fiscal 2025 and comprises of a built-up area of approximately 184,750.86 sq. ft.

We are also developing Plant III at Chakan, Pune, Maharashtra with a proposed built-up area of approximately 311,984 sq. ft. to expand our manufacturing and integration capacity and our meet growing demand across our product domains. We are also developing an Autonomous Maritime Shipyard and Systems Development Centre at Nellore SPSR, Juvvaladinne, Andhra Pradesh, envisaged as an facility for R&D, series production, ocean testing and maintenance, repair and overhaul ("**MRO**"), and a first of its kind in India (*Source: CAREEdge Repor*t). For further details, see, "- *Funding of capital expenditure to be incurred for setting up of a Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh*" on page 119.

Our R&D activities comprise of *inter-alia* the following activities:

(a) research, design, development and improvement of unmanned platforms across the maritime surface, maritime sub-surface, aerial and land domains;
(b) development of strategic electronics, embedded systems, autonomy software and command-control systems;
(c) development of sensor, payload, hydrophone, acoustic, radar, electro-optic infrared, echo sounder and communication-system integration;
(d) prototype development, fabrication, modification and productisation;
(e) laboratory testing, field testing, harbour trials, sea trials, river trials, flight trials and customer demonstrations for technical validation;
(f) certification, validation, documentation and compliance-related development activities;
(g) development of simulation tools, test rigs and validation infrastructure;
(h) payment of salaries, wages, retainers and other personnel costs of employees, consultants and technical teams directly engaged in R&D and product-development activities; and
(i) other activities related to research, development, validation, improvement, certification and productisation of our Company's products, technologies and solutions.

Our operational, R&D and manufacturing team which engages in R&D activities is staffed with engineers, researchers, data scientists, and other professionals having experience and expertise in *inter-alia*, electronics, chemical, mechanical and software engineering as applicable.

R&D lifecycle

Our R&D investment lifecycle works as follows:

(a) *Identification of problem statement*: Our Company's R&D initiatives are grounded in a structured, problem-led framework. Drawing on its operational experience, our Company identifies specific problem statements that present opportunities for technological advancement and product innovation.

(b) *Feasibility assessment*: Once a problem statement is identified, our Company undertakes a thorough internal evaluation to assess the feasibility and strategic merit of developing a solution, which considers factors *inter-alia*, technical complexity, resources required, potential market opportunity, and alignment of the proposed initiative with our Company's broader strategic objectives.

(c) *R&D operations*: Subsequently, our Operational, R&D and Manufacturing team works towards translating the identified problem statement into a viable product or technological solution. The development process is managed in accordance with defined milestones and technical benchmarks, allowing our Company to track and progress the operations systematically.

(d) *Field testing and validation*: Testing and validation are an integral part of our manufacturing and systems-integration and are typically customised for specific customer or mission requirements, each system is subjected to functional, subsystem and system-level testing before customer acceptance, deployment or dispatch. Depending on the platform and requirement, our testing may include functional, subsystem, endurance and environmental testing, and ground, field, flight and sea-trial testing, together with mission-simulation testing.

(e) *Gestation period* Considering that the R&D initiatives by their very nature are complex and technically demanding, our R&D initiatives are typically structured over extended development cycles that span over multiple years, requiring sustained investments, patience, and a long-term strategic outlook. The final product is inspected against the applicable quality checklist, technical specification, test protocol and customer requirement. Where required, customer inspection, demonstration, user trial, acceptance testing or third-party inspection is conducted before dispatch or deployment.

(f) *Commercialisation of products*: Upon the successful conclusion of the development phase and the satisfactory validation of the requisite technical capabilities, our Company assesses the readiness of the developed product for commercial deployment. For details, see, "*Our Business – Description of our Business - Testing, validation and training*" on page 264. Once deemed ready, our Company proceeds to sale the product to its customers.

The eventual commercialisation of R&D initiatives represents the culmination of our Company's long-term investment in innovation and product development such that the value created through years of development is converted into tangible commercial outcome. Revenue generation and order book development are natural consequences of this post-commercialisation activity. This end-to-end lifecycle — spanning problem identification, multi-year development, and ultimate commercialisation — is symbolic of our Company's disciplined, innovation-led approach to sustainable long-term growth.

Historical R&D initiatives

Our R&D projects ("**R&D Project**s") towards development, design, prototyping, testing and validation activities in relation to its unmanned platforms business are linked to schemes of the Ministry of Defence, Government of India: (i) MAKE scheme; and (ii) Innovation for Defence Excellence ("**iDEX**") by the Defence Innovation Organisation, a part of the Ministry of Defence, Government of India. The sub-schemes under iDEX includes Acing Development of Innovative Technologies ("**ADITI**") and Defence India Startup Challenge ("**DISC**").

While our Company has been undertaking R&D activities since its incorporation, the costs incurred by us towards R&D Projects have been capitalised as part of the statement of assets and liabilities in our Restated Financial Information, and expenses towards internal R&D activities form part of the statement of profit and loss in our Restated Financial Information under multiple heads.

A brief overview of the costs incurred towards R&D Projects in respect of unmanned platforms across maritime surface, maritime sub-surface, aerial and land domains, is as outlined below for September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Number of R&D Projects	Costs incurred as at September 30, 2026 (₹ in million)	Costs incurred as at Fiscal 2026 (₹ in million)[#]	Costs incurred as at Fiscal 2025 (₹ in million)	Costs incurred as at Fiscal 2024 (₹ in million)
Completed projects	3	Nil	Nil	Nil	78.32
Ongoing projects	6	67.48	381.73	73.32	Nil
Total	**9**	67.48	**381.73**	**73.32**	**78.32**

[#] *Includes amount incurred and capitalised under property, plant, and equipment.*

As set out below, pursuant to the resolution dated August 3, 2026, our Board has approved the projected R&D expenses for Fiscals 2027, 2028 and 2029 as ₹ 2,100.00 million across our ongoing projects, of which we propose to fund ₹ 1,700.00 million from the Net Proceeds. Further, S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026 has also certified, the aforementioned R&D expenses. The balance amount of ₹ 400.00 million is proposed to be funded out of our internal accruals and cash and cash equivalents. The schedule of deployment of the projected R&D expenses to be funded from Net Proceeds is as set out below:

(in ₹ million)

Particulars	Deployment of funds towards ongoing R&D initiatives			
	Fiscal 2027	Fiscal 2028	Fiscal 2029	Total
Projected R&D expenses for the ongoing projects to be funded from Net Proceeds	300.00	700.00	700.00	1,700.00

Industry outlook towards investment into research and development (Source: CAREEdge Report)

India's budgetary allocation towards defence R&D increased from ₹182.9 billion in Fiscal 2022 to ₹267.5 billion in Fiscal 2026 and is budgeted to reach ₹ 291.0 billion in Fiscal 2027. The Government has simultaneously increased the scale of financial support available for industry-led defence R&D projects. Under iDEX, the Defence India Start-up Challenge and Open Challenge provide grants of up to ₹15 million, while iDEX Prime increases the project-level grant to up to ₹100 million.

India's R&D ecosystem for the defence sector is witnessing a structural shift, supported by increasing investments from both public sector undertakings and private defence players. While established government-backed entities continue to anchor the ecosystem with substantial R&D spending of over ₹38.89 billion in Fiscal 2025, private companies are steadily increasing investments in niche technology domains such as autonomous systems, defence electronics, drones, sensors, and anti-drone technologies. R&D expenditure by key private players witnessed a 56% rise in Fiscal 2025 over Fiscal 2024.

The key growth drivers for growth in this segment is active support by government policy interventions such as the allocation of 25% of the defence R&D budget to industry, start-ups, and academia, along with initiatives such as iDEX, Technology Development Fund, Make-I / Make-II / Make-III, and positive indigenisation lists. The Indian government's emphasis on modernising the armed forces and promoting indigenous defence manufacturing through initiatives like 'Make-in India' and the defence procurement procedure is driving growth in the sector. These initiatives aim to reduce dependency on imports, enhance self-reliance and foster innovation and technology development.

We propose to utilise ₹1,700.00 million out of the Net Proceeds towards investment in R&D over Fiscal 2027, 2028 and 2029. The proposed R&D related expenditure for our ongoing projects is based on management estimates, and actual R&D may vary depending on, among other things, business requirements, availability of external technologies and products, our ability to successfully undertake such R&D activities. If the Net Proceeds are not deployed fully or partially against R&D activities during the respective Fiscals stated above due to various business and commercial considerations such as delays in releases or launches, longer periods required for development, they may be deployed in the subsequent Fiscals when the utilization is required. For risks in relation to R&D, please see "*Risk Factors – 21. We propose to utilize up to ₹1,700.00 million from the Net Proceeds towards investment in R&D. Our R&D activities involve long development cycles and technical uncertainty, and there is no assurance that this investment will result in commercially successful products or generate adequate returns*" on page 34.

III. Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes

We expect to utilize ₹ [●] million of the Net Proceeds towards funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes, subject to the amount proposed to be utilized for (a) funding inorganic growth through unidentified acquisitions and other strategic initiatives; and (b) general corporate purposes (including Pre-IPO Placement), together not exceeding 35% of the Gross Proceeds and proceeds from the Pre-IPO Placement in accordance with Regulation 7(3) of the SEBI ICDR Regulations, out of which the amounts to utilized towards each of (i) general corporate purposes (including Pre-IPO Placement), or (ii) funding inorganic growth through unidentified acquisitions and other strategic initiatives, will not exceed 25% of the Gross Proceeds and proceeds from the Pre-IPO Placement. For applicable risks, see "*Risk Factors – 27. We intend to utilize a portion of the Net Proceeds for funding inorganic growth through unidentified acquisitions and other strategic initiatives although such potential targets have yet to be identified. Further, if the allocated portion of the Net Proceeds is insufficient to cover for the cost of the proposed inorganic acquisitions or initiatives, we may need to seek alternative forms of funding*" on page 38.

a. Funding inorganic growth through unidentified acquisitions and other strategic initiatives

In pursuit of our overall strategy of expanding our portfolio of products, we will selectively pursue opportunities for evaluating potential targets for strategic investments, acquisitions, and partnerships, that complement our offerings, strengthen our platform, or establish our presence in our targeted domestic and international markets. Accordingly, we

intend to strengthen the existing verticals through acquisitions and strategic partnerships. See "*Our Business – Our Strategies - Pursue selective strategic acquisitions and continue investing in engineering talent*" on page 252.

The table below summarizes the key acquisitions that we have undertaken in the past:

Sr. No.	Name of the target entity	Sector of the target entity	Nature of business acquired	Percentage of shareholding of the target entity acquired	Consideration (₹ million)	Country of incorporation of the target entity	Date of acquisition of the target entity	Rationale and benefits accrued
1.	Acquired the MRO Business as a going concern on a slump sale basis from Sagar Ship Repairs and Marine Services	MRO business	Maintenance, repair and overhaul services such as maintenance, component overhaul, structural repair, corrosion treatment, dry-docking ancillary support services, and related engineering services for vessels and maritime assets ("**MRO Business**")*	-	750.00	India	May 10, 2026	Expand our Company's network in maintenance, repair and overhaul.
2.	Endureair Systems Private Limited	Unmanned aerial system	Developing indigenous manufacturing of unmanned aerial systems	1.65%	30.11	India	December 5, 2025	Expand our Company's network in developing indigenous manufacturing of unmanned aerial systems.

* *Our Company acquired 100.00% shareholding of Sagar Ship Repairs Private Limited, on May 9, 2026, for an aggregate consideration of ₹0.10 million from Ramkamalprasad Tribhuwan Singh, who is the father of our Promoter and Chairman and Managing Director, Nikunj Parashar. Further, Sagar Ship Repairs Private Limited, upon becoming our Subsidiary, also entered into a business transfer agreement dated May 10, 2026 for transfer of the maintenance, repair and overhaul business from Sagar Ship Repairs and Marine Services, a sole proprietorship firm operated by Ramkamalprasad Tribhuwan Singh with an effective date of May 10, 2026.*

For further details, see, "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years*" on page 282.

Rationale for unidentified acquisitions and other strategic initiatives: We intend to engage in strategic acquisitions though target selection driven by deep industry insights to identify unique and synergistic opportunities. We further intend to evaluate selective acquisitions, investments and partnerships that complement our technology stack, product portfolio, manufacturing capability or market access, subject to availability, valuation and approvals. We may identify and evaluate potential targets for strategic investments, acquisitions and partnerships, based on our business framework for and process for acquisition which, includes a number of factors, including: (i) sectoral presence and operating experience in the market in which we operate in or wish to expand into; (ii) strategic compatibility or synergy with our existing businesses; (iii) operating benefits in stages of the manufacturing and testing process, which enhance and diversify our offerings; and (iv) strengthening our market share in existing markets or establishing presence in new markets (including additional geographical regions).The acquisition of the maintenance, repair and overhaul business through Sagar Ship Repairs Private Limited is an example, bringing in a specialised team with domain expertise in ship repair and marine services and supporting our strategy to build a recurring services revenue stream. The acquisition is also expected to help address the demand for repair services in relation to our products. For further details, see *"Our Business – Pursue selective strategic acquisitions and continue investing in engineering talent"* on page 252.

In addition to acquisitions of businesses and equity stakes, we may consider pursuing the acquisition of specific products, product lines or technologies that complement or expand our existing portfolio of unmanned platforms and

associated defence systems. Such acquisitions may include the licensing or outright purchase of proprietary technologies, software, sensors, payloads or other products that can be integrated into our platforms or that allow us to accelerate our entry into new application domains or customer segments.

Merger and acquisition activity in the Indian defence sector is gradually increasing as established companies seek to expand into specialised technologies, acquire intellectual property, strengthen manufacturing capacity and develop integrated capabilities across platforms, subsystems, software and lifecycle services. The sector remains fragmented across large conglomerates, defence public sector undertakings, specialised manufacturers, MSMEs and technology start-ups, many of which possess capabilities in specific areas but lack the scale or complementary expertise required to independently undertake large defence programmes. Consequently, acquisitions, strategic investments and joint ventures are increasingly being used to accelerate entry into areas such as autonomous systems, defence electronics, propulsion, simulation, robotics and maintenance, repair and overhaul, rather than developing each capability organically. This trend is being supported by rising domestic procurement, indigenisation requirements and growing defence exports, which are improving long-term demand visibility for domestic participants. Recent transactions reflect a shift towards capability-led consolidation. For details, see '*Industry Overview*' on page 161.

The amount of Net Proceeds proposed to be deployed for funding inorganic growth through unidentified acquisitions and strategic initiatives includes utilization of up to ₹ [●] million. This amount is based on our management's current estimates and budgets, and our Company's historical acquisitions and strategic investments and partnerships, and other relevant considerations. The actual deployment of funds and the timing of deployment will depend on a number of factors, including the timing, nature, size and number of acquisitions or strategic initiatives proposed, as well as general macro- or micro-economic factors affecting our results of operation, financial condition and access to capital. As on the date of this Updated Draft Red Herring Prospectus - I, we have not entered into any definitive agreements for utilization of the Net Proceeds towards any future acquisitions or strategic initiatives for the Object set out above.

Acquisition process*:* Our acquisition strategy is primarily driven by our Board, and typically involves detailed due diligence being undertaken by us on the potential target and subsequently negotiating and finalizing definitive agreements towards such acquisition. The above factors will also determine the form of investment for these potential unidentified acquisitions and strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof or whether these will be in the nature of asset or technology acquisitions or joint ventures. As of the date of this Updated Draft Red Herring Prospectus - I, our Company cannot determine the form of investment. Further, as of the date of this Updated Draft Red Herring Prospectus - I, our Company cannot confirm if any of the acquisitions or initiatives would be in same industry or will be in domestic market or outside India or both.

The proposed inorganic acquisition shall be undertaken in accordance with the applicable laws, including the Companies Act and the regulations notified thereunder, as the case may be. In accordance with the SEBI Listing Regulations, with respect to such acquisitions proposed to be made from the Net Proceeds, our Company will disclose to the Stock Exchanges the required details of the acquisition, including name of the target entity, cost of acquisition and nature of acquisition, at the relevant stages as prescribed therein.

b. ***General corporate purposes***

We propose to utilise a portion of the Net Proceeds aggregating up to ₹[●] million towards general corporate purposes, in accordance with applicable provisions of the SEBI ICDR Regulations, provided that the amount utilised towards general corporate purposes (including Pre-IPO Placement) shall not exceed 25% of the Gross Proceeds and proceeds from the Pre-IPO Placement.

The general corporate purposes for which our Company proposes to utilize Net Proceeds include meeting working capital requirements, strengthening marketing capabilities and brand building exercises, operating expenditure, technology expenses, payment of commission/fees to consultants, repayment of outstanding loan facilities, subject to compliance with applicable law, including provisions of the Companies Act 2013.

The allocation or quantum of utilisation of funds towards each of the above purposes will be determined by our Board or a duly authorised committee thereof, based on the business requirements of our Company and other relevant considerations, from time to time.

Means of finance

The Objects are proposed to be funded entirely from the Net Proceeds and internal accruals, if any. Accordingly, we confirm that there is no requirement 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, excluding the Net Proceeds to be raised from the Fresh Issue and internal accruals, if any, as prescribed under the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing its internal accruals and/or seeking debt.

Interim use of Net Proceeds

The Gross Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilisation of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only in one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, we confirm that we shall not use the Gross Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

We have not availed bridge financing from any bank or financial institution as on the date of this Updated Draft Red Herring Prospectus - I. However, prior to filing of the Red Herring Prospectus, we may consider availing bridge financing, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds. Any such bridge financing availed will be repaid out of the Net Proceeds, and such utilisation (towards repayment of the bridge financing) shall be construed to be done for the specific object itself.

Appraisal of the Objects

The Objects of the Offer for which the Net Proceeds will be utilised have not been appraised by any bank, financial institution or agency.

Offer Expenses

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

Other than (a) listing fees, audit fees (to the extent not attributable to the Offer) and expenses in relation to the product or corporate advertisements consistent with the past practices of our Company which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, each of our Company and Selling Shareholders on a pro rata basis in proportion to the number of Equity Shares (i) issued and Allotted by our Company through the Fresh Issue and (ii) sold by each of the Selling Shareholders through the Offer for Sale, agree to share the costs and expenses (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the Book Running Lead Managers, legal counsel and other intermediaries, advertising and marketing expenses, printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer), in accordance with Applicable Law, including Section 28(3) of Companies Act, 2013, as amended, upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer.

From an administrative perspective, all the expenses relating to the Offer shall be paid by our Company in the first instance and then upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each of the Selling Shareholders, severally and not jointly, reimburse our Company on a pro rata basis, in proportion to its respective portion of Offered Shares sold in the Offer, in accordance with Applicable Law, for any documented expenses incurred by our Company on behalf of such Selling Shareholder in relation to the Offer, subject to receipt of supporting documents for such expenses upon the successful completion of the Offer except for such costs and expenses in relation to the Offer which are paid for directly by the Selling Shareholders, as mentioned above. Further, notwithstanding anything provided herein, if the Selling Shareholders fully withdraw from the Offer or abandon the Offer or the Offer Agreement is terminated, in respect of such Selling Shareholders, as the case may be, at any stage prior to the completion of the Offer, such Selling Shareholders as the case may be, will not be liable to reimburse our Company for any costs, charges fees and expenses associated with and incurred in connection with the Offer.

It is further clarified that all payments shall be made first by our Company and consequently each of the Selling Shareholders severally and not jointly shall reimburse our Company for its respective proportion of Offer related expenses upon the successful completion of the Offer directly from the Public Offer Account. Notwithstanding anything contained herein or in any event in any other documentation in relation to the Offer, it is also clarified that in the event that the Offer is withdrawn or abandoned or not consummated, subject to applicable law, all costs and expenses (including all applicable taxes) accrued up to the date of such withdrawal, abandonment or failure directly attributed to the Offer, shall be shared amongst our Company and the Selling Shareholders, in a manner proportionate to the Fresh Issue and their respective portions of the Offered Shares, as stipulated above.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses[(1)] (₹ in million)	As a % of total estimated Offer related expenses[(1)]	As a % of Offer size[(1)]
BRLM's fees and commission (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling	[●]	[●]	[●]

Activity	Estimated expenses[(1)] (₹ in million)	As a % of total estimated Offer related expenses[(1)]	As a % of Offer size[(1)]
commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs.[(1)(2)(3)(4)]			
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other parties to the Offer^	[●]	[●]	[●]
Others	[●]	[●]	[●]
• Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
• Fees payable to legal counsel	[●]	[●]	[●]
• Printing and stationery	[●]	[●]	[●]
• Advertising and marketing expenses	[●]	[●]	[●]
• Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

^ *Other parties to the Offer include Statutory Auditors, Previous Statutory Auditors, Independent Chartered Accountant, independent chartered engineer, intellectual property consultant, industry report provider, etc. for the services rendered by them for the Offer.*

(1) Offer expenses include applicable taxes, where applicable. Offer expenses will be finalised on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

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

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% 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 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 any of the Selling Shareholders to the SCSBs on the applications directly procured by them.

(2) No processing fees shall be payable by our Company or the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-Syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional Bidders with bids above ₹ 500,000would be ₹10 plus applicable taxes, per valid application.

(3) Brokerage, selling commission and processing/uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism), Eligible Employees and Non-Institutional Bidders 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 and bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% 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 Allotted and the Offer Price.*

The selling commission payable to the Syndicate / sub-Syndicate Members will be determined (i) for Retail Individual Bidders, and Non- Institutional Bidders (up to ₹ 0.50 million), on the basis of the application form number / series, provided that the Bid cum Application Form 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; and (ii) for Non-Institutional Bidders (above ₹ 0.50 million), Syndicate ASBA form bearing SM Code and sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the exchanges platform by SCSBs. 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 Syndicate / sub-Syndicate members and not the SCSB.

(4) Bidding Charges payable to Members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub- Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ [●] per valid application (plus applicable taxes).

The total processing fees payable to Syndicate (Including their Sub syndicate Members) as mentioned above will be subject to a maximum cap of ₹ 5 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹ 5 million (plus applicable taxes), then the amount payable to Members of the Syndicate (Including their Sub syndicate Members), would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹ 5 million (plus applicable taxes).

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.

Selling commission/ bidding charges payable to the Registered Brokers on the portion for Retail Individual Bidders, procured through UPI mechanism, Eligible Employees and Non - Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

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

Uploading charges/ Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

*Members of the Syndicate / RTAs / CDPs / Registered Brokers**	*₹[●] per valid application (plus applicable taxes)*

Sponsor Bank(s)	*₹[●] for applications made by UPI Bidders using the UPI mechanism*. The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

** Based on valid applications*

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 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.

Monitoring of the utilisation of funds and variation in Objects

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for monitoring the utilisation of the Gross Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds (including in relation to the utilisation of the Net Proceeds towards general corporate purposes) and the Monitoring Agency will submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full, in accordance with the Monitoring Agency Agreement. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose, and continue to disclose, the utilisation of the Gross Proceeds, including interim use, under a separate head in our balance sheet for such financial years as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable law, specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable financial years, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilized Gross Proceeds. Further, our Company shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results.

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Marathi, the regional language of the jurisdiction where our Registered Office is located. Further, except in accordance with applicable laws, there shall be no variation in deployment of Net Proceeds even if there is a delay in receipt of mandatory approvals in relation to the Objects, as applicable.

In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations. For further details, see "*Risk Factors – 60. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval. Further, our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised. Our management will have broad discretion over the use of the Net Proceeds.*" on page 52.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Updated Draft Red Herring Prospectus - I and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. This statement shall be certified by the statutory auditor and such certification shall be provided to the Monitoring Agency.

Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (a) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (b) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects. This information will also be published in newspapers, one in English, one in Hindi and one in Marathi, the regional language of the jurisdiction where our Registered Office is located, simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

Other confirmations

Except to the extent of the proceeds received from the Offer for Sale, there is no proposal whereby any portion of the Offer proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel or Senior Management, no part of the Net Proceeds will be paid by our Company to our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel or Senior Management, except in the ordinary course of business.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with any of Promoters, members of our Promoter Group, Directors, Key Managerial Personnel or Senior Management in relation to the utilization of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Offer.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and Floor Price is [●] times the face value and the Cap Price is [●] times the face value.

In addition to the information already disclosed in this section, Bidders should also see sections titled "*Risk Factors*", "*Our Business*", "*Restated Financial Information*", "*Summary of Restated Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 237, 311, 65 and 396 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- IP-led, full-stack deep-technology company with end-to-end in-house capabilities
    - Intellectual-property-led deep-technology company with in-house capabilities across maritime surface, maritime sub-surface, aerial and land domains, designing, developing and manufacturing unmanned systems entirely in-house.
    - Full-stack engineering capabilities across hardware, embedded systems, algorithms, software, electronics and autonomy engineering, operating as an OEM rather than a sub-system supplier or assembly integrator.
    - Owned IP portfolio and R&D infrastructure, supported by engineering labs, AI/ML edge-computing, prototyping, testing and validation capabilities, creating deep technical barriers to entry.
- Proprietary multi-domain autonomy stack and owned intellectual property portfolio with significant barriers to entry
    - GENISYS is a patented, self-learning autonomous operating and command-and-control system that serves as the common technology core across all unmanned systems and domains.
    - Functions as an autonomy enabler, scalability enabler and integration enabler, supporting autonomous navigation, swarm intelligence, coordinated multi-platform operations and faster Observe-Orient-Decide-Act decision cycles.
    - Platform-agnostic and retrofit-ready architecture capable of being deployed across domains and third-party platforms, creating opportunities for software licensing, upgrades and digital services
- Pioneer in India's autonomous marine systems segment and the only Indian company specialising in multi-domain unmanned and integrated systems
    - Only company in India specialising in unmanned, integrated and multi-domain systems across maritime surface, maritime sub-surface, aerial and land domains.
    - First company in India to successfully develop and deliver an autonomous USV and developer of India's first indigenous passenger/human-carrying drone (Varuna).
    - Full-stack ownership of the GENISYS autonomy stack and capability to develop end-to-end systems across domains with limited external dependency.
- Fully indigenous, India-owned deep-tech company with direct policy tailwinds, reinforced by qualification and export-control barriers to entry
    - Designed, developed, manufactured and supported entirely in India, closely aligned with Make in India, Positive Indigenisation Lists and IDDM objectives.
    - Strong positioning amid ITAR and global export-control restrictions, with full ownership of autonomy software, electronics and system-integration capabilities.
    - Significant barriers to entry arising from qualification, testing, validation and defence procurement processes, reinforced by defence manufacturing licences and progressive localisation.
- Vertically integrated, end-to-end capabilities across design, engineering, manufacturing, systems integration and lifecycle support
    - Vertical integration across the entire value chain covering design, manufacturing, integration, testing and lifecycle support.

- In-house capabilities span precision machining, additive manufacturing, composites processings, PCB assembly, embedded systems, software development and systems integration.
- Critical technologies including autonomy software, electronics, embedded systems, hulls, carbon-fibre airframes, battery-management systems and PCB assemblies are developed or integrated in-house.

- Sovereign and global validation customer acceptance and partnerships with international technology companies
  - Systems have been deployed with or evaluated by departments and agencies of the Government of India, demonstrating operational performance and reliability.
  - Order book of ₹8,900.50 million as at September 30, 2026, including repeat orders from customers who have qualified and deployed the systems.
  - Global validation through partnerships with leading technology companies, including Liquid Robotics (a Boeing company) for co-development and co-production of autonomous surface vessels.

- Experienced, founder-led management and engineering team
  - Founder-led and engineering-driven organisation, led by Nikunj Parashar since incorporation, supported by a long-tenured leadership team with deep domain expertise.
  - Leadership and engineering teams have received national and industry recognition, including awards across maritime, defence, robotics and innovation domains.
  - Deep technical talent base with 382 employees in R&D and manufacturing (86.43% of workforce) and a relatively low attrition rate, supporting in-house development and innovation

For further details, see "*Our Business – Our Competitive Strengths*" on page 244.

Quantitative Factors

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

A. Basic and Diluted Earnings per share (face value of each Equity Share is ₹2):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2026	0.61	0.49	3
March 31, 2025	0.21	0.17	2
March 31, 2024	(0.04)	(0.04)	1
Weighted Average for the above three Financial Years	**0.37**	**0.29**	**-**
Six months period ended September 30, 2026	0.70	0.49	-

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

(2) Basic earnings per share (₹) = Profit for the period/ year attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the period/ year for Basic EPS.

(3) Diluted earnings per share (₹) = Profit for the period/ year attributable to equity shareholders / Weighted average number of Equity Shares during the period/ year for diluted EPS.

(4) Our Company has, pursuant to a board resolution dated July 4, 2026 and shareholders resolution dated July 11, 2026 issued bonus shares in the ratio of 2,800 Equity Shares for every 1 Equity Share. Further, pursuant to a board resolution dated July 4, 2026 and Shareholders resolution dated July 11, 2026, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹2 each EPS is considered post bonus issue and sub-division.

(5) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'. The face value of Equity Shares of our Company is ₹2.

(6) The figures disclosed above are based on the Restated Financial Information

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price* (number of times)	P/E at the Cap Price* (number of times)
Based on basic EPS as at and for the Financial Year ended March 31, 2026	[●]	[●]
Based on diluted EPS as at and for the Financial Year ended March 31, 2026	[●]	[●]

* *To be computed after finalization of price band*

C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest, lowest and industry average P/E ratio are set forth below:

Particulars	Industry Peer P/E
Highest	186.69
Lowest	28.86
Average	**99.18**

Notes:

(1) The industry high and low has been considered from the industry peer set out in Part F of this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed

(2) P/E Ratio has been computed based on the closing market price of equity shares on BSE on November 17, 2026 divided by the diluted earnings per share as at and for the Financial Year ended March 31, 2026

(3) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2026, as available on the websites of the stock exchanges

D. Return on Net Worth ("RoNW")

Fiscal	RoNW	Weight
March 31, 2026	19.47%	3
March 31, 2025	11.52%	2
March 31, 2024	NA[4]	-
Weighted Average for the above three Financial Years	16.29%	-
Six months period ended September 30, 2026	15.59%	-

Notes:

1. Weighted average = The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

2. Return on Net Worth (%) = Return on Net worth is computed as profit for the period/ year attributable to owners of our Company divided by Net Worth for the relevant period/ year.

3. Net worth is 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, 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. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.

4. Return on Net Worth is not applicable as Net Worth is negative.

E. Net Asset Value ("NAV") per share

Net Asset Value per Equity Share	In ₹
As at March 31, 2026	3.14
As at September 30, 2026	3.17
After the Offer	
- At Floor Price	[●]*
- At Cap Price	[●]*
- At Offer Price	[●]*

* *To be computed after finalization of price band. Offer Price will be determined on conclusion of the book building process.*

Notes:

1. *Net Asset Value per equity share: Net Asset Value per equity share is Net Worth at the end of the period/ year divided by Number of equity shares outstanding at the end of the period/ year. Number of equity shares outstanding at the end of the period/ year is an aggregate of number of equity shares after impact of sub-division and bonus shares.*
2. *Our Company has, pursuant to a board resolution dated July 4, 2026 and shareholders resolution dated July 11, 2026 have issued bonus shares in the ratio of 2,800 Equity Shares for every 1 Equity Share. Further, pursuant to a board resolution dated July 4, 2026 and Shareholders resolution dated July 11, 2026, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹2 each EPS is considered post bonus issue and sub-division.*
3. *Net worth is 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, 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. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.*

F. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the similar line of business as our Company:

Name of the company	Revenues from operations (₹ in million)	Face value per equity share (₹)	Closing price per equity share (₹) (1)	P/E ratio(2)	EPS (Basic)(5)(₹)	EPS (Diluted) (₹)	RoNW (%)(3)	NAV per equity share (₹)(4)
Our Company	2,545.88	2.00	NA	NA	0.61	0.49	19.47	3.14
Listed Peers								
Data Patterns (India) Limited	9,247.70	2.00	4,210.35	86.87	48.47	48.47	16.70	310.08
Ideaforge Technology Limited	2,261.29	10.00	690.10	NA	(3.90)	(3.90)	(3.00)	138.42
MTAR Technologies Limited	8,762.00	10.00	5,707.10	186.69	30.57	30.57	12.10	267.42
Apollo Micro Systems Limited	9,043.24	1.00	457.85	145.35	3.18	3.15	11.21	35.41

Name of the company	Revenues from operations (₹ in million)	Face value per equity share (₹)	Closing price per equity share (₹) [(1)]	P/E ratio[(2)]	EPS (Basic)[(5)](₹)	EPS (Diluted) (₹)	RoNW (%)[(3)]	NAV per equity share (₹)[(4)]
Mazagon Dock Shipbuilders Limited	130,063.10	5.00	1,848.00	28.86	64.04	64.04	NA	247.51
Bharat Electronics Limited	276,101.10	1.00	399.25	48.16	8.29	8.29	NA	32.84

Note: All the financial information for the peer companies mentioned above is on a consolidated basis except for Data Patterns which is on a standalone basis and is sourced from the annual reports / investor presentations or other filings, as available, as of or for the year ended March 31, 2026 for listed peers submitted to the stock exchanges.

1. *Closing price for the peer represents closing market price of equity shares sourced from BSE as of November 17, 2026. Equity Shares for our Company have been adjusted for the effects of bonus issue and share split.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on BSE on November 17, 2026, divided by the Diluted EPS.*
3. *Return on Net Worth (%) for our Company is calculated as Net profit after tax divided by Net worth as at year end.*
4. *NAV is computed as the closing net worth as restated divided by Number of equity shares outstanding at the end of the financial year.*
5. *Our Company has, pursuant to a board resolution dated July 4, 2026 and shareholders resolution dated July 11, 2026 issued bonus shares in the ratio of 2,800 Equity Shares for every 1 Equity Share. Further, pursuant to a board resolution dated July 4, 2026 and Shareholders resolution dated July 11, 2026, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹2 each. EPS for our Company is considered post bonus issue and sub-division.*

G. Key Performance Indicators ("KPI")

The KPIs disclosed below include KPIs pertaining to our Company that have been disclosed to our investors at any point of time during the three years period prior to the date of the filing of this Updated Draft Red Herring Prospectus - I and which have been used historically by our Company to understand and analyse our business performance, which as a result, helps us analyse the growth of various verticals in comparison to our peers, as well as other relevant and material KPIs of the business of our Company that have a bearing for arriving at the basis for the Offer Price. All the KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated November 19, 2026 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Updated Draft Red Herring Prospectus - I have been disclosed in this section. The management and the members of the Audit Committee have confirmed that the KPIs disclosed below have been identified and disclosed in accordance with the SEBI ICDR Regulations and the Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document ("**KPI Standards**"). 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 Updated Draft Red Herring Prospectus - I.

The KPIs herein have been verified and certified by S C Mehra & Associates LLP, Chartered Accountants, by their certificate dated November 19, 2026 which is also designated as a material document for inspection in connection with the Offer. For details of material documents, see "*Material Contracts and Documents for Inspection*" on page 500. Further, the Chief Financial Officer has certified pursuant to certificate dated November 19, 2026 the KPIs disclosed below.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 117 of this Updated Draft Red Herring Prospectus - I, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

The Bidders may refer to the following KPIs, for an assessment of the performance of our Company and to facilitate an informed investment decision:

Sr. No.	Key Performance Indicators (KPIs)	Units	For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures					
1	Revenue from Operations[(1)]	(₹ Millions)	2,222.41	2,545.88	1,038.77	395.01
2	Revenue from operations – Growth (%) [(2)]	(%)	NA[#]	145.09%	162.97%	NA
3	EBITDA [(3)]	(₹ Millions)	1,339.89	1,209.28	495.47	52.92
4	EBITDA Margin [(4)]	(%)	60.29%	47.50%	47.70%	13.40%
5	PAT [(5)]	(₹ Millions)	1,016.12	879.03	308.58	(62.60)
6	PAT Margin [(6)]	(%)	45.72%	34.53%	29.71%	(15.85)%
7	RoCE [(7)]	(%)	18.28%***	24.31%	16.37%	6.88%
8	RoNW [(8)]	(%)	15.59%***	19.47%	11.52%	NA[16]
9	Net Fixed Asset Turnover [(9)]	(Times)	3.92***	6.72	7.17	7.52

Sr. No.	Key Performance Indicators (KPIs)	Units	For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
10	Cash Conversion Cycle (days) [10]	(Days)	201	96	101	216
11	Total Debt / Equity [11]	(Times)	0.30	0.18	0.18	(50.67)
	Operational Measures					
1	Revenue Breakdown (%)[12]					
	- Products	(%)	97.74%	99.10%	95.67%	96.44%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%
2	Order book[13]	(₹ Millions)	8,900.50	11,078.00	NA**	NA**
3	Number of Patents[14]	(Number)	13*	12*	10*	2
4	Investment in R&D[15]	(₹ Millions)	70.29	244.15	73.87	78.32

As certified by S C Mehra & Associates LLP, Chartered Accountants by way of their certificate dated November 19, 2026.

* *This includes 2 patents registered in the European Patent ("EP") jurisdictions (which are validated in Netherlands, Luxembourg, Finland, Denmark, Germany, UK, France, Switzerland, Sweden, Ireland, Czech Republic, and Iceland)*

** *NA has been reported for FY2024 and FY2025, as orders received during these periods were primarily short-term in nature and were executed within the same financial year.*

**** Not annualised*

[#] *NA because comparable data for FY23 and H1FY26 is not available*

Notes:

1. *Revenue from operations of our Company as appears in the Restated Financial Information.*
2. *Revenue from operations - Growth (%) is calculated as percentage growth in Revenue from operations for the relevant period/ year over Revenue from operations for the immediately preceding period/ year.*
3. *EBITDA is calculated as profit for the period/ year, plus tax expense, finance costs and depreciation and amortisation expense less other income.*
4. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations for the relevant period/ year.*
5. *Profit after tax is profit for the period/ year.*
6. *Profit after tax margin (%) is computed as profit for the period/ year divided by Revenue from operations for the relevant period/ year.*
7. *Return on Capital Employed (%) is computed as EBIT divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Goodwill, Other Intangible Assets, Intangible assets under development and Deferred tax assets plus Long Term and Short-Term Borrowing.*
8. *Return on Net worth (%) is computed as profit for the period/ year attributable to owners of our Company divided by Net Worth for the relevant period/ year.*
9. *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Average Property, Plant and Equipment. Average Property, Plant and Equipment is calculated as sum of Property, Plant and Equipment and capital work in progress as of the current period/ year plus Property, Plant and Equipment and capital work in progress as of the previous period/ year divided by 2*
10. *Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold ("COGS") multiplied by no. of days in the period/ year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period/ year. Trade payable days is calculated as average trade payable divided by COGS multiplied by no. of days in the period/ year.*
11. *Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current and Current borrowings and non-current and current lease liabilities.*
12. *Revenue breakdown (%) is calculated as revenue from product / service / others divided by total revenue from operations.*
13. *Order book is the balance amount remaining to be executed and delivered of aggregate value of written contracts / purchase orders our Company received. It only includes firm contracts / purchase orders received from customers with confirmed order values and delivery schedules, and does not include memoranda of understanding, letters of intent, expressions of interest, order with unapproved changes in technical specification or other non-binding or conditional arrangements.*
14. *Number of Patents is the total number of patents granted at the end of relevant period/ year.*
15. *Investment in R&D is the development cost incurred by our Company towards R&D projects for the relevant period/ year.*
16. *Return on Net Worth is not applicable as Net Worth is negative.*

A list of our KPIs along with a brief explanation of the relevance of the KPIs to our business operations are set forth below:

S.No	Key Performance Indicators	Explanation for the KPIs
1.	Revenue from Operations	Revenue from operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of the business
2.	Revenue from Operations (% Change)	Growth in Revenue from operations provides information regarding the growth of our business for the respective period.
3.	EBITDA	EBITDA provides information regarding the operational efficiency of the business
4.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
5.	PAT	PAT for the period/ year provides information regarding the overall profitability of our business
6.	PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business
7.	RoCE (%)	Return on Capital employed provides how efficiently our Company generates earnings from the capital employed in the business
8.	RoNW (%)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds
9.	Net Fixed Asset Turnover (x)	Net Fixed Asset Turnover Ratio measures the efficiency and sweating of our fixed assets in generating revenue or sales

S.No	Key Performance Indicators	Explanation for the KPIs
10.	Cash Conversion Cycle (days)	Cash conversion cycle measures how long it takes for a company to convert its investments in inventory and receivables adjusted for payables into cash
11.	Total debt to Equity	Total Debt to Equity measures the proportion of our Company's total debt relative to its equity. It provides insights into our Company's financial leverage, reflecting how much debt is used to finance the business in relation to shareholders' equity.
12.	Revenue Breakdown	This metric enables our Company to track the progress of revenue from operations from products and services
13.	Orderbook	Represents the total value of confirmed customer orders yet to be fulfilled
14.	Number of Patents	Represents the number of patents that have been granted to our Company
15	Investment in R&D	Represents the total value that is invested in research and development projects

For details of our other operating metrics disclosed elsewhere in this Updated Draft Red Herring Prospectus - I, see "*Our Business – Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview of our Business*" on pages 237 and 396, respectively.

Description on the historic use of KPIs by us to analyse, track or monitor our performance

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 Financial Information. We use these KPIs to evaluate our financial and operating performance. 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 measures of performance 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 Bidders to use in evaluating our operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial statements prepared in accordance with Ind AS.

H. Comparison of its KPIs with Listed Industry Peers

We operate as a vertically integrated, multi-domain unmanned autonomous systems company. There is no company in India that is directly comparable and operates exclusively or primarily in its segment or that offers a comparable range of offerings across multiple domains and integration across these domains. (*Source: CAREEdge Report*)

The peer listed companies identified in the CAREEdge Report for the purposes of comparison, are technology-focused companies listed on recognised stock exchanges in India and having capabilities across defence electronics, sub-systems, single domain unmanned systems, maritime shipbuilding and precision engineering. These peers may operate in only select sub-segments of the broader defence, industrial commercial sector (such as shipbuilding, aviation, electronics, sub-systems or conventional defence manufacturing), and may have materially different business models, product portfolios, revenue profiles, customer bases, operating scales, and margin profiles. (*Source: CAREEdge Report*)

Data Patterns (India) Limited

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				Data Patterns (India) Limited			
			For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures									
1	Revenue from Operations[1]	(In Millions)	2,222.41	2,545.88	1,038.77	395.01	2,493.00	9,247.70	7,083.50	5,198.00
2	Revenue from operations – Growth (%) [2]	(%)	NA[#]	145.09%	162.97%	NA[#]	NA[#]	30.55%	36.27%	NA
3	EBITDA [3]	(In Millions)	1,339.89	1,209.28	495.47	52.92	628.00	3,710.00	2,750.00	2,216.00
4	EBITDA Margin [4]	(%)	60.29%	47.50%	47.70%	13.40%	25.19%	40.12%	38.82%	42.63%
5	PAT [5]	(In Millions)	1,016.12	879.03	308.58	(62.60)	440.00	2,714.00	2,199.00	1,811.00
6	PAT Margin [6]	(%)	45.72%	34.53%	29.71%	(15.85)%	17.65%	29.35%	31.04%	34.84%
7	RoCE [7]	(%)	18.28%***	24.31%	16.37%	6.88%	NA	20.80%	18.00%	16.00%
8	RoNW [8]	(%)	15.59%***	19.47%	11.52%	NA[16]	NA	16.70%	16.00%	15.00%
9	Net Fixed Asset Turnover [9]	(Times)	3.92***	6.72	7.17	7.52	NA	NA	NA	NA
10	Cash Conversion Cycle (days) [10]	(Days)	201	96	101	216	374	365	428	432
11	Total Debt / Equity [11]	(Times)	0.30	0.18	0.18	(50.67)	-	NA	NA	NA
	Operational Measures									
1	Revenue Breakdown (%)[12]									
	- Products	(%)	97.74%	99.10%	95.67%	96.44%	NA	94.07%	94.52%	93.51%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%	NA	5.93%	5.48%	6.49%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%	NA	0.00%	0.00%	0.00%
2	Order book[13]	(In Millions)	8,900.50	11,078.00	NA**	NA**	17,236.00	9,265.00	7,298.00	10,831.00
3	Number of Patents[14]	(Number)	13*	12*	10*	2	NA	NA	NA	NA
4	Investment in R&D[15]	(In Millions)	70.29	244.15	73.87	78.32	NA	NA	NA	NA

Ideaforge Technology Limited

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				Ideaforge Technology Limited			
			For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures									
1	Revenue from Operations[(1)]	(In Millions)	2,222.41	2,545.88	1,038.77	395.01	1,598.70	2,261.29	1,612.16	3,139.96
2	Revenue from operations – Growth (%) [(2)]	(%)	NA[#]	145.09%	162.97%	NA[#]	NA[#]	40.26%	(48.66)%	NA[#]
3	EBITDA [(3)]	(In Millions)	1,339.89	1,209.28	495.47	52.92	275.10	271.17	(315.30)	859.00
4	EBITDA Margin [(4)]	(%)	60.29%	47.50%	47.70%	13.40%	17.20%	11.99%	(19.56)%	27.36%
5	PAT [(5)]	(In Millions)	1,016.12	879.03	308.58	(62.60)	38.70	(170.30)	(622.70)	452.70
6	PAT Margin [(6)]	(%)	45.72%	34.53%	29.71%	(15.85)%	2.40%	-7.53%	(38.63)%	14.42%
7	RoCE [(7)]	(%)	18.28%***	24.31%	16.37%	6.88%	NA	-3.00%	(13.00)%	(11.00)%
8	RoNW [(8)]	(%)	15.59%***	19.47%	11.52%	NA[16]	NA	-3.00%	(10.00)%	9.00%
9	Net Fixed Asset Turnover [(9)]	(Times)	3.92***	6.72	7.17	7.52	NA	NA	NA	NA
10	Cash Conversion Cycle (days) [(10)]	(Days)	201	96	101	216	NA	NA	NA	NA
11	Total Debt / Equity [(11)]	(Times)	0.30	0.18	0.18	(50.67)	NA	NA	NA	NA
	Operational Measures									
1	Revenue Breakdown (%)[(12)]									
	- Products	(%)	97.74%	99.10%	95.67%	96.44%	NA	96.66%	95.61%	94.64%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%	NA	3.33%	4.35%	1.34%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%	NA	0.01%	0.04%	4.02%
2	Order book[(13)]	(In Millions)	8,900.50	11,078.00	NA**	NA**	2,022.00	3,142.00	136.00	1,247.00
3	Number of Patents[(14)]	(Number)	13*	12*	10*	2	114.00	55	48	38
4	Investment in R&D[(15)]	(In Millions)	70.29	244.15	73.87	78.32	NA	NA	765.09	NA

MTAR Technologies Limited

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				MTAR Technologies Limited			
			For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures									
1	Revenue from Operations[(1)]	(In Millions)	2,222.41	2,545.88	1,038.77	395.01	7,675.00	8,762.00	6,759.57	5,807.52
2	Revenue from operations – Growth (%) [(2)]	(%)	NA[#]	145.09%	162.97%	NA[#]	NA[#]	29.62%	16.39%	NA[#]
3	EBITDA [(3)]	(In Millions)	1,339.89	1,209.28	495.47	52.92	1,842.00	1,712.00	1,209.00	1,116.72
4	EBITDA Margin [(4)]	(%)	60.29%	47.50%	47.70%	13.40%	24.00%	19.54%	17.89%	19.23%

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				MTAR Technologies Limited			
			For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period ended September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
5	PAT [5]	(In Millions)	1,016.12	879.03	308.58	(62.60)	1,101.00	940.30	528.87	561.13
6	PAT Margin [6]	(%)	45.72%	34.53%	29.71%	(15.85)%	14.35%	10.73%	7.82%	9.66%
7	RoCE [7]	(%)	18.28%***	24.31%	16.37%	6.88%	NA	17.20%	9.65%	10.60%
8	RoNW [8]	(%)	15.59%***	19.47%	11.52%	NA[16]	NA	12.10%	7.70%	8.70%
9	Net Fixed Asset Turnover [9]	(Times)	3.92***	6.72	7.17	7.52	NA	NA	NA	NA
10	Cash Conversion Cycle (days) [10]	(Days)	201	96	101	216	NA	NA	229	252
11	Total Debt / Equity [11]	(Times)	0.30	0.18	0.18	(50.67)	NA	0.45	0.24	0.28
	Operational Measures									
1	Revenue Breakdown (%)[12]									
	- Products	(%)	97.74%	99.10%	95.67%	96.44%	NA	98.77%	98.32%	98.60%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%	NA	0.00%	0.00%	0.00%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%	NA	1.23%	1.68%	1.40%
2	Order book[13]	(In Millions)	8,900.50	11,078.00	NA**	NA**	59,765.00	25,819.00	9,794.00	9,151.00
3	Number of Patents[14]	(Number)	13*	12*	10*	2	NA	NA	NA	NA
4	Investment in R&D[15]	(In Millions)	70.29	244.15	73.87	78.32	NA	NA	NA	NA

Apollo Micro Systems Limited

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				Apollo Micro Systems Limited			
			For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures									
1	Revenue from Operations[1]	(In Millions)	2,222.41	2,545.88	1,038.77	395.01	6,394.40	9,043.24	5,620.69	3,716.34
2	Revenue from operations – Growth (%) [2]	(%)	NA[#]	145.09%	162.97%	NA[#]	NA[#]	60.89%	51.24%	NA[#]
3	EBITDA [3]	(In Millions)	1,339.89	1,209.28	495.47	52.92	1,649.10	2,181.60	1,292.10	838.70
4	EBITDA Margin [4]	(%)	60.29%	47.50%	47.70%	13.40%	25.79%	24.12%	22.99%	22.57%
5	PAT [5]	(In Millions)	1,016.12	879.03	308.58	(62.60)	713.70	1,073.80	563.60	311.10
6	PAT Margin [6]	(%)	45.72%	34.53%	29.71%	(15.85)%	11.16%	11.87%	10.03%	8.37%
7	RoCE [7]	(%)	18.28%***	24.31%	16.37%	6.88%	NA	18.23%	18.14%	13.00%
8	RoNW [8]	(%)	15.59%***	19.47%	11.52%	NA[16]	NA	11.21%	10.00%	6.89%
9	Net Fixed Asset Turnover [9]	(Times)	3.92***	6.72	7.17	7.52	NA	NA	NA	NA
10	Cash Conversion Cycle (days) [10]	(Days)	201	96	101	216	NA	NA	NA	NA
11	Total Debt / Equity [11]	(Times)	0.30	0.18	0.18	(50.67)	NA	NA	1.14	0.84
	Operational Measures									
1	Revenue Breakdown (%)[12]									

	- Products	(%)	97.74%	99.10%	95.67%	96.44%	NA	NA	98.85%	96.07%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%	NA	NA	1.15%	3.93%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%	NA	NA	0.00%	0.00%
2	Order book[13]	(In Millions)	8,900.50	11,078.00	NA**	NA**	17,650.00	14,320.00	NA	NA
3	Number of Patents[14]	(Number)	13*	12*	10*	2	NA	NA	NA	NA
4	Investment in R&D[15]	(In Millions)	70.29	244.15	73.87	78.32	NA	NA	NA	297.88

Mazagon Dock Shipbuilders Limited

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				Mazagon Dock Shipbuilders Limited			
			For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures									
1	Revenue from Operations[1]	(In Millions)	2,222.41	2,545.88	1,038.77	395.01	53,890.00	1,30,063.10	1,14,318.80	94,665.80
2	Revenue from operations – Growth (%) [2]	(%)	NA#	145.09%	162.97%	NA#	NA#	13.77%	20.76%	NA#
3	EBITDA [3]	(In Millions)	1,339.89	1,209.28	495.47	52.92	11,900.00	34,023.00	32,287.90	25,496.30
4	EBITDA Margin [4]	(%)	60.29%	47.50%	47.70%	13.40%	22.08%	26.16%	28.24%	26.93%
5	PAT [5]	(In Millions)	1,016.12	879.03	308.58	(62.60)	8,970.00	25,783.60	24,135.10	19,369.70
6	PAT Margin [6]	(%)	45.72%	34.53%	29.71%	(15.85)%	16.65%	19.82%	21.11%	20.46%
7	RoCE [7]	(%)	18.28%***	24.31%	16.37%	6.88%	NA	NA	43.36%	44.28%
8	RoNW [8]	(%)	15.59%***	19.47%	11.52%	NA16	NA	NA	NA	NA
9	Net Fixed Asset Turnover [9]	(Times)	3.92***	6.72	7.17	7.52	NA	NA	NA	NA
10	Cash Conversion Cycle (days) [10]	(Days)	201	96	101	216	NA	NA	NA	NA
11	Total Debt / Equity [11]	(Times)	0.30	0.18	0.18	(50.67)	NA	NA	NA	NA
	Operational Measures									
1	Revenue Breakdown (%)[12]									
	- Products	(%)	97.74%	99.10%	95.67%	96.44%	NA	NA	10.97%	13.08%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%	NA	NA	4.79%	3.15%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%	NA	NA	84.25%	83.76%
2	Order book[13]	(In Millions)	8,900.50	11,078.00	NA**	NA**	1,64,430.00	2,05,350.00	3,22,600.00	3,85,610.00
3	Number of Patents[14]	(Number)	13*	12*	10*	2	NA	NA	NA	NA
4	Investment in R&D[15]	(In Millions)	70.29	244.15	73.87	78.32	NA	NA	1,175.40	NA

Bharat Electronics Limited

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				Bharat Electronics Limited			
			For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
	Financial Measures									
1	Revenue from Operations[1]	(In Millions)	2,222.41	2,545.88	1,038.77	395.01	1,28,747.00	2,76,101.10	2,37,687.50	2,02,682.40
2	Revenue from operations – Growth (%) [2]	(%)	NA#	145.09%	162.97%	NA#	NA#	16.16%	17.27%	NA#
3	EBITDA [3]	(In Millions)	1,339.89	1,209.28	495.47	52.92	NA	82,440.00	67,680.00	49,980.00
4	EBITDA Margin [4]	(%)	60.29%	47.50%	47.70%	13.40%	NA	29.86%	28.47%	24.66%
5	PAT [5]	(In Millions)	1,016.12	879.03	308.58	(62.60)	25,949.00	60,622.60	53,226.80	39,852.40

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company				Bharat Electronics Limited			
			For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024	For the six months period September 30, 2026	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
6	PAT Margin [6]	(%)	45.72%	34.53%	29.71%	(15.85)%	20.16%	21.96%	22.39%	19.66%
7	RoCE [7]	(%)	18.28%***	24.31%	16.37%	6.88%	NA	NA	39.22%	36.44%
8	RoNW [8]	(%)	15.59%***	19.47%	11.52%	NA[16]	NA	NA	26.85%	25.00%
9	Net Fixed Asset Turnover [9]	(Times)	3.92***	6.72	7.17	7.52	NA	NA	NA	NA
10	Cash Conversion Cycle (days) [10]	(Days)	201	96	101	216	NA	NA	NA	NA
11	Total Debt / Equity [11]	(Times)	0.30	0.18	0.18	(50.67)	NA	NA	NA	NA
	Operational Measures									
1	Revenue Breakdown (%)[12]									
	- Products	(%)	97.74%	99.10%	95.67%	96.44%	NA	NA	87.93%	88.33%
	- Services	(%)	2.26%	0.90%	1.20%	1.14%	NA	NA	9.33%	9.88%
	- Others	(%)	0.00%	0.00%	3.13%	2.43%	NA	NA	2.74%	1.79%
2	Order book[13]	(In Millions)	8,900.50	11,078.00	NA**	NA**	6,87,170.00	7,38,820.00	7,16,500.00	7,59,340.00
3	Number of Patents[14]	(Number)	13*	12*	10*	2	NA	NA	288	201
4	Investment in R&D[15]	(In Millions)	70.29	244.15	73.87	78.32	NA	NA	14,720.00	12,360.00

* *This includes 2 patents registered in the EP jurisdictions (which are validated in Netherlands, Luxembourg, Finland, Denmark, Germany, UK, France, Switzerland, Sweden, Ireland, Czech Republic, and Iceland)*

** *NA has been reported for FY2024 and FY2025, as orders received during these periods were primarily short-term in nature and were executed within the same financial year.*

*** *Not annualised.*

[#] *NA because comparable data for FY23 and H1FY26 is not available*

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 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.*
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 all peers*
3. *EBITDA % is calculated as EBITDA divided by Revenue from Operations for all peers*
4. *PAT Margin is calculated as Profit for the period/ year divided by Revenue from Operations for all peers*

Notes related to our Company

1. *Revenue from operations of our Company as appears in the Restated Financial Information.*
2. *Revenue from operations - Growth (%) is calculated as percentage growth in Revenue from operations for the relevant period/ year over Revenue from operations for the immediately preceding period/ year.*
3. *EBITDA is calculated as profit for the period/ year, plus tax expense, finance costs and depreciation and amortisation expense less other income.*
4. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations for the relevant period/ year.*
5. *Profit after tax is profit for the period/ year.*
6. *Profit after tax margin (%) is computed as profit for the period/ year divided by Revenue from operations for the relevant period/ year.*
7. *Return on Capital Employed (%) is computed as EBIT divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Goodwill, Other Intangible Assets, Intangible assets under development and Deferred tax assets plus Long Term and Short-Term Borrowing.*
8. *Return on Net worth (%) is computed as profit for the period/ year attributable to owners of our Company divided by Net Worth for the relevant period/ year.*
9. *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Average Property, Plant and Equipment. Average Property, Plant and Equipment is calculated as sum of Property, Plant and Equipment and capital work in progress as of the current period/ year plus Property, Plant and Equipment and capital work in progress as of the previous period/ year divided by 2*
10. *Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold ("COGS") multiplied by no. of days in the period / year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period/ year. Trade payable days is calculated as average trade payable divided by COGS multiplied by no. of days in the period/ year.*
11. *Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current borrowings and Current borrowings and non-current and current lease liabilities*
12. *Revenue breakdown (%) is calculated as revenue from product / service / others divided by total revenue from operations.*
13. *Order book is the balance amount remaining to be executed and delivered of aggregate value of written contracts / purchase orders our Company received. It only includes firm contracts / purchase orders received from customers with confirmed order values and delivery schedules, and does not include memoranda of understanding, letters of intent, expressions of interest, order with unapproved changes in technical specification or other non-binding or conditional arrangements.*
14. *Number of Patents is the total number of patents granted at the end of relevant period/ year*

15. Investment in R&D is the development cost incurred by our Company towards R&D projects for the relevant period/ year.
16. Return on Net Worth is not applicable as Net Worth is negative.

Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets/business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to our business have been provided.

I. Price per share of our Company (as adjusted for corporate actions, including split and bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Plan and bonus issuances) during the 18 months preceding the date of this Updated Draft Red Herring Prospectus - I, where such issuance 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 ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Date of Allotment	Name of allottees	Number of convertible securities allotted	Number of Equity Shares allotted on a fully diluted basis*	Nature of security	Transaction as a % of fully diluted capital of our Company *	Face Value of Securities issued (in ₹)	Amount received on issue of securities (in ₹)	Price per Equity Share or convertible securities (in ₹)	Weighted average cost of acquisition based on primary issue of Equity Shares or convertible securities#
March 30, 2026	Nikunj Parashar	224	2,82,34,080	CCPS	1.37%	10	43,71,136	19,514.00	0.15
	Manoj Kanhaiyalal Agrawal	88	1,10,91,960	CCPS	0.54%	10	17,17,232	19,514.00	0.15
	Lakshay Dang	68	85,71,060	CCPS	0.42%	10	13,26,952	19,514.00	0.15
	Mridul Babbar	68	85,71,060	CCPS	0.42%	10	13,26,952	19,514.00	0.15
	Ankit Kumar	49	61,76,205	CCPS	0.30%	10	9,56,186	19,514.00	0.15
	Saurabh Avinash Patil	49	61,76,205	CCPS	0.30%	10	9,56,186	19,514.00	0.15
	Amit Singla	13	16,38,585	CCPS	0.08%	10	2,53,682	19,514.00	0.15
March 31, 2026	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	2,645	4,08,08,825	CCPS	1.98%	10	60,00,76,440	226,872.00	14.70
	Skegen Asset Management LLP	838	1,29,29,225	CCPS	0.63%	10	19,01,18,736	226,872.00	14.70
	Shakti Finvest Partners	287	44,28,028	CCPS	0.22%	10	6,51,12,264	226,872.00	14.70
	Ramachandra Kollareddy	221	34,09,735	CCPS	0.17%	10	5,01,38,712	226,872.00	14.70
April 2, 2026	BSR Infratech India Ltd	2,204	3,40,04,783	CCPS	1.65%	10	50,00,25,888	226,872.00	14.70

	RCC Nutra Fill Pvt Ltd	441	68,04,042	CCPS	0.33%	10	10,00,50,552	226,872.00	14.70
April 6, 2026	India SME Growth Fund-Series 2	551	85,01,196	CCPS	0.41%	10	12,50,06,472	226,872.00	14.70
April 9, 2026	NS Trading and Investments LLP	265	40,88,597	CCPS	0.20%	10	6,01,21,080	226,872.00	14.70
Weighted average cost of acquisition for primary issuances									**9.18**

As certified by S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026.
**Pursuant to the shareholders' resolution of our Company dated July 11, 2026, our Company approved a bonus issue of 2,800 equity shares for every 1 equity share of face value of ₹10 held by shareholders as on the record date, i.e., July 3, 2026. Further, pursuant to a resolution passed by the Shareholders on July 11, 2026, each fully paid-up equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each.*
#Accordingly, the weighted average cost of acquisition of preference share is calculated taking into account the amount paid towards the acquisition of the securities during the last one year and cumulative number of shares acquired during the last one year including the above-mentioned corporate action i.e., bonus and subdivision of shares.

J. Price per share of our Company (as adjusted for corporate actions, including split) based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving our Promoter, members of our Promoter Group, Selling Shareholders, or other Shareholders with the right to nominate directors on our Board during the 18 months preceding the date of filing of this Updated Draft Red Herring Prospectus - I, 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 ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Not applicable.

K. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by the Selling Shareholders or other Shareholders with rights to nominate directors in the last 18 months preceding the date of this Updated Draft Red Herring Prospectus - I are disclosed below:

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary Issuances (under I above) and Secondary Transactions (under J above) 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	9.18	[●]	[●]
Weighted average cost of acquisition of Secondary Transactions	NA	[●]	[●]

As certified by S C Mehra & Associates LLP, Chartered Accountants, by way of their certificate dated November 19, 2026.
* *To be updated at the Prospectus stage.*

L. Justification for Basis of Offer Price

1. The following provides an explanation to the Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Updated Draft Red Herring Prospectus - I compared to our Company's KPIs and financial ratios as at and for the six months period ended September 30, 2026 and as at and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024

[●]*

**To be included on finalisation of Price Band*

2. The following provides an explanation to the Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by the Shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of

this Updated Draft Red Herring Prospectus - I in view of external factors, if any, which may have influenced the pricing of the Offer

[●]*

**To be included on finalisation of Price Band*

M. 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 investors for Equity Shares through the Book Building Process.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 237, 311 and 396, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section "*Risk Factors*" beginning on page 21 and any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
SAGAR DEFENCE ENGINEERING LIMITED
(formerly known as Sagar Defence Engineering Private Limited)
101/104, Triveni Kripa, opp. Ambaji Mandir,
Carter Road no.3, Borivali East,
Mumbai, Maharashtra, India - 400066

Statement of special tax benefits available to Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) and its shareholders under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, M S K A & Associates LLP (formerly known as M S K A & Associates), ('we', 'us', or 'our' or 'the firm'), Chartered Accountants, the statutory auditors of Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) (the "Company") hereby confirm the Annexure prepared by the Company, which provides the special tax benefits under Income-tax Act, 2025, the Income-tax Rules, 2026 (as amended by the Finance Act 2026, applicable for tax year 2026-27) and circulars and notifications issued thereon, as applicable to the tax year 2026-27, and Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 / the Union Territory Goods and Services Tax Act, 2017 read with the relevant rules, notifications and circulars issued there under (together referred as the "GST Laws"), the Customs Act, 1962 and the Customs Tariff Act, 1975 read with the relevant rules, notifications and circulars issued there under (together referred as the "Custom Laws") as amended by the Finance Act 2026, applicable for Financial Year 2026-27, Foreign Trade (Development and Regulation) Act, 1992 read with Foreign Trade Policy 2023 as amended from time to time presently in force and available to the Company ("collectively referred to as Taxation Laws") and its shareholders identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil such conditions for availing special tax benefits.

2. The enclosed annexure to this statement of special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its shareholders the same would include those benefits as enumerated in the Annexure. Any benefits under the Taxation Laws other than those specified in the Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Annexure. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Annexure, have not been examined and covered by this Statement.

3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

4. The benefits discussed in the Annexure cover the special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

5. In respect of non-residents, the tax rates and the consequent taxation 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.

6. The benefits stated in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Annexure 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 distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the equity shares of the Company (the "Offer") and we shall in no way be liable or responsible to

any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

7. 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 the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. 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.

9. We do not express any opinion or provide any assurance whether:

   - The Company and its shareholders will continue to obtain these benefits in future.
   - The conditions prescribed for availing the benefits have been/would be met.
   - The revenue authorities/courts will concur with the views expressed herein.

10. The Statement is based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

11. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Updated Draft Red Herring Prospectus-I, Red Herring Prospectus, and Prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 statement is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K A & Associates LLP (formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

_____
Hemlata Bhungare
Partner
Membership No.: 143704
UDIN: 26143704DHZAIF3170

Place: Mumbai
Date: November 12, 2026

ANNEXURE

Statement of special tax benefits available to Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) ('the Company') and its Shareholders

Direct Taxation:

This statement of special direct tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This statement is required as per as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). This statement is as per the Income-tax Act, 2025, the Income-tax Rules, 2026 (as amended by the Finance Act 2026, applicable for tax year 2026-27) and circulars and notifications issued thereon, as applicable to the tax year 2026-27 and presently in force.

1. Special income tax benefits available to Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) (the "Company") in India under the Income-tax Act, 2025 ("Act")

- ***Lower corporate tax rate under Section 200 of the Act***

  - Section 200 of the Act (erstwhile Section 115BAA of Income Tax Act, 1961('IT Act 1961')) provides that domestic companies can opt for a concessional corporate tax rate of 22% (plus applicable surcharge and education cess) provided the total income of the company is computed without claiming certain specified incentives/ deductions/ exemptions or set-off of losses and depreciation as mentioned below –

    (a) (i) section 45(2) of the Act (erstwhile Section 35(2AB) of IT Act 1961) or section 47(1)(b) of the Act (erstwhile Section 35CCD of the IT Act 1961); or (ii) Chapter VIII other than provisions of section 146 of the Act (erstwhile Section 80JJAA of the IT Act 1961) or 148 of the Act (erstwhile Section 80M of the IT Act 1961); or (iii) sections specified in section 205(1)(a) to (g) of the Act (erstwhile Section 115BAA(2) of the IT Act 1961);

    (b) without set off of any loss carried forward or depreciation from any earlier tax year, if such loss or depreciation is attributable to any of the deductions referred to in clause (a);

    (c) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 116 of the Act (erstwhile Section 72A of the IT Act 1961), if such loss or depreciation is attributable to any of the deductions referred to in clause (a).

  - Surcharge is to be levied on domestic companies at 7%, where the income exceeds INR 10 million but does not exceed INR 100 million and at 12%, where the income exceeds INR 100 million. If the company opts for concessional income-tax rate under Section 200 of the Act (erstwhile section 115BAA of the IT Act 1961), surcharge shall be levied at the rate of 10%. Health and education cess at 4% on the tax and surcharge is payable by all categories of taxpayers.

  - Further, domestic companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under Section 206 of the Act (erstwhile Section 115JB of IT Act 1961).

  - The option needs to be exercised on or before the due date specified under Section 263(1) of the Act for furnishing the return of income. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent tax year.

  - The Company has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2023-24 relevant to the Assessment Year (A.Y.') 2024-25. From A.Y. 2024-25 to A.Y. 2026-27, the Company has followed Section 115BAA of the IT Act 1961 and from tax year 2026-27 onwards the Company shall follow Section 200 of the Act. Since, the Company has opted for lower corporate tax rate during FY 2023-24, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.

- ***Section 146 of the Act (erstwhile Section 80JJAA of the IT Act 1961) – Deduction in respect of employment of new employees:***

  - Subject to the fulfilment of prescribed conditions, for the year, the Company is entitled to claim deduction under Section 146 of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the tax year, for three tax years including the tax year in which such employment is provided. Further, where the Company wishes to claim tax benefit, they shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

- ***Section 148 of the Act (erstwhile Section 80M of the IT Act 1961) – Deduction in respect of Inter-Corporate Dividends:***

- As per the provisions of Section 148 of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in domestic companies, it may avail the benefit of Section 148 of the Act.

➢ ***Section 45(1) of the Act (erstwhile Section 35 of the IT Act 1961) – Deduction in respect of expenditure on scientific research***

- As per the provisions of Section 45(1) of the Act, a company is allowed to claim deduction of expenses incurred on scientific research related to its business. This includes both capital expenditure (excluding the cost of land) and revenue expenditure. Such deduction is available subject to the fulfilment of conditions specified therein.

2. Special direct tax benefits available to the Shareholders of Company under the Act

A. ***Resident Shareholders***

a) There are no special tax benefits available to the shareholders of the Company. However, such shareholders shall be liable to tax at concessional tax rates on certain incomes (arising from sale of equity shares of the Company) under the extant provisions of the Act.

b) Section 198 of the Act (erstwhile Section 112A of IT Act 1961) provides for concessional rate of tax with at the rate of 12.5% in respect of specified long-term capital gains gain exceeding Rs.125,000 arising from the transfer of a long-term capital asset (*i.e.*, capital asset held for the period of more than 12 months) being an equity share in an Indian company wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer.

c) Section 196 of the Act (erstwhile Section 111A of IT Act 1961) provides for concessional rate of tax at the rate of 20% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (*i.e*. capital asset held for the period not more than 12 months) being an equity share in a company wherein STT is paid on transfer.

B. Non-Resident Shareholders

a) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the Act and it is further subject to any benefits available under the applicable DTAA, if any, between India and the country of which the non-resident is a tax resident, as read with the Multilateral Instrument ("MLI") and subject to furnishing of tax residency certificate, electronically filed Form No. 41 (erstwhile Form No. 10F), no permanent establishment ('PE') declaration and any other document as may be required. Further, the non-resident shareholders would be eligible to claim foreign tax credit), based on the local laws of the country of which the shareholder is the resident.

Indirect Taxation

This statement of special indirect tax benefits available to the Company and its shareholders under the indirect tax laws in force in India. This statement is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). Statement of special tax benefits available is as per 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 / the Union Territory Goods and Services Tax Act, 2017 read with the relevant rules, notifications and circulars issued there under (together referred as the "GST Laws"), the Customs Act, 1962 and the Customs Tariff Act, 1975 read with the relevant rules, notifications and circulars issued there under (together referred as the "Custom Laws"), as amended by the Finance Act 2026, applicable for Financial Year 2026-27, Foreign Trade (Development and Regulation) Act, 1992 read with Foreign Trade Policy 2023 as amended from time to time, presently in force in India and available to the Company.

SPECIAL BENEFITS TO THE COMPANY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special tax benefits available to the Company

   (i) The Company has one active GSTIN in the state of Maharashtra.

   The Company is eligible to avail the benefit of Input Tax Credit (ITC) of the GST paid on certain procurements, subject to fulfilment of prescribed conditions under the GST Laws.

   (ii) The Company has earnings in foreign exchange. For cross-border transactions that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfillment of prescribed conditions.

   (iii) Additionally, the Company has availed the benefit of EPCG scheme which entails exemption from custom duty on import of machineries, subject to fulfillment of specified export obligation under the Foreign Trade Policy.

   (iv) Apart from the above, no other special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

2. Special Tax Benefits available to the Shareholders of the Company

   (i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.

   Securities are excluded from the definition of "Goods" as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of "Services" as defined under Section 2(102) of the Central Goods and Services Tax Act, 2017.

   (ii) Apart from above, the shareholders of the Company are not eligible to any other special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

1. *The benefits discussed above cover only special tax benefits under the direct tax and indirect tax Laws, available to the Company and its shareholders and do not cover any general tax benefits or any direct tax law benefits or any indirect tax law benefits or benefit under any other law.*

2. *These tax benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian direct / indirect tax regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company and its shareholders face in the future, the Company or its shareholders may or may not choose to fulfil such conditions for availing special tax benefits.*

3. *Our comments are based on specific activities carried out by the Company. Any variation in the understanding could require our comments to be suitably modified.*

4. *The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the*

individual and distinct 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 issue.

5. *The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:*

   (i) the Company or its shareholders will continue to obtain these benefits in future.

   (ii) the conditions prescribed for availing the benefits have been/ would be met with; and

   (iii) the revenue authorities/courts will concur with the view expressed herein.

6. *Based on the information provided to us, we understand that the Company and its shareholders have not claimed any exemption or benefits or incentives under the direct or indirect tax laws other than those specified above.*

7. *The views expressed in this annexure are based on the facts and assumptions as indicated in the annexure. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.*

For and on behalf of **SAGAR DEFENCE ENGINEERING LIMITED**
(formerly known as Sagar Defence Engineering Private Limited)

_____
Nikunj Parashar
Managing Director and Chairperson

Place: Pune
Date: November 12, 2026

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled, "Research Report on the Unmanned Systems Industry" ("**CareEdge Report**") prepared by CareEdge Analytics and Advisory Private Limited, which has been commissioned and exclusively paid for by us pursuant to an engagement letter dated June 12, 2026 and prepared exclusively in connection with the Offer. CARE Analytics and Advisory Private Limited is an independent agency which is not a related party of our Company , our Promoters, our Subsidiary, any of our Directors or Key Managerial Personnel or Senior Management or the Book Running Lead Managers. The CareEdge Report is available on our website until the Bid/Offer Closing Date and is included in "Material Contracts and Documents for Inspection – Material Documents" on page 500. For further information, see "Risk Factors – 61. Industry information included in this Updated Draft Red Herring Prospectus – I has been derived from the CAREEdge Report, and any reliance on information from the CAREEdge Report for making an investment decision in the Offer is subject to inherent risks" on page 52.*

Also see "Certain Conventions, Presentation of Financial, Industry and Market Data - Industry and Market Data" on page 19 for additional details regarding the industry and market data used in this Updated Draft Red Herring Prospectus – I.

Economic Outlook

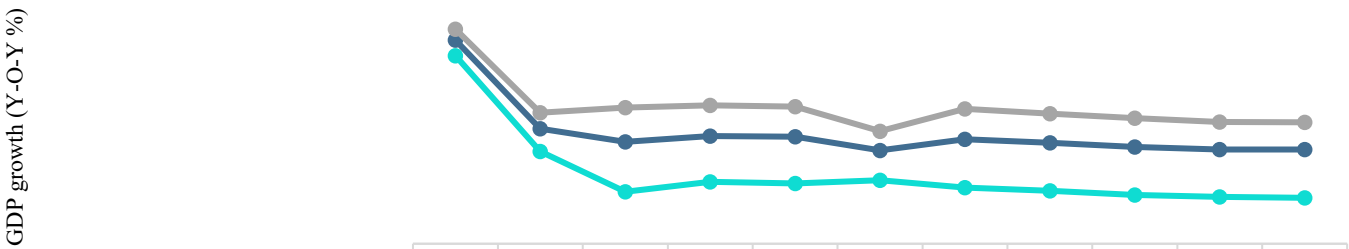
Global Economy

Global Economic Growth Expected to Sustain at ~3% in Near Term

Global economic growth is projected to moderate to around 3.06% in 2026, reflecting the effects of geopolitical tensions on energy markets and trade flows. Nevertheless, economic activity in the first half of the year held up better than expected despite persistent global tensions.

However, growth has been uneven across regions, resulting in an increasingly divided global economy. Some countries have benefited from favourable terms of trade, technology-related exports, and investment, providing a cushion against external pressures, whereas others face higher import costs and weaker demand.

Chart 1: Global GDP Growth Outlook



	CY21	CY22	CY23	CY24	CY25	CY26P	CY27P	CY28P	CY29P	CY30P	CY31P
World	6.68%	3.77%	3.34%	3.53%	3.51%	3.06%	3.43%	3.31%	3.18%	3.09%	3.09%
Advanced Economies	6.17%	3.03%	1.71%	2.03%	1.98%	2.08%	1.84%	1.74%	1.60%	1.53%	1.51%
Emerging Market and Developing Economies	7.04%	4.29%	4.46%	4.54%	4.50%	3.69%	4.42%	4.27%	4.12%	3.99%	3.98%

Source: IMF – World Economic Outlook, October 2026; Note: P-Projections. Advanced Economies: Euro Area, Major Advanced Economies (G7), Other Advanced Economies (Advanced Economies excluding G7 and Euro Area), European Union, ASEAN-5; Emerging Market and Developing Economies: Emerging and Developing Asia, Emerging and Developing Europe, Latin America and the Caribbean, Middle East and Central Asia, Sub-Saharan Africa

Table 1: GDP Growth Trend Comparison - India v/s Other Economies (Real GDP, Y-o-Y Change in %)

	Real GDP (Y-o-Y Change in %)										
	CY21	CY22	CY23	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31
India	9.69	7.61	7.33	7.19	7.82	7.01	7.02	6.94	6.86	6.82	6.81
China	8.56	3.11	5.38	5	5	4.47	4.01	4	3.67	3.35	3.29
Indonesia	3.7	5.31	5.05	5.03	5.11	5.14	5.1	5.19	5.22	5.24	5.25
Saudi Arabia	6.52	12	0.54	2.65	4.6	-3.31	7.93	4.81	3.42	3.51	3.62
Middle East and Central Asia	4.69	6.37	2.56	3.05	3.67	-0.33	6.33	4.68	4.07	3.82	3.77
Latin America	7.51	4.41	2.36	2.45	2.51	2.29	2.5	2.85	2.86	2.74	2.72
Brazil	4.76	3.02	3.24	3.42	2.29	2.18	1.86	2.43	2.46	2.5	2.5
Euro Area	6.43	3.69	0.4	1.17	1.24	1.12	1.21	1.31	1.2	1.11	1.08
United States	6.27	2.43	2.92	2.95	2.34	2.33	2.29	2.06	1.88	1.75	1.76

Source: IMF- World Economic Outlook Database (April 2026, July 2026); Note: E-Estimate, P- Projections E-Estimated; India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23.

Outlook on Key Advance Group and Emerging Markets

Advanced Economies Group

Advanced economies are projected to grow at around 2.08% in CY26 and 1.84% in CY27, with the overall effect of the Middle East conflict on growth in advanced economies being modest.

In the **United States**, growth is forecast at about 2.33% in CY26 and 2.29% in CY27, supported by fiscal measures, robust private consumption and technology related investment.

The **Euro Area** growth is expected to moderate at 1.12% in CY26 and 1.21% in CY27, due to continued higher energy prices and subdued consumer sentiment.

Emerging Markets and Developing Economies Group

Emerging and developing economies are expected to fall to 3.69% in CY26 and recover to 4.42% in CY27, due to the global conflicts having a greater net impact on emerging economies than advanced economies.

China's growth remains steady at around 4.47% in CY26 and is expected to fall to 4.01% in CY27 due to higher global oil prices as well as global uncertainty. **India's** growth has been among the fastest-growing major economies, with projections of 7.01% in CY26, driven by strong private consumption and services activity.

Indonesia is expected to maintain consistent growth of around 5.14% in CY26 and 5.10% in CY27. **Saudi Arabia's** growth in CY26 has a downward projection to have a growth rate of -3.31% on account of the damage due to the ongoing tensions. On the other hand, **Brazil's** growth is projected to be 2.18% in CY26 and 1.86% in CY27, as the war has a small net positive effect in 2026, as a result of the country being a net energy exporter.

Despite the turmoil in the last two to three years, India bears good tidings to become a USD 5 trillion economy by CY28. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP is projected to be at ~USD 4.06 trillion for CY26 and is projected to reach USD 4.52 trillion by CY27 and USD 6.13 trillion by CY30. India's expected GDP growth rate for the coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at 6.9% in the period of CY26-CY30, outshining China's growth rate. By CY31, the Indian economy is estimated to emerge as the third-largest economy globally, surpassing Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP), with an ~8.5% share in the global economy, with China at the top followed by the United States.

Indian Economic Outlook

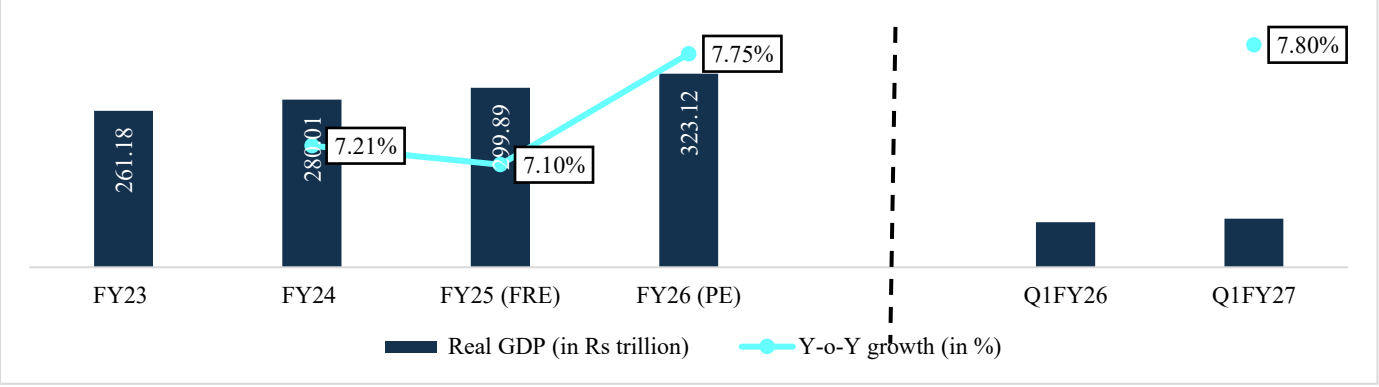
- **GDP Growth and Outlook**

Resilience to External Shocks Remains Critical for Near-term Outlook

The Indian economy continues to show rapid growth. As per provisional estimates, GDP in FY26 is expected to have grown by 7.75%, supported by strong domestic consumption, investment, manufacturing and services activity. The economy showed resilience while the global economic environment remains challenging due to geopolitical tensions, trade-policy uncertainty and financial vulnerabilities. In Q1FY27, the GDP has been estimated to grow by 7.80%, against the growth of 6.90% experienced during Q1FY26.

For FY25, first revised estimates show a growth of 7.10% (Rs 299.89 trillion), led by robust performance in manufacturing, construction and financial services. Consumer spending rose by 7.70%, and government spending increased by 5.50%, both contributing to the overall growth. In FY23, the real GDP stood at Rs 261.18 trillion and registered Y-o-Y growth of 7.21% in FY24 (Rs 280.01 trillion).

Chart 2: Trend in Real Indian GDP Growth Rate



Source: MOSPI;
Note: FRE- First Revised Estimates, SAE- Second Advanced Estimates; The trend for FY23-FY26 is based on new series base year 2022-23.

GDP Growth Outlook (October 2026)

FY27 GDP Outlook: The Reserve Bank of India (RBI) projects real GDP growth at 7.10% for 2026–27, supported by sustained momentum in the services sector, strong reservoir levels aiding the agricultural sector, and private consumption expected to remain uplifted by discretionary spending.

However, elevated energy and other commodity prices, cost pressures, as well as disruptions caused due to strong impact of El Niño remain critical. However, the government is working towards minimising the impact of the supply chain disruptions towards critical sectors to ensure limited interruptions and support non-farm activity to continue to support rural consumption.

Table 2: GDP Growth Outlook (Y-o-Y %)

FY27P (Complete Year)	Q2FY27P	Q3FY27P	Q4FY27P	Q1FY28P
7.10%	7.20%	6.90%	6.80%	7.10%

Source: Reserve Bank of India; Note: P-Projected

- **Indian Budget Spending Trend**

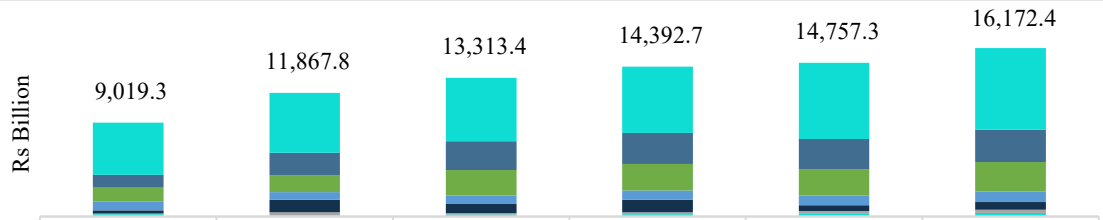
Defence Sector Dominates India's Budgetary Allocation

India's Budget has continued to prioritise capital expenditure and strategic sectors to support economic growth, infrastructure development and national security.

Defence remains the largest allocation among major sectors and a key government priority, with the Ministry of Defence receiving Rs 7,846.8 billion in FY27 BE, up from Rs 5,006.8 billion in FY22, reflecting a CAGR of 9.4%. Rising defence expenditure is driven by India's evolving security challenges and the need to modernise military capabilities through investments in warships, fighter aircraft, drones, autonomous systems and precision-guided weapons. It also supports the Atmanirbhar Bharat initiative by promoting domestic defence manufacturing, reducing import dependence and generating skilled employment, while investments in border infrastructure enhance troop mobility and logistics. In FY27 BE, the government allocated over Rs 2.19 trillion for armed forces capital outlay, including around Rs 1.85 trillion for capital acquisitions, with nearly 75% reserved for domestic industry, reinforcing India's focus on military modernisation and indigenous defence production.

Alongside defence, the government has continued to allocate significant resources towards infrastructure and social development. Roads and highways received an allocation of Rs 3,098.8 billion in FY27 BE, while railways received Rs 2,813.8 billion, reflecting continued investments in transport infrastructure, logistics efficiency, network expansion and freight capacity. Healthcare allocation stood at Rs 1,017.1 billion, supporting public health programmes and healthcare infrastructure, while the telecommunications sector received Rs 739.9 billion to strengthen digital connectivity and technology adoption. Other sectors such as petroleum and natural gas, power, and ports, shipping and waterways also continued to receive budgetary support to enhance energy security, improve power infrastructure and strengthen multimodal transport connectivity.

Chart 3: Indian Budget Spending in Key Sectors



	FY22	FY23	FY24	FY25	FY26 RE	FY27 BE
Defence	5,006.8	5,731.0	6,095.0	6,360.0	7,325.1	7,846.8
Roads & Highway	1,235.5	2,170.9	2,759.9	2,994.6	2,871.4	3,098.8
Railways	1,352.4	1,624.1	2,457.9	2,552.6	2,554.7	2,813.8
Healthcare	817.8	733.1	802.9	873.0	929.3	1,017.1
Telecom	318.0	1,189.6	868.8	1,217.3	534.0	739.9
Oil & Gas	57.5	309.1	143.3	169.6	298.0	304.4
Power	215.9	93.1	163.3	197.1	215.9	300.0
Ports	15.3	16.9	22.3	28.4	29.0	51.6

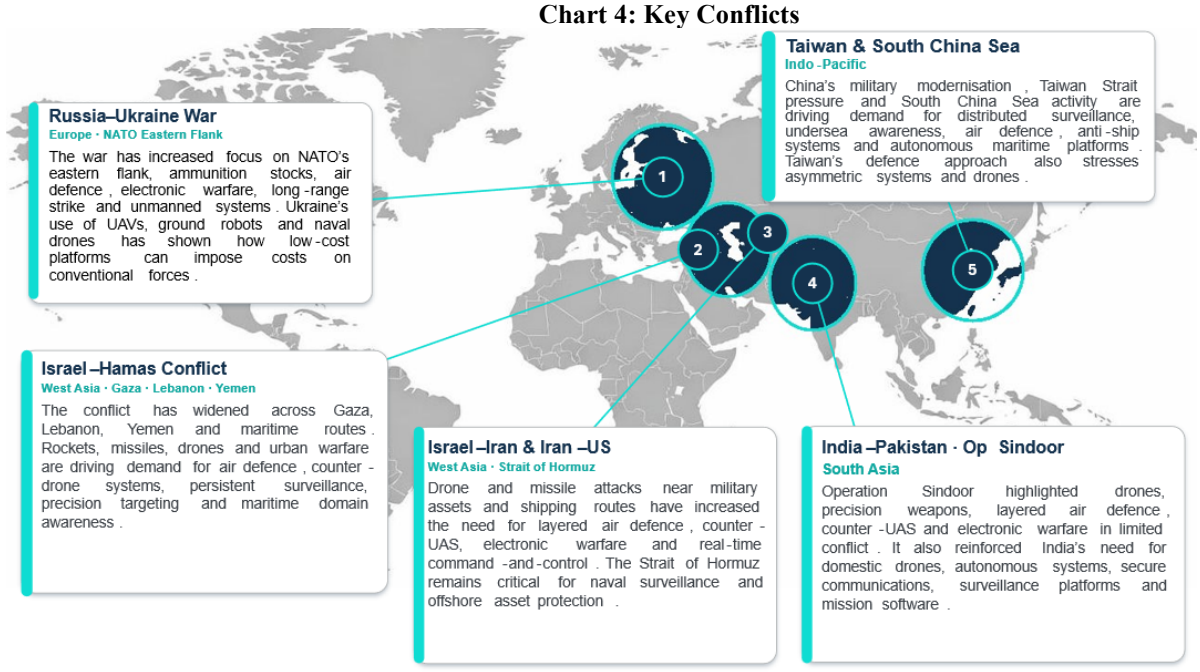
Source: Union Budget Analysis; Note: RE- Revised Estimates, BE- Budgeted Estimates

Geopolitical Context - Rising conflicts and escalations globally

- **Global Geopolitical Scenario**

The global security environment has become more uncertain, with conflicts taking place across regions such as Indo-Pacific emerging as a key strategic theatre alongside Europe, the Middle East and the South Asia. These conflicts increasingly involve advanced technologies such as drones, missiles, cyberattacks and electronic warfare. As a result, governments are placing greater emphasis on strengthening defence capabilities and investing in modern security technologies to improve preparedness and deter potential threats.

Chart 4: Key Conflicts



Impact of Recent Conflicts on the Global Defence Sector

In the wake of numerous global conflicts and escalating wars, the need for the global defence industry to be better weaponised, modernised, and war-ready seems to be a contemplative thought amongst the countries, which in turn, can be witnessed through increased defence spending and faster technology adoption initiatives. As a result, driven by topical tensions and uncertainties, modern warfare has become increasingly attritional and technology-driven, with the Russia-Ukraine war demonstrating the battlefield effectiveness of Unmanned Aerial Vehicles, Unmanned Surface Vehicles, Naval Drones and AI-enabled Autonomous Systems, while recent conflicts in West Asia and South Asia have reinforced the importance of air defence, counter-drone capabilities, electronic warfare, precision strike systems and resilient command-and-control networks.

Global military expenditure reached approximately USD 2.89 trillion in CY25, marking the eleventh consecutive year of growth, while NATO members committed to raising defence and security spending to 5% of GDP by 2035, supporting long-

term procurement and modernisation programmes. At the same time, geopolitical tensions and supply-chain vulnerabilities are putting greater emphasis on indigenisation, domestic manufacturing and strategic self-reliance. The growing integration of land, air, sea, space and cyber operations through AI-enabled, network-centric architectures is increasing demand for advanced sensors, autonomous platforms, secure communications and integrated defence systems. As countries strengthen defence capabilities and invest in next-generation technologies, unmanned systems, artificial intelligence, electronic warfare and autonomous platforms, the software-defined command networks are expected to remain among the fastest-growing segments of the global defence market over the coming decade.

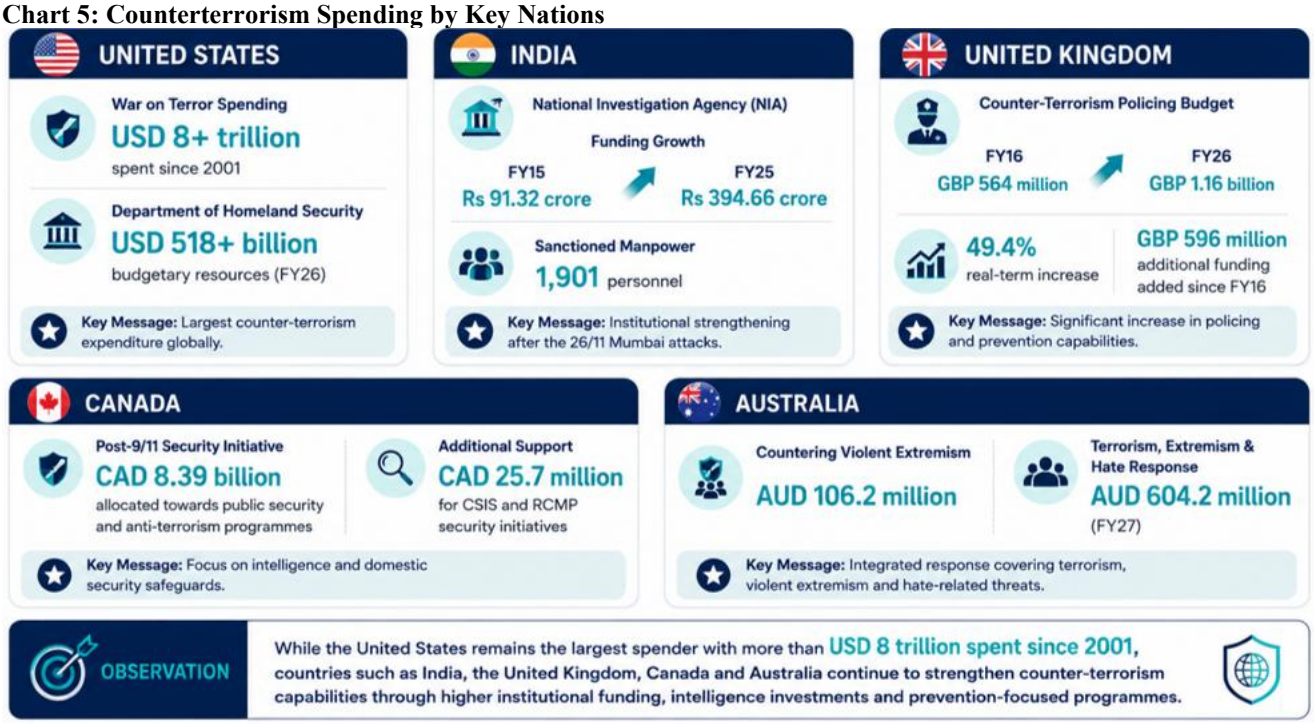
- **Rise in Global Terrorism Incidents Leads to Increase in Counterterrorism Spending**

Terrorism-related deaths fell to 5,582 in CY25 from 8,352 in CY23, while the number of attacks declined to 2,944 from 3,755 over the same period, marking the lowest levels since 2007. However, the threat remains highly concentrated geographically, with Sub-Saharan Africa accounting for most terrorism-related fatalities and six of the ten most terrorism-affected countries located in the region. Pakistan became the most impacted country in CY25, recording 1,139 terrorism-related deaths and 1,045 attacks, its highest level since 2013. Despite a decline in global terrorism-related deaths in CY25, terrorism and terrorist attacks, amongst other terror indicators, remain one of the most important determinants of the defence and homeland security budget.

In this context, the global terrorism landscape continues to be shaped by organised terrorist networks, regional insurgent groups, affiliated extremist organisations and self-radicalised individuals. While several established groups continue to maintain an operational presence across conflict-affected regions, the nature of terrorism is also evolving through decentralised networks, lone-actor attacks and the growing use of digital platforms for propaganda, recruitment, financing and radicalisation. Political extremism, religious intolerance, social polarisation and prolonged regional conflicts further contribute to the persistence of terrorist threats across both developed and emerging economies. Accordingly, despite the overall decline in global terrorism activity, the continued presence of organised groups and digitally enabled extremist threats necessitates sustained investment in defence, intelligence, border security and homeland security capabilities.

Governments across developed and emerging economies continue to allocate significant resources towards counter-terrorism initiatives, border security, intelligence gathering and critical infrastructure protection. Spending is increasingly focused on enhancing surveillance capabilities, strengthening cybersecurity frameworks, improving intelligence-sharing networks and deploying advanced command-and-control systems. Border monitoring, threat detection and rapid response capabilities have also become key areas of investment as governments seek to address cross-border terrorism and emerging security challenges.

Chart 5: Counterterrorism Spending by Key Nations



- **Increase in Anti-piracy Operations**

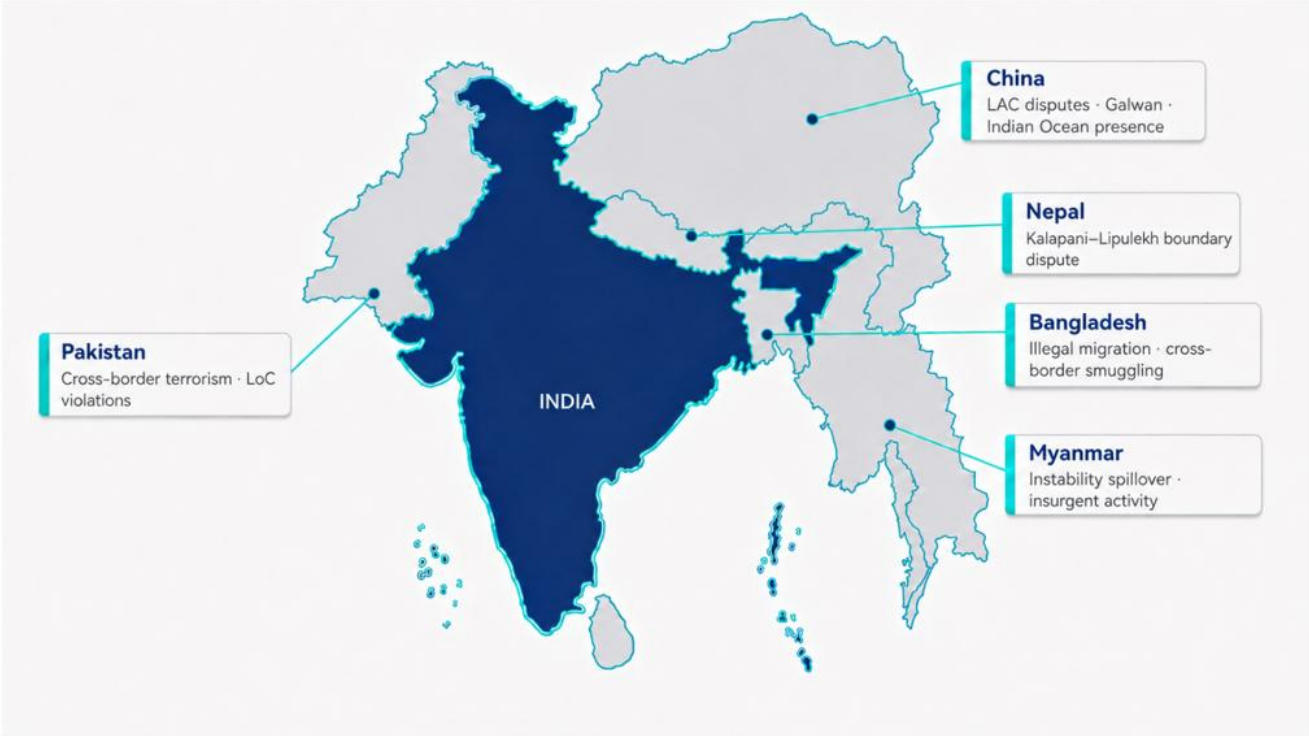
Maritime piracy and armed robberies remain significant security concerns for global shipping, with threats increasingly concentrated in specific high-risk regions. According to the International Maritime Bureau (IMB) under the International Chamber of Commerce, global piracy and armed robbery incidents increased to 137 in CY25 from 116 in CY24. The Singapore Straits marks the most affected region, recording 80 incidents in CY25 compared with 43 in CY24, accounting for nearly 58% of global reported incidents. The Gulf of Guinea continued to be a major hotspot for crew kidnappings, with 21 incidents and 23 kidnapped crew members reported during the year. Meanwhile, the Somali coast and the wider Western Indian Ocean have witnessed renewed piracy concerns due to attacks occurring farther from the shore, demonstrating the continued operational reach of pirate groups. Additionally, risks in the Red Sea and Gulf of Aden have also increased as piracy and armed robbery threats overlap with broader regional security challenges, creating additional concerns for commercial shipping operators.

These developments have increased the importance of anti-piracy operations and maritime security measures across key shipping corridors. Governments, naval forces and international maritime coalitions are strengthening naval patrols, enhancing maritime domain awareness and expanding surveillance and monitoring capabilities to deter attacks and protect vessels. Coordinated naval deployments in regions such as the Gulf of Aden and the Western Indian Ocean continue to play a critical role in preventing piracy resurgence, while regional authorities are improving information-sharing mechanisms, threat reporting systems and joint security frameworks. In addition, governments are investing in advanced surveillance infrastructure, vessel tracking systems and maritime security networks to improve response capabilities and ensure the safe movement of global trade through strategically important sea lanes.

- **India Geopolitical Context**

India is well-positioned globally - fourth-largest army, seventh-largest naval fleet and fifth-largest military expenditure

India operates in one of the most complex security environments globally, shaped by a combination of territorial disputes, cross-border terrorism, regional instability and intensifying geopolitical competition. As the world's most populous nation and a major economic power, India has significant strategic interests extending from its land borders to the wider Indian Ocean Region. Protecting these interests requires a strong and modern military capable of responding to both- conventional and emerging threats across land, air, sea, cyber and space.



India's national security concerns are primarily driven by the two-front challenge involving China and Pakistan. Along its northern border, the India-China relationship continues to be shaped by unresolved territorial disputes and recurring military tensions along the Line of Actual Control (LAC). The 2020 Galwan Valley clash marked the most serious confrontation between the two countries in decades and highlighted the risks associated with the disputed border. Beyond the Himalayan frontier, China's expanding strategic footprint across South Asia through infrastructure investments, port development projects and growing political influence in countries such as Sri Lanka, Nepal, Bangladesh and Pakistan has added a broader geopolitical dimension to India's security concerns. China's increasing naval presence in the Indian Ocean Region and its deepening strategic partnership with Pakistan further escalate to a complex security environment for India.

On its western border, Pakistan remains an ongoing security challenge due to unresolved territorial disputes, cross-border terrorism and periodic military tensions. Terrorist organisations such as Lashkar-e-Taiba (LeT) and Jaish-e-Mohammed (JeM) have historically been central to India's threat perception. The recent terrorist attack in Pahalgam, Jammu & Kashmir, which resulted in significant civilian casualties, once again highlighted the continuing risks posed by militancy and terrorism in the region. Such incidents, along with infiltration attempts and ceasefire violations along the Line of Control, contribute to an environment of heightened security sensitivity and point to the enduring nature of India-Pakistan tensions.

In addition to external and border-related challenges, India faces a range of internal security threats that influence its defence and homeland security priorities. Left-Wing Extremism, commonly referred to as Naxalism, continues to pose security challenges in certain districts across central and eastern India, despite a notable reduction in its geographical spread and the frequency of violent incidents. The Government has adopted a combination of security operations, infrastructure development, improved connectivity and welfare measures to address the issue. India also continues to manage insurgency-related risks in parts of the Northeast, alongside concerns relating to radicalisation, organised crime, arms and narcotics trafficking and the protection of critical infrastructure. These internal security challenges require sustained investment in intelligence gathering, surveillance, border management, communication systems and rapid-response capabilities.

Across its wider neighbourhood, political instability and cross-border developments also have implications for India's internal security. Along the India-Bangladesh border, concerns relating to illegal migration, cross-border smuggling and periodic political instability in Bangladesh continue to influence India's security outlook. To the east, the ongoing conflict and instability in Myanmar have had spillover effects on India's Northeast, including refugee flows, insurgent activity and disruptions along the shared border. Meanwhile, India and Nepal have experienced periodic tensions over unresolved boundary issues, particularly concerning the 'Kalapani-Limpiyadhura-Lipulekh' region. Together, these developments show that India faces a broad and connected set of regional security challenges, beyond its focus on China and Pakistan.

Given this broad and evolving threat landscape, India has continued to strengthen its military capabilities and defence preparedness. India has the fourth-largest army in the world, the seventh-largest naval fleet and the fifth-largest military expenditure globally. Despite being among the world's largest military powers, India's defence expenditure remains relatively modest at approximately 2.3% of GDP. While this remains lower as a share of GDP compared with several major military powers, India has continued to prioritise defence modernisation and capability enhancement to effectively address these evolving security challenges.

Global and India Defence Spending

Global Defence Spending Witnessed A Structural Upcycle

Global defence expenditure is witnessing a structural upcycle, driven by persistent geopolitical instability and strategic realignments with spending increasingly becoming a long-term budgetary priority rather than a short-term response. The Russia–Ukraine conflict continues to sustain Europe's rearmament cycle, accelerating military modernisation, ammunition replenishment, and NATO-led spending commitments across major European economies. Escalating tensions in the Middle East, particularly involving Israel, Iran, and regional proxy conflicts, are reinforcing high defence allocations toward missile defence, air surveillance, and naval security systems. The Indo-Pacific remains a key strategic flashpoint, with rising China–Taiwan tensions and South China Sea militarisation driving higher investments in naval expansion, deterrence systems, and advanced defence technologies. The top 10 countries account for more than 70% of the world's global expenditure in defence.

Military spending is increasingly shifting toward next-generation warfare capabilities, including autonomous drones, cyber warfare, AI-integrated combat systems, hypersonics, and space-based surveillance. Global ammunition and missile stockpile replenishment has emerged as a critical demand driver, following heavy depletion in active conflict zones and increased preparedness among allied nations. Defence self-reliance and localisation have gained strategic importance, with countries increasingly prioritising domestic manufacturing ecosystems to reduce import dependence and strengthen supply chain resilience. Rising defence budgets as a percentage of GDP across major nations indicate a deeper security reset, reflecting stronger political willingness to prioritise national defence amid growing geopolitical uncertainty. This evolving geopolitical landscape is expected to support a multi-year procurement cycle globally, creating sustained opportunities across defence platforms, electronics, naval systems, propulsion and precision engineering.

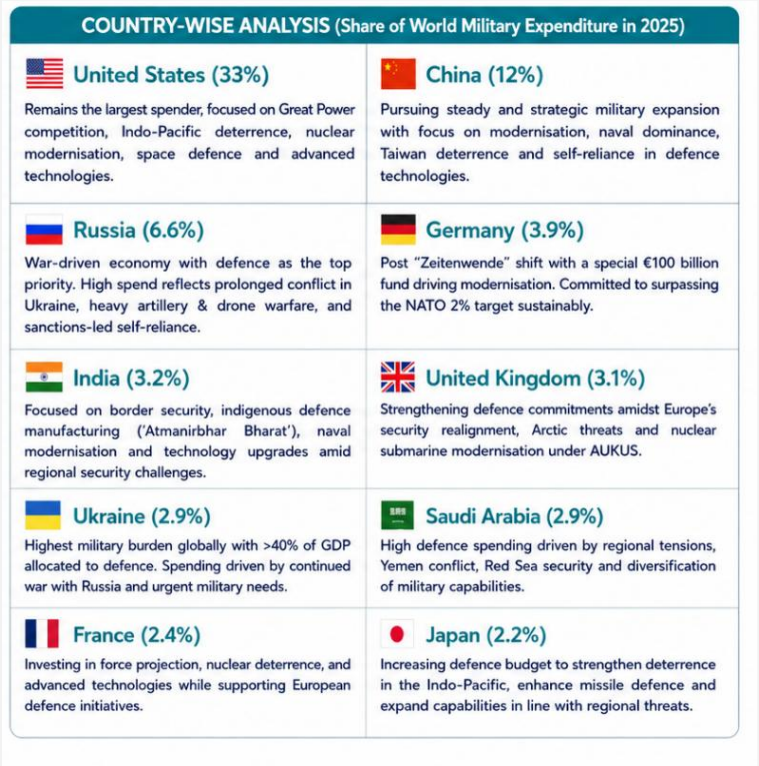
Chart 6: Global Expenditure on Defence and % Share of Expenditure in GDP

DEFENCE SPENDING OF MAJOR COUNTRIES

Sr. No.	Country	CY2023		CY2024		CY2025	
		USD Billion	% share in GDP	USD Billion	% share in GDP	USD Billion	% share in GDP
1	United States	916	3.40%	997	3.40%	954	3.10%
2	China	296*	1.70%	314*	1.70%	336*	1.70%
3	Russia	109*	5.90%	149*	7.10%	190	7.50%
4	Germany	66.8	1.50%	88.5	1.90%	114	2.30%
5	India	83.6	2.40%	86.1	2.30%	92.1	2.30%
6	United Kingdom	74.9	2.30%	81.8	2.30%	89	2.40%
7	Ukraine	64.8	37.00%	64.7	34.00%	84.1*	40.00%
8	Saudi Arabia	75.8*	7.10%	80.3*	7.30%	83.2*	6.50%
9	France	61.3	2.10%	64.7	2.10%	68	2.00%
10	Japan	50.2	1.20%	55.3	1.40%	62.2	1.40%

Source: SIPRI Military Database, CareEdge Research

Chart 7: Country-wise Analysis

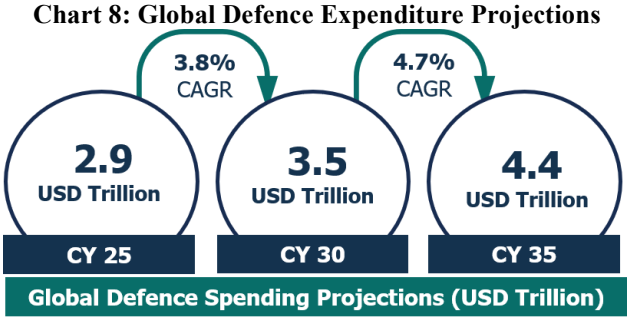


Source: SIPRI Military Database, CareEdge Research

Global Defence Spending Projections

Global defence spending is projected to rise steadily from USD 2.9 trillion in CY25 to USD 3.5 trillion in CY30 and further to USD 4.4 trillion by CY35, indicating a sustained structural upcycle in global military expenditure rather than a short-term cyclical spike.

Chart 8: Global Defence Expenditure Projections



Source: United Nations Projections, CareEdge Research

The CY25–CY30 period reflects an absolute increase of USD 0.7 trillion (~25% growth), driven by persistent geopolitical instability, accelerated re-armament cycles and broad-based modernisation of armed forces. This phase is characterised by increased allocation toward procurement of advanced platforms, replenishment of depleted inventories, and rising focus on domestic defence manufacturing ecosystems across major economies.

The CY30–CY35 period is expected to add a further USD 0.9 trillion (~26% growth), suggesting that defence spending momentum remains intact even beyond the immediate geopolitical cycle. Growth during this phase is likely to be increasingly technology-led, with higher spending intensity in areas such as next-generation missile defence systems, cyber warfare capabilities, space-based surveillance infrastructure, autonomous defence platforms and AI-enabled command-and-control systems.

Overall, the USD 1.6 trillion increase over CY25–CY35 (~57% total expansion) highlights a durable reallocation of global fiscal resources toward national security, with defence increasingly embedded as a strategic economic priority across both developed and emerging markets.

Rising Focus on Defence Technology (Including AI) and Modernisation

Defence modernisation is undergoing a fundamental transition from hardware-heavy procurement to software-defined, intelligence-driven warfare systems. This shift is being supported by a sharp increase in global military expenditure, which

reached USD 2.9 trillion in CY25. More than 100 countries increased their defence budgets in CY25, reflecting a broad-based reassessment of military readiness amid rising geopolitical tensions. In addition, NATO allies have agreed to increase defence and security-related spending to 5.0% of GDP by 2035, comprising 3.5% of GDP for core defence requirements and 1.5% of GDP for broader defence-related areas such as cyber, critical infrastructure and resilience. This indicates that modernisation spending is increasingly moving beyond traditional platforms towards digital, autonomous, cyber, space and networked warfare capabilities.

A major inflection point is the integration of AI and machine learning into command, surveillance, targeting, and decision-support systems, significantly reducing response times and increasing operational precision. This is enabling real-time battlefield data fusion across satellites, drones, ground sensors, and naval systems. The Russia-Ukraine conflict, rising tensions in the Indo-Pacific and growing use of drones, electronic warfare and precision munitions have accelerated defence procurement in areas such as UAVs, loitering munitions, air defence, counter-UAS systems, space-based surveillance and AI-enabled command systems. For instance, the UK's Defence Investment Plan includes a four-year investment plan of around GBP 298 billion, with specific allocations towards drones and autonomous systems, cyber and electromagnetic warfare, space capabilities and air defence. In the United States, the Pentagon is expected to allocate around USD 153 billion in 2026 towards procurement and research, with a strong emphasis on advanced technologies such as AI, missile defence systems, naval platforms and next-generation warfare capabilities. These allocations highlight how advanced technology is becoming a central component of defence modernisation.

A key structural shift is the rise of autonomous and semi-autonomous platforms, including unmanned aerial vehicles (UAVs), unmanned combat aerial vehicles (UCAVs), autonomous naval vessels, and robotic ground systems. These are increasingly being deployed not only for reconnaissance but also for active combat roles, changing the cost structure and risk profile of warfare. In India, the focus on defence modernisation is visible through higher capital allocations, with capital outlay rising to around Rs 2.19 trillion in FY27, and a strong domestic procurement push, where over 75% of the capital procurement budget is earmarked for indigenous sources. Recent approvals for unmanned and advanced systems such as MALE UAVs, jet-based kamikaze drones, naval shipborne unmanned aerial systems, counter-UAS systems and advanced air-defence platforms. This reflects the broader transition from imported, platform-led procurement towards indigenous, software-enabled and networked defence capabilities.

Simultaneously, space militarisation is becoming a core pillar of defence strategy, with rising investments in satellite constellations for surveillance, missile tracking, secure communications, and GPS-denied navigation systems. Electronic warfare and cyber warfare capabilities are also being prioritised as "first strike enablers," rather than support functions. Another important development is the shift toward modular, upgradable defence systems, where platforms are designed with software-based upgrades rather than full hardware replacement. This is increasing lifecycle flexibility and creating recurring upgrade-driven revenue streams in the defence ecosystem. Overall, defence modernisation is becoming deeply intertwined with digital infrastructure, cloud computing, and advanced analytics ecosystems.

Key Trends & Growth Drivers

Sustained geopolitical fragmentation and multi-theatre conflicts
The global security environment has become increasingly fragmented, with active and prolonged conflicts across regions such as Eastern Europe, the Middle East, and the Indo-Pacific. Unlike earlier short-duration military escalations, current conflicts are more persistent and resource-intensive, forcing governments to shift from deterrence-based defence planning toward continuous operational readiness. This structural shift is driving higher recurring defence budgets, accelerated procurement cycles, and greater stockpiling of strategic military assets.

Intensifying US–China strategic rivalry
The strategic competition between the United States and China continues to remain one of the most significant long-term drivers of defence spending globally. The rivalry spans naval dominance, semiconductor controls, cyber warfare, artificial intelligence, and space militarisation. This has resulted in large-scale investments in aircraft carriers, submarines, missile defence systems, anti-access/area denial (A2/AD) capabilities, and next-generation combat platforms, particularly across the Indo-Pacific region.

Large-scale inventory depletion and replenishment cycle
Ongoing conflicts, particularly the Russia–Ukraine war and Middle East engagements, have significantly depleted inventories of artillery ammunition, missiles, drones, and air defence interceptors across NATO and allied nations. This has triggered a multi-year replenishment cycle, as countries seek to rebuild strategic reserves while simultaneously maintaining active operational support. The replenishment cycle is expected to remain a major procurement driver over the next 5–7 years.

Simultaneous global platform modernisation cycle
A significant proportion of global defence assets including fighter aircraft, naval vessels, armored vehicles, radar systems, and missile platforms were inducted during the Cold War era and are approaching obsolescence. Countries are now entering a synchronised modernisation cycle to replace ageing systems with more advanced, network-enabled, and survivability-focused platforms. This coinciding upgrade cycle is amplifying procurement demand across multiple geographies.

Expansion of multi-domain warfare requirements

Modern warfare has expanded beyond land, air, and sea into cyber, space, electronic warfare, and information dominance. Defence budgets are increasingly being allocated toward cyber resilience, anti-satellite systems, battlefield communication systems, ISR (Intelligence, Surveillance, Reconnaissance), and integrated command structures. This broadens the total addressable market and creates new procurement categories beyond traditional hardware.

Rise of strategic autonomy and indigenisation policies
Many countries are increasingly prioritising domestic defence manufacturing to reduce dependency on imports and improve wartime supply resilience. Policies such as localisation mandates, technology transfer requirements, offsets, and domestic procurement preferences are driving investments into indigenous ecosystems. This is particularly visible in India, Europe, South Korea, and the Middle East, where governments are allocating higher capex to local defence industrial bases.

Acceleration of defence technology adoption (AI, autonomy, digital warfare)
The defence industry is witnessing rapid technological transformation, with increasing deployment of AI-enabled decision systems, autonomous drones, unmanned ground vehicles, robotic swarms, and predictive battlefield analytics. These technologies are reshaping force structures and increasing the technology intensity of defence procurement, thereby raising the value per platform and expanding opportunities for high-tech defence players.

Increased emphasis on rapid response and force readiness
Military doctrines globally are increasingly focused on maintaining high readiness levels rather than mobilising post-crisis. This requires larger spending on training, pre-positioned logistics, fuel reserves, spare parts and rapid deployment infrastructure. As a result, defence budgets are seeing a greater share of operational expenditure alongside capital expenditure.

Higher R&D intensity and innovation-linked spending
Innovation-linked spending is increasingly being directed towards accelerating technology maturation, prototyping, and the transition of indigenous technologies into operational use. Greater emphasis is also being placed on funding high-risk, high-impact research to reduce technology gaps in critical defence domains. This sustained investment approach is strengthening long-term capability development and creating a more resilient defence innovation ecosystem.

Supply chain reconfiguration and trusted sourcing frameworks
Geopolitical risks and export controls are reshaping defence supply chains, with countries increasingly preferring ally-aligned sourcing ecosystems for critical systems and components. This is leading to duplication of manufacturing capacities, supplier diversification and domestic stockpiling of strategic materials, which collectively increase overall defence manufacturing investments globally.

Long-cycle procurement visibility and multi-year contracts
Defence contracts typically span long development and execution periods, often ranging from 10 to 30 years. Major contracts for fighter aircraft, submarines, missile systems and surveillance infrastructure create predictable revenue pipelines and long-term order visibility for OEMs and suppliers. This structural visibility makes defence one of the most stable long-cycle industrial sectors.

Growth in private sector participation and defence startups
Private sector participation is expanding rapidly, particularly in emerging areas such as drones, cybersecurity, AI defence systems, satellite technology, and battlefield software. Startups are bringing faster innovation cycles and niche technological capabilities, while governments are increasingly opening procurement channels to private and dual-use technology firms. This is deepening ecosystem participation and accelerating capital deployment across the sector.

Global Regulations in Defence Trade

Global defence trade is governed by a highly restrictive and politically sensitive regulatory framework, where exports are treated not as commercial transactions but as extensions of national security policy. Over time, this ecosystem has become more stringent, fragmented, and compliance-heavy, significantly shaping supply chains, technology access, and procurement strategies.

1. Export Control Regimes (Core Regulatory Backbone)

- The most influential framework is the United States International Traffic in Arms Regulations (ITAR), which strictly controls export, re-export, transfer, and access to defence articles and technical data listed under the U.S. Munitions List (USML).
- ITAR applies not only to finished defence products but also to components, software, design data, and even engineering knowledge, making compliance highly restrictive and extraterritorial in nature.
- The Export Administration Regulations (EAR) governs dual-use goods (civilian + military applications), adding another layer of control over advanced electronics, sensors, semiconductors, and aerospace technologies.

2. Multilateral Control Frameworks

- The Wassenaar Arrangement (multilateral export control regime) coordinates export restrictions among participating countries for conventional arms and dual-use technologies.
- It does not impose legally binding rules but sets common control lists and transparency norms, influencing national export licensing systems.
- Other parallel regimes include:
    - **Missile Technology Control Regime (MTCR)** – restricts missile and UAV technologies capable of delivering payloads beyond defined thresholds
    - **Nuclear Suppliers Group (NSG)** – regulates nuclear-related materials and technology transfers
    - **Australia Group** – focuses on chemical and biological dual-use export controls

3. Country-Specific Defence Export Controls

- European Union Dual-Use Regulation governs exports of sensitive technologies across EU member states, with additional national-level licensing requirements.
- United Kingdom Strategic Export Control Lists regulate military and dual-use exports, increasingly aligned with post-Brexit independent policy frameworks.
- China Export Control Law (recently strengthened) expands state oversight over sensitive materials, rare earths, advanced electronics, and defence-related technologies.
- Russia export controls are heavily state driven, with additional constraints arising from sanctions and geopolitical isolation.

4. End-Use Monitoring and Compliance Requirements

- Defence exports are subject to strict end-user certification systems, ensuring equipment is not diverted to unauthorized users or third-party countries.
- Many exporting nations impose post-shipment verification (PSV) mechanisms, allowing inspections of delivered equipment usage.
- Violations can result in blacklisting of companies, loss of export privileges, heavy penalties, and long-term exclusion from defence contracts.

5. Sanctions and Embargo Frameworks

- Defence trade is heavily influenced by unilateral and multilateral sanctions regimes, particularly from the U.S., EU, and UN.
- Sanctions may include:
    - Arms embargoes on specific countries
    - Restrictions on technology transfer
    - Financial and banking limitations for defence-related transactions
- These measures can instantly disrupt supply chains and force realignment of procurement strategies.

6. Technology Transfer Restrictions and Sensitive Categories

The most tightly controlled categories include:

- Advanced avionics and aerospace systems
- Missile guidance and propulsion technologies
- Encryption, cyber warfare tools, and secure communication systems
- Radar, satellite, and electronic warfare systems

- Increasingly, software and AI-based defence technologies are also coming under export scrutiny, reflecting the shift toward digital warfare.

7. Strategic Shift: From Open Trade to "Trusted Ecosystems"

- Global defence trade is transitioning from efficiency-driven global sourcing to security-driven trusted supplier networks.
- Countries increasingly restrict access to high-end defence technologies to strategic allies and treaty partners, limiting open-market participation.
- This has led to the rise of:
    - Joint ventures with controlled technology sharing
    - Licensed production arrangements
    - Offset obligations tied to local manufacturing commitments

8. Structural Market Impact

- Regulatory tightening has resulted in longer procurement cycles and higher compliance costs for global defence contractors.

- Supply chains are increasingly regionalised and duplicated, as countries seek to reduce exposure to export control risks.
- Technology access has become a key geopolitical tool, making defence trade not just an economic activity but a strategic leverage mechanism in international relations.

Evolution of India's Defence Ecosystem

India's defence ecosystem has undergone a significant structural transformation over the past decade, evolving from a predominantly import-dependent model to an increasingly self-reliant, technology-driven, and private-sector-participative framework. Historically, India remained one of the world's largest defence importers, with heavy reliance on foreign OEMs for critical platforms, weapon systems, and advanced technologies. However, rising geopolitical complexities, border security challenges, and the strategic need for supply-chain sovereignty have accelerated policy-driven reforms aimed at strengthening domestic capabilities.

The evolution of the ecosystem has been led by a strong push towards indigenisation under initiatives such as '*Atmanirbhar Bharat'*, Defence Acquisition Procedure (DAP), positive indigenisation lists, and increased capital procurement allocation for domestic players. This has expanded the role of private companies, MSMEs, and defence startups alongside traditional public sector entities, creating a more diversified and competitive industrial base. Simultaneously, increasing investments in advanced technologies such as drones, autonomous systems, electronic warfare, AI-enabled defence platforms, and space-based assets are reshaping India's defence manufacturing landscape.

Pre-2001: PSU-Led Foundation and High Import Dependence

Prior to the liberalisation of the defence sector, India's defence production ecosystem was largely controlled by Defence Public Sector Undertakings (DPSUs), ordnance factories and government research institutions. These entities created the country's foundational manufacturing, maintenance and systems-integration capabilities, as seen in programmes such as the licensed production of MiG aircraft by HAL, naval shipbuilding by Mazagon Dock Shipbuilders and Garden Reach Shipbuilders, and missile development under DRDO. However, indigenous design and development remained limited across several critical technologies, resulting in continued dependence on foreign original equipment manufacturers for advanced platforms, weapon systems, propulsion technologies, sensors and defence electronics.

2001–2013: Liberalisation and Initial Entry of Private Players

The opening of the defence manufacturing sector to private participation in 2001 marked an important structural shift. During the initial phase, private companies primarily entered the defence supply chain as component and sub-system suppliers to DPSUs, the Defence Research and Development Organisation and foreign OEMs. Companies such as Larsen & Toubro, Tata Group and Bharat Forge began contributing to fabrication, precision engineering and structural components for defence programmes. Their activities were largely concentrated in build-to-print manufacturing services. Although private-sector participation remained limited, this period initiated the diversification of the domestic defence manufacturing base.

2014–2017: Make in India and Expansion of Public-Private Collaboration

The launch of the Make in India initiative in 2014, along with reforms in defence procurement and foreign investment policies, accelerated private-sector participation. Domestic companies progressively expanded beyond component manufacturing into aerospace structures, artillery systems, naval platforms, armoured systems and defence electronics. Notable developments included private-sector involvement in programmes such as the K9 Vajra-T artillery system by Larsen & Toubro and increased participation in naval shipbuilding projects. Procurement preferences for domestically designed and manufactured equipment also improved the visibility of future opportunities for Indian manufacturers. The introduction of the Strategic Partnership model in 2017 further sought to create domestic private-sector champions capable of undertaking the manufacture and lifecycle support of major defence platforms in collaboration with global OEMs.

2017–2020: Emergence of Specialised Sub-System and Technology Providers

As the ecosystem matured, specialised private companies emerged across critical areas such as propulsion, electro-optics, radar, communication systems, guidance technologies, embedded electronics, advanced materials and mission computers. Companies such as Astra Microwave, Data Patterns and Centum Electronics expanded capabilities in radar subsystems, avionics and electronic warfare components. This phase represented a gradual movement from low-value manufacturing towards proprietary design, systems engineering and technology-intensive product development. The launch of initiatives such as Innovations for Defence Excellence also encouraged start-ups and MSMEs to participate in the development of new-age defence technologies.

2020–2023: Atmanirbhar Bharat and Rise of Private Platform Developers

The introduction of Atmanirbhar Bharat, the Defence Acquisition Procedure 2020, Positive Indigenisation Lists and higher domestic capital-procurement allocations strengthened the transition towards indigenous capability development. Private companies and defence-technology start-ups increasingly moved from supplying components and sub-systems to developing complete platforms and mission-ready solutions. This period witnessed growing domestic development of drones and loitering munitions, as well as unmanned ground and maritime systems, counter-UAS technologies, electronic warfare systems and AI-enabled defence platforms.

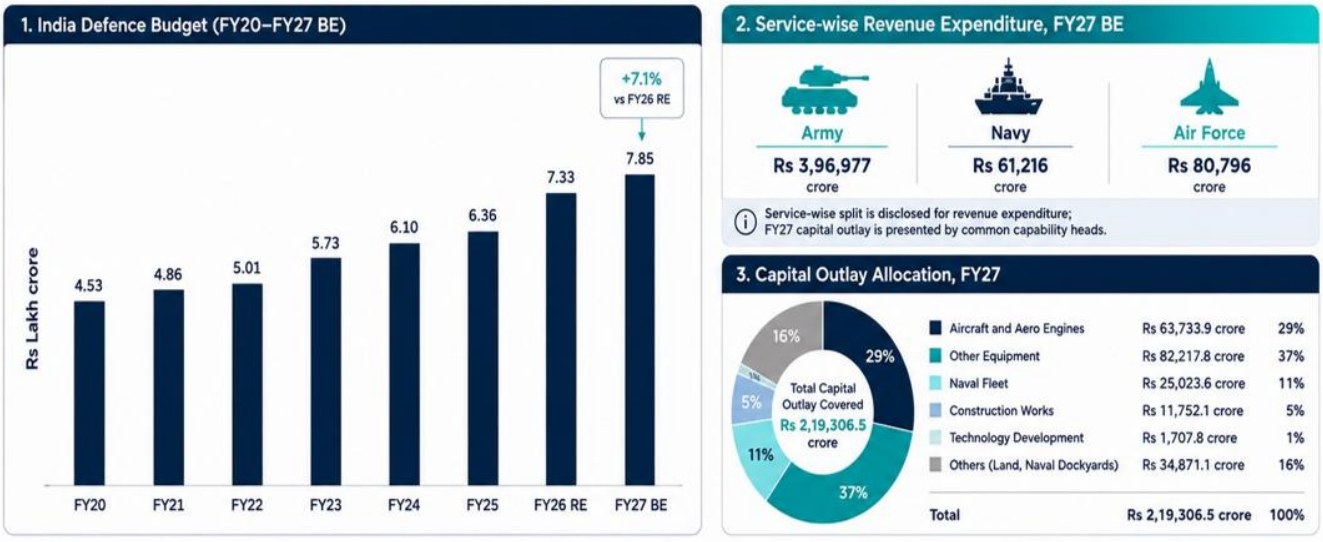
2023 Onwards: Innovation-Led Growth and Strategic Self-Reliance

The current phase is characterised by greater emphasis on proprietary technologies, platform ownership, exports and private-sector-led research and development. Funding and procurement mechanisms such as iDEX, ADITI, the Technology Development Fund and the Make-I and Make-II routes are enabling companies to undertake larger and more technologically complex development programmes. Recent developments include increased defence exports, growing participation of start-ups in autonomous systems and AI-enabled solutions, and private-sector involvement in advanced programmes such as unmanned aerial systems, space-based defence technologies and next-generation communication systems. Defence companies are increasingly developing integrated capabilities spanning physical platforms, autonomous operating systems, sensors, payloads, secure communications and command-and-control solutions.

India's Defence Spending Witnesses Steady Growth

India's defence spending has witnessed steady growth over the past decade, supported by increasing geopolitical complexities, border security requirements, and the government's strategic focus on defence modernisation and indigenisation. With persistent border tensions with China, evolving security dynamics with Pakistan, and rising maritime importance in the Indo-Pacific region, defence remains a critical priority in India's fiscal framework. The government has consistently increased budgetary allocations toward capital procurement, technology upgrades, and domestic manufacturing under the 'Atmanirbhar Bharat' initiative. This sustained rise in defence expenditure reflects India's long-term commitment to strengthening military preparedness, enhancing indigenous capabilities, and reducing import dependence while positioning itself as an emerging global defence manufacturing hub.

Chart 9: India's Defence Expenditure



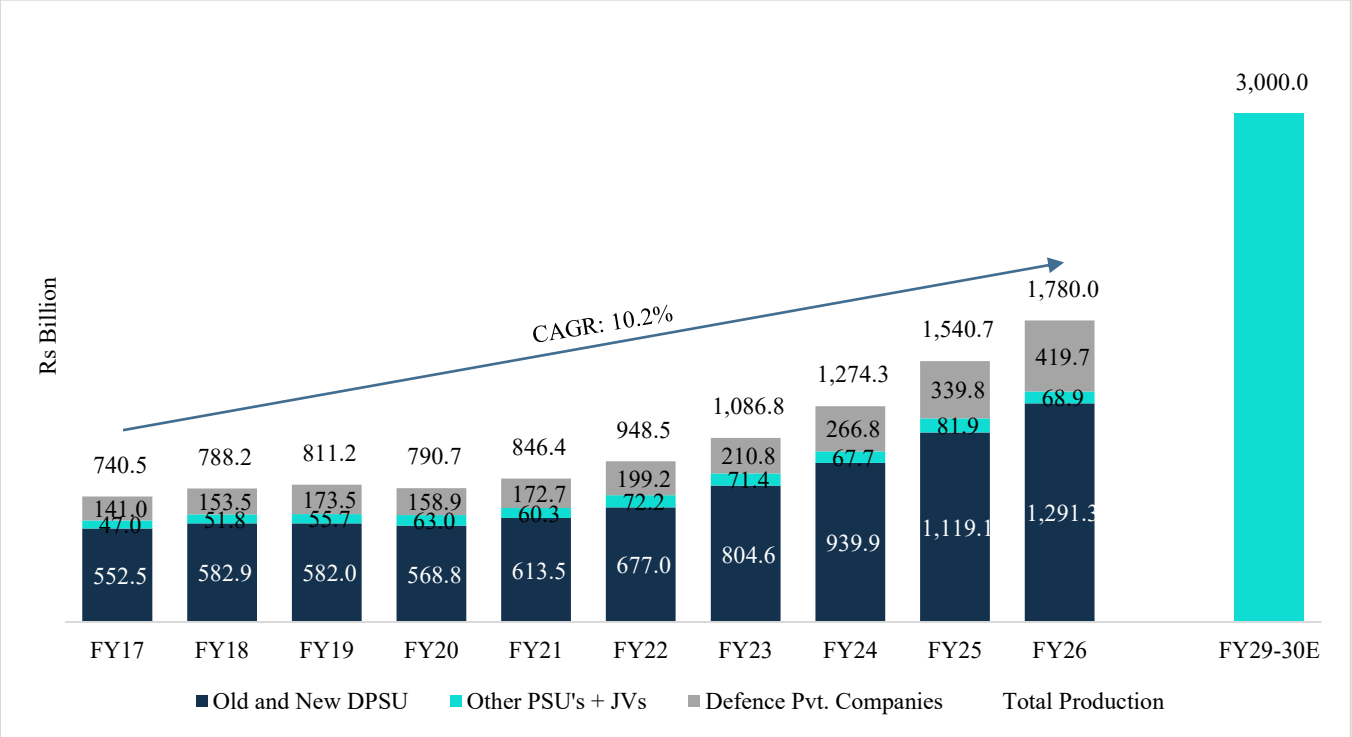
Source: Union Budget 2026-27, CareEdge Research

Indian Defence Production

The total value of defence production reached an all-time high of Rs 1,780.0 billion in FY26 from Rs 740.5 billion in FY17 at CAGR of 10.2%. This growth is driven by the impact of initiatives such as Make in India, indigenisation lists, and the Defence Production and Export Promotion Policy (DPEPP) 2020, which have collectively accelerated domestic capability development across platforms, systems, and subsystems. India has significantly reduced its import dependence over the past two decades - from 65-70% of defence equipment being imported earlier to around 65% now being produced domestically. The domestic industry has developed advanced military systems including LCA Tejas, ATAGS, MBT Arjun, ALH, LUH, Akash missile system, and various radar, artillery, and naval platforms.

Old and New DPSUs (Defence Public Sector Undertakings) currently hold a dominant position in defence production, accounting for ~70% of the market share. However, with various initiatives aimed at enhancing private sector involvement, there has been a notable increase in contributions from the private sector.

Chart 10: Defence Production



Source: Ministry of Defence, Care Edge Research

India's Defence Exports Demonstrate Sustained Growth

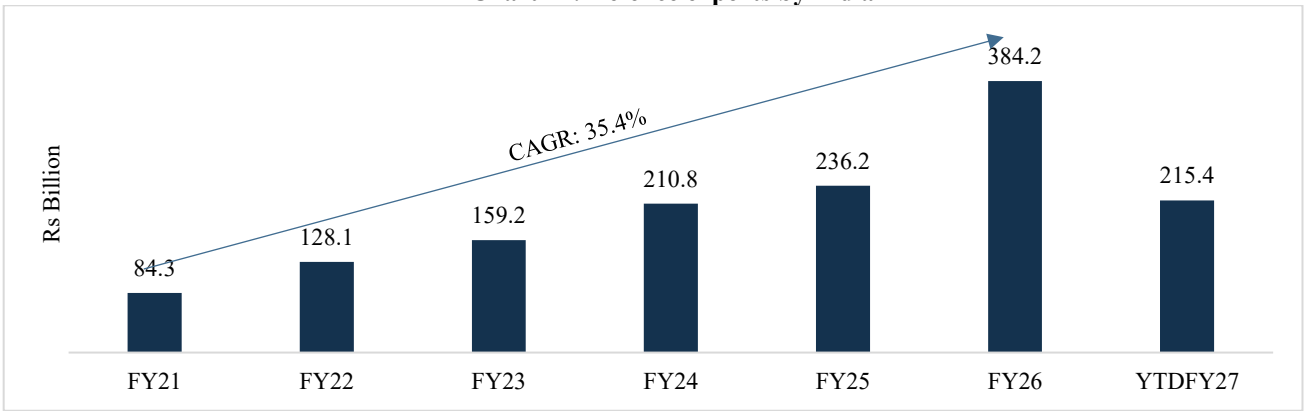
India's defence exports have demonstrated strong and sustained growth over the last six years, rising from Rs 84.3 billion in FY21 to Rs 384.2 billion in FY26, reflecting a CAGR of ~35.4%. This sharp increase highlights the growing global acceptance of India's indigenous defence capabilities and the gradual strengthening of its defence manufacturing ecosystem. In YTDFY27, defence exports stood at Rs 215.4 billion.

The growth has been primarily driven by rising exports of defence platforms, artillery systems, naval equipment, aerospace components, surveillance systems and unmanned technologies, supported by increasing participation of private sector players. Government initiatives such as export promotion reforms, simplification of export licensing procedures, higher private sector participation, and strong policy support under the 'Atmanirbhar Bharat' and 'Make-in India' initiatives have further accelerated export momentum.

From a strategic perspective, the rising export trajectory reflects India's transition from being largely import-dependent to emerging as a competitive global supplier in select defence segments. This trend not only strengthens domestic manufacturing scale and improves operating leverage for defence companies but also enhances long-term revenue visibility through diversified international markets. For specialised private defence players, particularly in niche segments such as autonomous systems, surveillance platforms, and advanced sub-systems, the growing export ecosystem presents significant opportunities for global market expansion.

With government target of Rs 500 billion in exports by 2029, India is on track to become a global hub for defence production.

Chart 11: Defence exports by India



Source: Ministry of Defence, Care Edge Research; Note: YTD refers to April to August period

India's Defence Imports

India has historically remained dependent on imports for critical defence platforms such as fighter aircraft, submarines, missile systems, helicopters, and advanced surveillance systems, reflecting technological gaps in high-end defence manufacturing. India's arms imports decreased by 4.0% between CY16–20 and CY21–25 According to SIPRI, India remains the world's second-largest importer of major arms, accounting for approximately 8.2% of global arms imports during CY21–25. While the volume of imports moderated compared with the preceding five-year period, planned acquisitions of advanced combat aircraft, submarines and other complex systems indicate that imports will continue to remain an important part of India's defence-capability development.

India has progressively diversified its supplier base away from its historically high dependence on Russia towards countries such as France, Israel and the United States. Russia's share in India's major-arms imports declined to 40% during CY21–CY25 from 72% in CY10–14, while Western suppliers gained importance across advanced aircraft, surveillance, missile, naval and other technology-intensive systems. This reflects a layered procurement strategy aimed at maintaining operational continuity for existing foreign-origin platforms, filling immediate capability gaps and accessing advanced technologies from a wider group of strategic partners.

Further, 337 defence capital acquisition contracts were signed during FY24 and FY25 up to December 2024, of which only 12 were signed with foreign vendors, indicating that procurement activity by number of contracts has become increasingly domestic-oriented. The government has also introduced five positive indigenisation lists covering 5,012 defence items, which are being progressively restricted from import. As of May 2026, approximately 64% of the notified items had been indigenised. Domestic defence production has also expanded, supported by defence public sector undertakings and increasing private-sector participation, strengthening India's ability to meet a larger proportion of its equipment requirements through domestic sources.

The procurement shift in India is accompanied by a policy framework that directly favours indigenous systems. The Government of India's positive-indigenisation lists and Indigenous Design, Development and Manufacturing ("IDDM") objective, together with the broader Atmanirbhar Bharat initiative, increasingly restrict procurement of foreign-origin defence systems and give preference to systems that are designed, developed, manufactured and supported in India

The Defence Acquisition Procedure gives the highest procurement priority to the Buy (Indian-IDDM) category, while the Positive Indigenisation Lists restrict the future import of identified platforms, subsystems, spares and components after specified timelines. The SRIJAN portal further enables the Armed Forces, Service Headquarters and defence public sector undertakings to display items currently imported or identified for indigenous development and manufacturing. Private companies, MSMEs and start-ups can express interest in developing these items and engage with the relevant defence agency for product development, testing and subsequent procurement. Collectively, these measures provide domestic manufacturers with greater visibility into import-substitution requirements and support the progressive localisation of India's defence supply chain.

Indian Defence Modernisation Programme

With growing border tensions, rising maritime security concerns in the Indo-Pacific, and changing battlefield dynamics shaped by autonomous and network-centric warfare, India is accelerating capability enhancement across the Army, Navy, and Air Force. Globally, defence procurement is increasingly shifting towards autonomous and software-driven systems, with software, sensors and decision-making capabilities emerging as key value drivers within next-generation defence technologies. For instance, the US Department of Defence's Replicator initiative was established to field multiple thousands of autonomous systems across air, land and maritime domains and secured ~USD 300 million in FY23 and additional USD 200 million in FY24 and requested USD 500 million in FY25. Similarly, the UK's Defence Investment Plan provides for investment of over £5 billion in autonomous systems through 2030, including approximately £1.3 billion for a hybrid naval fleet, £1.1 billion for autonomous mine-hunting capabilities, £300 million for collaborative combat aircraft and £150 million for unmanned ground vehicles. It also includes Project NYX, with £220 million allocated for armed autonomous drones designed to operate alongside existing capabilities, including the upgraded AH-64E Apache fleet, delivering up to 24 armed autonomous drones by CY30. These initiatives indicate that an increasing share of value in next-generation defence platforms is being derived from software, sensors, artificial intelligence, communications and decision-support capabilities, alongside the underlying physical platform.

This trend is also reflected in India's defence planning framework, with the Technology Perspective and Capability Roadmap (TPCR) identifying unmanned surface, underwater and multi-domain systems as strategic capability priorities, while the Indian Naval Maritime Security Strategy (INMSS) 2026 emphasises the development of networked, data-centric and autonomous maritime capabilities. India has similarly begun scaling investments in autonomous and unmanned systems through initiatives such as DRDO-led UAV development programmes, the iDEX innovation ecosystem, and major procurement plans including the acquisition of MQ-9B high-altitude long-endurance drones, alongside growing experimentation with swarm drone technologies for surveillance and combat support roles. Recent developments provide further evidence of India's shift towards unmanned and autonomous capabilities. In August 2026, the Ministry of Defence signed a 30-month contract to lease two MQ-9B SeaGuardian RPAS for the Indian Navy. In September 2026, the Indian Air Force held its first Dronathon, released its UAS Roadmap and demonstrated Vayu UTtaM, a system designed to detect and track military and civil UAS. In October 2026, the Navy commissioned INS Samarthak, a multi-purpose vessel capable of supporting trials of indigenous systems and serving as an unmanned and autonomous systems mothership. These developments, together with the government's long-term roadmap

for defence indigenisation, are expanding the role of private sector participation beyond traditional manufacturing into high-value technology domains, creating opportunities for specialised defence companies across platforms, subsystems and autonomous mission systems.

Joint Services

Programme	Description	Opportunities for Private Defence Players
Remote Piloted Aircrafts & Systems (RPAS)	Joint entries in TPCR include broad deployment of unmanned aerial and hybrid autonomous systems across forces.	Benefits drone OEMs, autonomy software developers, ISR payload manufacturers, and command-and-control integrators. Companies with dual-use autonomous capabilities can participate.
AI / ML Enabled Combat Systems	Increasing integration of AI in surveillance, mission planning, autonomous navigation, and target detection.	Supports players focused on autonomous mission software, data fusion, edge analytics, and intelligent battlefield systems. This strengthens the value proposition of autonomy-first companies.
Integrated Sensor Networks	Multi-domain battlefield awareness through interconnected sensor grids.	Creates opportunities for sensor manufacturers, data processing companies, surveillance integrators, and autonomous systems players with ISR capabilities.

Indian Army

Programme	Description	Opportunities for Private Defence Players
Tactical Surveillance UAS	The Army has outlined requirements for multiple surveillance drone classes for border monitoring, battlefield ISR, and tactical reconnaissance. This includes short-, medium-, and long-endurance systems.	Creates opportunities for private players in autonomous navigation, ISR payloads, EO/IR systems, secure communication, and AI-based analytics. Unmanned systems players can participate through platform and subsystem integration.
Loitering Munitions	The Army's roadmap includes multiple loitering munition classes for precision strike, swarm attacks, and tactical battlefield deployment. Recent procurement activity reflects growing priority.	Benefits players involved in guidance systems, propulsion, control systems, autonomy software, and smart payload integration. The adjacent ecosystem for autonomous strike systems is expanding rapidly.
Counter-Drone Systems (C-UAS)	Rising drone threats across border theatres have increased Army focus on detection, jamming, and interception systems. Emergency procurement has accelerated in this category.	Opens opportunities for companies working in radar systems, RF jammers, EO sensors, AI-based threat detection, and electronic warfare systems.
Logistics UAS	The Army has identified unmanned logistics drones for last-mile delivery in high-altitude and difficult terrain operations.	Creates opportunities for autonomous logistics systems, payload management, mission software, and ruggedised unmanned platforms. This is a niche but growing opportunity area.
Swarm Drone Systems	The Army's future roadmap increasingly includes swarm-enabled battlefield systems for reconnaissance and coordinated strike missions.	Supports demand for swarm intelligence, collaborative autonomy, communication modules, and battlefield AI systems—key opportunity areas for next-gen defence-tech companies.

Indian Navy

Programme	Description	Opportunities for Private Defence Players
Autonomous Surface Vessel (ASV) Swarms	TPCR highlights future induction of autonomous surface platforms for littoral surveillance, coastal defence, mine warfare and distributed maritime operations.	Creates direct opportunities in autonomous vessel manufacturing, navigation software, swarm intelligence, communication systems, and payload integration. Companies can benefit through indigenous ASV deployment and platform integration.
High-Endurance Autonomous	The roadmap includes AUV deployment for anti-submarine	Opens opportunities in underwater robotics, propulsion systems, sonar integration, underwater

Underwater Vehicles (HE-AUVs)	warfare (ASW), mine countermeasure (MCM) and underwater ISR operations.	sensors, and AI-driven mission planning for specialised defence-tech players.
Maritime Domain Awareness (MDA) Systems	Navy's long-term focus on persistent surveillance across EEZs, chokepoints and Indian Ocean strategic corridors.	Supports demand for unmanned ISR platforms, AI-led maritime analytics, smart sensor fusion, and real-time situational awareness systems. This is a high-relevance segment for maritime autonomy players.
Mine Countermeasure (MCM) Automation	TPCR specifically includes unmanned mine warfare systems using ASVs, AUVs, and ROVs.	Creates opportunities for autonomous platform developers, underwater robotics companies and payload subsystem manufacturers.

Indian Air Force

Programme	Description	Opportunities for Private Defence Players
Unmanned Aerial Systems / Counter-UAS	TPCR highlights expanded adoption of drones and counter-drone systems for surveillance and tactical operations.	Creates opportunities in UAV manufacturing, anti-drone systems, autonomy stack development, and ISR payload integration.
AI / ML / Big Data for ISR	Increasing use of AI-driven intelligence and surveillance systems to improve situational awareness and decision-making.	Benefits companies operating in AI-enabled ISR, autonomous reconnaissance, and real-time analytics solutions.

Key Government Policies

- **Defence Acquisition Procedure (DAP) 2020**

The Defence Acquisition Procedure (DAP) 2020 marks a significant evolution in India's defence procurement policies. Initially established in 2002 with the aim of formalising and streamlining the acquisition process, it underwent a revision in March 2016, shifting its focus towards fostering indigenous design, development, and manufacture of weapon systems.

In 2020, the Ministry of Defence introduced an updated version of the DAP, aimed at simplifying the procurement process to modernise the armed forces. This revised procedure is aligned with the government's vision of positioning India as a global manufacturing hub. Its primary objectives include enhancing indigenous defence capabilities and reducing reliance on imports, in line with the 'Make-in India' and 'Atmanirbhar Bharat' initiatives.

The core objective of the DAP is to ensure the timely acquisition of military equipment, systems, and platforms that meet the stringent performance, capability, and quality standards required by the armed forces, all while optimising the utilisation of allocated budgetary resources.

In decreasing order of priority, the DAP categories will be as follows:
(a) Buy (Indian - IDDM)
(b) Buy (Indian)
(c) Buy and make (Indian)
(d) Buy (global - manufacture in India)
(e) Buy (global)

Parameter	Buy (Indian-IDDM)	Buy (Indian)	Buy & Make (Indian)	Buy (Global – MII)	Buy (Global)
Source of Procurement	Indian vendor	Indian vendor	Indian vendor + Foreign OEM	Foreign vendor + Indian manufacturing	Foreign / Indian vendor
Design Origin	Indigenous	May be foreign	Initially foreign, later indigenous	Foreign with localisation	Mostly foreign
Manufacturing Location	India	India	India (after initial import)	India (mandatory)	Abroad or India

Parameter	Buy (Indian-IDDM)	Buy (Indian)	Buy & Make (Indian)	Buy (Global – MII)	Buy (Global)
Indigenous Content (IC)	≥ 50%	≥ 60% (or ≥ 50% if IDDM eligible)	≥ 50% (domestic part)	≥ 50% (manufactured part)	≥ 30% (Indian vendors)
Initial Import (FF state)	No	No	Yes (optional)	Yes (optional)	Yes (direct purchase)
Transfer of Technology (ToT)	No	No	Yes (critical technologies)	Yes (to Indian partners)	Limited/optional
Focus Objective	Self-reliance + indigenous design	Promote Indian manufacturing	Gradual indigenisation	Boost manufacturing ecosystem	Immediate capability needs
Participation	Indian companies	Indian companies	Indian vendors + foreign OEM	Foreign vendors + Indian JV/subsidiary	Foreign & Indian vendors
Payment Mode	INR	INR	Mix (import + INR)	Domestic part in INR	Foreign currency (imports)
Offsets Requirement	No	No	Sometimes applicable	Applicable (depending case)	Mandatory (>Rs 20 billion)
Time to Deployment	Moderate	Moderate	Longer (due to ToT phases)	Moderate to long	Fast (direct purchase)
Best Use Case	Indigenous systems	Locally manufactured systems	Technology absorption	Build domestic ecosystem	Urgent military needs

In addition to procurement category prioritisation under DAP 2020, the Government of India has increasingly used budgetary earmarking as a policy tool to deepen domestic defence manufacturing. A key measure in this direction is the reservation of 75% share of the defence capital procurement budget for procurement from domestic industry. This policy ensures that a large portion of modernisation expenditure is channelled towards Indian defence manufacturers, including DPSUs, private sector companies, MSMEs, start-ups and domestic system integrators. The measure is aligned with the broader objectives of Atmanirbhar Bharat, Make in India, import substitution and development of a self-reliant defence industrial base.

Procurement of unmanned platforms by defence agencies follows a rigorous, multi-stage qualification process involving development programmes, user trials, operational evaluations, third-party validation and formal qualification before procurement. Given the extensive time, technical expertise, operational testing and validation required across multiple stages, the qualification process serves as an important differentiator for companies with proven capabilities and established track records.

For FY27, over 75% of the defence capital outlay has been indicated to be reserved for domestic industry. Based on the capital acquisition outlay of around Rs 1.85 trillion, this implies an estimated domestic procurement opportunity of nearly Rs 1.39 trillion for Indian defence manufacturers. This earmarking is expected to support domestic production of aircraft, aero-engines, naval platforms, missiles, drones, radars, electronic warfare systems, communication systems, armoured vehicles and other equipment.

- **Strategic Partnership Model in Defence Acquisitions**

In support of the 'Make-in India' campaign within the defence sector, the government has introduced the strategic partnership model for procuring aircraft, helicopters, submarines and armoured fighting vehicles/main battle tanks. This model is intended to facilitate the transfer of specialised technology and increase indigenous content among the Indian entities, thereby advancing the nation's development as a regional and global manufacturing hub.

Under this strategic partnership model, private Indian firms and foreign Original Equipment Manufacturers (OEMs) collaborate to reinforce the 'Make-in India' initiative within the defence sector. Serving as System Integrators, they establish an extensive ecosystem involving development partners, specialised vendors, and suppliers, particularly from the Micro, Small, and Medium Enterprises (MSME) sector. These collaborations aim to bolster indigenous defence manufacturing capabilities within the private sector, complementing the existing production infrastructure. This model contributes to the growth of the indigenous industry by nurturing the Indian defence manufacturing ecosystem.

The primary objective of this policy is to establish a transparent, objective, and efficient mechanism that encourages broader private sector participation in manufacturing defence platforms and equipment such as aircraft, submarines, helicopters and armoured vehicles. It aims to promote competition, enhance efficiency, accelerate technology absorption, develop a multi-tiered industrial base, foster skill development, drive innovation, reduce import dependency and strengthen self-reliance in meeting national security requirements. The strategic partnership model identifies four segments for acquisition:

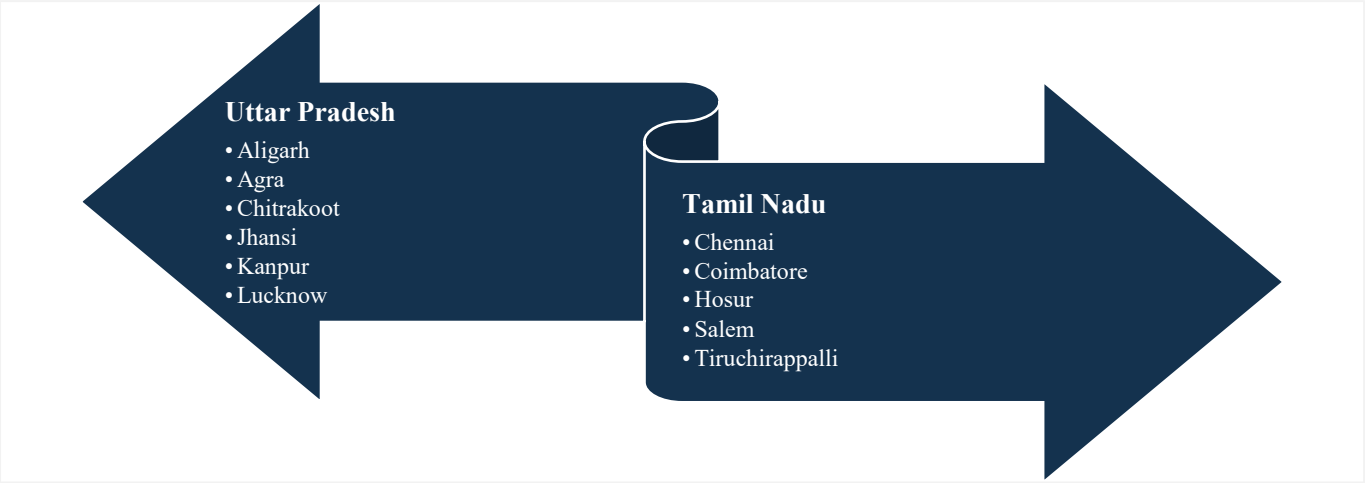
Fighter aircraft
Helicopters
Submarines
Armoured fighting vehicles (AFVs)/ main battle tanks (MBTs)

In a move to boost private sector involvement in domestic defence manufacturing, the DAC has sanctioned the implementation of strategic partnership guidelines to streamline processes and ensure timely delivery of equipment to the armed forces. Additionally, platform-specific guidelines for the procurement of naval utility helicopters have also been approved by the DAC.

- **Defence Corridor and Investments**

The Government of India (GoI) has established two Defence Industrial Corridors (DICs) across the country. These corridors are in Uttar Pradesh (UP) and Tamil Nadu (TN).

Nodes in Uttar Pradesh Defence Industrial Corridor (UPDIC), and Tamil Nadu Defence Industrial Corridor (TNDIC)



The primary objective of these Defence Industrial Corridors (DICs) was to catalyse the defence manufacturing ecosystem in both states and attract investments totalling Rs 200 billion each by the year 2024-25. The respective State Governments are responsible for providing the necessary land, connectivity, and basic infrastructure for the DICs. These two defence corridors aim to bolster the defence manufacturing landscape in India, benefiting all states involved.

The Kanpur node of the Uttar Pradesh Defence Industrial Corridor (UPDIC) is rapidly advancing to boost India's self-reliance in defence manufacturing. With the highest investment among all nodes. Over 218 hectares of land in Narwal Tehsil of Kanpur are being developed as part of the Defence Industrial Corridor. So far, investments totalling more than Rs 17 billion have materialised. With the highest investment among all nodes, Kanpur is set to manufacture a wide range of defence products, including weapons, ammunition, military attire and space-related equipment.

- **Offset policy**

The primary aim of the Defence Offset Policy is to utilise capital acquisitions and technology to nurture the Indian defence industry by (i) encouraging the growth of globally competitive enterprises and (ii) enhancing capacity for research, design, and development of defence products.

The Offsets clause applies to Buy (Global) procurement categories where the estimated AoN cost is Rs 20 billion or more. Indian Vendors participating in the Buy (Global) category must meet a minimum of 30% Indigenous Content (IC), or else they must fulfil offset obligations as applicable. The Defence Acquisition Council (DAC) may consider partial or full waiver of the

Offsets clause in certain cases, but eligible/selected Indian vendors still need to adhere to IC stipulations. No offsets are applicable in ab-initio Single Vendor Cases, including procurements based on IGA/FMS.

In Buy (Global) category procurements, if an Indian firm, including a Joint Venture with a foreign partner, bids for the proposal, the offset obligation clause will not apply if the IC in the product exceeds 30%. However, if the IC is less than 30%, the Indian firm or Joint Venture must ensure offset obligations are met to the tune of '30% IC' (IC to be declared upfront at bid submission). In such instances, the Indian firm will clearly delineate the IC and offset portions in the offset contract and claims.

The required value of offset obligations will be 30% of the estimated cost of acquisition in Buy (Global) category acquisitions.

- **Defence Testing Infrastructure Scheme (DTIS)**

The Defence Testing Infrastructure Scheme (DTIS), introduced by the Ministry of Defence, aims to enhance domestic defence and aerospace manufacturing. This scheme facilitates MSMEs and start-ups in accessing defence testing infrastructure more conveniently. With a budget of Rs 4 billion allocated, the scheme targets the development of innovative testing facilities over five years.

The government's goal is to establish 6-8 new defence testing infrastructure facilities, with up to 75% of the funding provided by the government. The remaining 25% will be contributed by a special purpose vehicle (SPV) supported by Indian private entities and state governments. Three major testing facilities will soon be launched in Uttar Pradesh located in Kanpur and Lucknow. These facilities are designed to strengthen the nation’s defence capabilities. With a substantial financial backing of over Rs 1,170 million, the DTIS projects are set to revolutionize testing standards in the region. This initiative underscores India's commitment to advancing its defence technology and infrastructure.

- **Innovations for Defence Excellence (iDEX)**

The Ministry of Defence, Government of India, launched the Innovations for Defence Excellence (iDEX) initiative in 2018 to promote innovation and technology development in the defence and aerospace sectors. iDEX aims to achieve self-reliance and support start-ups, MSMEs, individual innovators, R&D institutes and academia in developing prototypes and commercialising products/solutions. A separate scheme, Acing Development of Innovative Technologies with iDEX (ADITI) was launched in 2024 for futuristic and critical technologies. The scheme's objective is to provide financial assistance to nearly 300 start-ups/MSMEs/individual innovators and about 20 partner incubators through the Defence Innovation Organisation (DIO). By March 2026, iDEX had engaged 676 start-ups, MSMEs and innovators, and 551 design and development contracts had been signed.

To further support this effort, the Department of Defence Production has approved a central sector scheme under iDEX with a budgetary allocation of Rs 4.99 billion for the next five years from 2021-22 to 2025-26. In addition, the ADITI scheme was approved with outlay of Rs 7.50 billion for FY24-FY26. The Ministry has also initiated a proposal to extend iDEX and ADITI for FY27–FY31, with an additional budget enhancement of Rs 43.84 billion.

- **Technology Perspective and Capability Roadmap (TPCR)**

The Ministry of Defence, Government of India, periodically releases the Technology Perspective and Capability Roadmap (TPCR) to outline the long-term capability requirements of the Indian Armed Forces and provide strategic visibility to domestic defence manufacturers. The roadmap serves as a critical guidance framework for industry participants by identifying future technology needs, procurement priorities, and indigenous development opportunities across the Army, Navy, and Air Force.

The latest TPCR 2025 reflects the government’s increasing focus on modern warfare capabilities, including autonomous systems, artificial intelligence, surveillance technologies, advanced sensors, electronic warfare, precision-guided systems and next-generation naval and aerial platforms. The roadmap aims to strengthen indigenous defence manufacturing by encouraging early industry participation in critical technology areas and reducing import dependency.

By providing long-term visibility into future defence requirements, TPCR enables private players, start-ups, MSMEs, and established defence companies to align their R&D investments, build specialised capabilities, and participate in strategic defence programs. The roadmap plays a significant role in deepening India’s defence industrial ecosystem and accelerating the country’s broader objective of self-reliance under the ‘Atmanirbhar Bharat’ initiative.

- **Directorate General of Foreign Trade prohibited the import of drones**

In February 2022, the Directorate General of Foreign Trade prohibited the import of drones in completely built-up, semi-knocked-down and completely knocked-down forms to support domestic manufacturing and reduce dependence on imported platforms. Imports remain permitted for government entities, recognised educational and R&D institutions, drone manufacturers undertaking R&D and defence or security purposes, subject to DGFT authorisation in consultation with the relevant ministries. The import of drone components continues to be permitted freely, supporting domestic assembly and value addition.

- **SRIJAN Portal**

Launched by the Ministry of Defence in August 2020, the SRIJAN Portal serves as an industry interface through which Defence Public Sector Undertakings and Service Headquarters display imported or identified defence items that need to be designed, developed or manufactured domestically. Indian companies, including private-sector participants, MSMEs and start-ups, can express interest based on their technical and manufacturing capabilities and engage with the concerned defence organisation for product development, testing and subsequent supply. This provides the domestic industry with greater visibility into specific import-substitution requirements and converts indigenisation priorities into identifiable development and procurement opportunities. As of May 2026, more than 15,700 defence items, including 3,204 items covered under Positive Indigenisation Lists, had been indigenised, while DPSUs had placed domestic orders worth approximately Rs 97.8 billion.

Government Initiatives/Support for Exports

India's government has taken comprehensive measures to transform the defence sector from an import-dependent ecosystem into a globally competitive, export-driven industry. Several policy actions, incentives and institutional reforms underscore the commitment to making India a significant defence exporter.

Key Policy Initiatives and Support Mechanisms

'Atmanirbhar Bharat' & 'Make-in India'

These initiatives aim to reduce import reliance, promote indigenous production, and establish India as a hub for advanced defence technologies. These polices have led to the prioritisation of domestic procurement in capital procurement budgets, with a target of Rs 500 billion in annual defence exports by 2029.

Defence Production & Export Promotion Policy (DPEPP) 2020

To promote self-reliance in defence manufacturing and to position India amongst the leading countries of the world in defence and aerospace sectors, Ministry of Defence (MoD) has formulated a draft Defence Production and Export Promotion Policy 2020 (DPEPP 2020). The DPEPP 2020 is envisaged as overarching guiding document of MoD to provide a focused, structured, and significant thrust to defence production capabilities of the country for self-reliance and exports.

The objectives of the policy are:

- To achieve a turnover of Rs 1,750 billion (USD 25 billion) including export of Rs 350 billion (USD 5 Billion) in Aerospace and Defence goods and services by 2025.
- To develop a dynamic, robust, and competitive Defence industry, including Aerospace and Naval Shipbuilding industry to cater to the needs of Armed forces with quality products.
- To reduce dependence on imports and take forward 'Make-in India' initiatives through domestic design and development.
- To promote export of defence products and become part of the global defence value chains.
- To create an environment that encourages R&D, rewards innovation, creates Indian IP ownership and promotes a robust and self-reliant defence industry.

Ease of Doing Business for Exports:

India has introduced a series of regulatory and procedural reforms to elevate its position as a competitive player in global defence exports. To facilitate smoother operations for defence manufacturers, the government has simplified export processes and enhanced business-friendly policies. Notably, the validity of export authorisations for parts and components has been extended to cover the full duration of an order or the component's lifecycle, replacing the earlier two-year limit. In a move to attract greater private investment, the Defence Product List was rationalised in 2019, and the licensing requirement for parts and components was removed. Additionally, the tenure of defence manufacturing licences under the Industries (Development and Regulation) Act, 1951, was extended from three years to 15 years, with the option of a further extension up to 18 years. These reforms have led to the grant of more than 700 industrial licences across 436 companies. The adoption of a fully digital export authorisation system has further streamlined the process, enabling the issuance of over 1,500 authorisations in the last financial year alone.

Open General Export License (OGEL)

The OGEL system simplifies the process for authorised Indian companies to export specified defence equipment, components, and subsystems to pre-approved destinations, reducing administrative delays and enhancing predictability in order execution. The application for grant of OGEL are considered by Department of Defence Production (DPP), OGEL's are issued on case-to-case basis, following consultations with industry stakeholders and approval by the Raksha Mantri. The countries allowed under the OGELs are Belgium, France, Germany, Japan, South Africa, Spain, Sweden, UK, USA, Canada, Italy, Poland, and Mexico. The items permitted under OGEL includes components of ammunition and fuse-setting devices (excluding energetic and explosive materials), fire-control, alerting, and warning systems, and body-protective equipment. However, complete aircraft, complete unmanned aerial vehicles (UAVs), and any components specifically designed or modified for UAVs are excluded from this licence. The OGEL is a one-time export licence to be granted to a company for a specific period (two years initially).

Defence Procurement Manual (DPM) 2025

To complement the export and indigenisation framework, the Ministry of Defence has issued the Defence Procurement Manual (DPM) 2025, which replaces the 2009 manual and governs revenue procurement (goods and services required for operations and maintenance). The manual was released in October 2025 and is effective from 1 November 2025, with the stated intent of simplifying procedures, bringing uniformity, improving transparency and expediting decision-making for revenue procurement by the Services and MoD establishments. The DPM 2025 also includes a specific thrust towards 'Atmanirbhar Bharat', including provisions intended to improve ease of doing business for domestic industry, provide greater clarity to vendors, reduce procedural delays and support participation by MSMEs and start-ups, which can indirectly strengthen export readiness by improving production continuity, vendor performance and compliance capability.

Regulations for exports

India's defence export framework balances three priorities: safeguarding national security, fostering indigenous manufacturing, and aligning with international norms. The regulatory regime is designed to ensure oversight while enabling industry growth through simplified procedures and promotional measures.

India has come a long way in aligning itself with global export control regimes. As a member of the Missile Technology Control Regime, the Wassenaar Arrangement, and the Australia Group, and by harmonising its policies with the Nuclear Suppliers Group, India has shown its commitment to non-proliferation. One of the key obligations under the UN Security Council Resolution 1540 is to ensure that non-state actors, particularly those involved in terrorism, do not get access to weapons of mass destruction ('WMDs') or their delivery systems. In line with these global norms, India has set up a legal and procedural framework for regulating the export of defence items, including sensitive technology and software.

The export of defence goods and related technologies is primarily governed by two key legislations in India:

- Foreign Trade (Development & Regulation) Act, 1992
- Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.

Additionally, defence and dual-use items are listed under the Special Chemicals, Organisms, Materials, Equipment, and Technologies (SCOMET) classification, requiring export authorisation from the Directorate General of Foreign Trade (DGFT) in coordination with the Department of Defence Production (DDP) and other security agencies. All exports of munitions, arms, ammunition, and controlled dual-use goods mandate a licence from the DDP (Ministry of Defence), as notified by DGFT. For sensitive or strategic items, a multi-ministerial review process involving security and foreign policy stakeholders ensures compliance with national and international safeguards.

Key Government and Defence Projects

The Government of India and the Ministry of Defence (MoD) are aggressively pushing for self-reliance ('Atmanirbhar Bharat') in unmanned systems. Government funding mechanisms and procurement policies have unlocked billions in orders for domestic manufacturers, scaling up projects across aerial, surface, and underwater domains.

1. Mega Procurement & Policy Frameworks

Large-Scale Domestic Military Drone Procurement (Planned)

The Ministry of Defence is preparing what is expected to be India's largest-ever military drone procurement programme, with proposed orders exceeding Rs 170 billion, primarily directed towards domestic manufacturers. The planned procurement covers ISR drones, loitering munitions, and tactical unmanned systems, reflecting a major structural shift toward indigenous drone-based warfare capabilities.

Delegated Procurement and Emergency Acquisition and Fast Track Procedure

The Armed Forces continue to utilise delegated financial powers, emergency procurement routes and the Fast Track Procedure for systems required to address urgent operational gaps. The Fast Track Procedure under the Defence Acquisition Procedure enables expedited procurement where operational requirements are imminent or arise from an unforeseen security situation. These routes are particularly relevant for rapidly evolving technologies such as tactical UAVs, loitering munitions, counter-UAS systems, surveillance platforms and secure communication equipment, where conventional acquisition timelines may not align with immediate operational requirements. Amendments to DAP 2020 have also provided that emergency procurements by the Services should be undertaken for indigenous equipment, thereby creating shorter-cycle procurement opportunities for domestic manufacturers with proven and deployment-ready unmanned solutions.

Make-I and Make-II Indigenous Development Routes

The Make procedure provides a structured pathway for the indigenous design, development and procurement of defence systems. Under Make-I, the Government can fund up to 70% of prototype-development expenditure, subject to a ceiling of Rs 2.50 billion per selected Development Agency, making the route suitable for technologically complex and capital-intensive projects involving autonomous platforms, propulsion systems, sensors and mission technologies. Make-II projects are funded by industry and are primarily focused on import substitution and indigenous development, with no government funding at the prototype stage. Both categories require minimum indigenous content of 50%. The Make-II route also allows industry-

originated or suo moto proposals, enabling domestic companies to identify capability gaps and develop solutions without depending solely on requirements initiated by the Armed Forces. As of March 2026, the Ministry had accorded Approval-in-Principle to 146 projects under the Make procedure.

Development-cum-Production Partner Model

Under the DRDO's Development-cum-Production Partner model, private and public-sector companies are involved from the initial stages of system development rather than being engaged only after completion of the prototype. Selected industry partners participate in engineering, prototype realisation, production planning and subsequent manufacture and lifecycle support. Early industry involvement helps reduce the time required to transition technologies from laboratory development to operational induction and enables the creation of production capacity alongside product development. DRDO also provides technologies to selected DcPPs and Production Agencies at nil technology-transfer fees, with no royalty on supplies made to the Indian Armed Forces and government departments. This model is relevant for unmanned systems as it provides domestic companies with access to DRDO-developed technologies while allowing them to build manufacturing, systems-integration and aftermarket capabilities.

Indian Naval Indigenisation Plan 2015–2030

The Indian Naval Indigenisation Plan (INIP) 2015–2030 provides a long-term roadmap for reducing the Indian Navy's dependence on imported equipment and promoting indigenous development across the 'Float', 'Move' and 'Fight' categories of naval capability. The plan identifies capability gaps across weapons, sensors, propulsion systems, complex gearboxes, aviation systems, underwater technologies and other advanced shipborne equipment, while providing greater visibility to the DRDO, defence public sector undertakings, private companies, MSMEs and academia regarding the Navy's future requirements. Unmanned and autonomous systems form an important part of this roadmap, with identified requirements spanning surveillance and ordnance-delivery UAVs, autonomous underwater vehicles and other unmanned platforms. Subsequent initiatives under the Swavlamban framework have further expanded the opportunity set to include unmanned surface and underwater vehicles, high-endurance AUVs, mine-countermeasure autonomous surface vessels, extra-large unmanned underwater vehicles, autonomous anti-submarine warfare platforms and supporting technologies such as AI-enabled collision avoidance, underwater communication, navigation and propulsion systems.

iDEX and ADITI Deep-Tech Innovation Programme

The Ministry of Defence, through Innovations for Defence Excellence (iDEX), continues to strengthen India's defence innovation ecosystem. Under the ADITI (Acing Development of Innovative Technologies with iDEX) scheme:

- A corpus of Rs 7.50 billion has been allocated for 2023–26
- Start-ups can receive grants of up to Rs 0.25 billion
- Focus areas include autonomous systems, AI-enabled warfare, underwater platforms, and counter-UAS technologies This directly supports private-sector development of strategic unmanned technologies.

2. Maritime & Sub-Surface Unmanned Projects

iDEX SPRINT Programme – Naval Autonomous Systems

The Indian Navy's SPRINT (Supporting Pole-Vaulting in R&D through Innovations for Defence Excellence) programme is actively promoting indigenous development of unmanned surface vessels (USVs), autonomous surveillance systems, and swarm-based maritime technologies. Several solutions remain at prototype and field-testing stages, creating an active development pipeline for maritime autonomy.

Autonomous Underwater Vehicles (AUVs) & Mine Countermeasure Systems

The Indian Navy and DRDO continue to support indigenous development of autonomous underwater vehicles for mine detection, underwater surveillance, seabed mapping and anti-submarine support operations. These projects are being developed through iDEX challenges and DRDO-supported R&D programmes and remain in progressive prototype and testing phases.

India–US Undersea Domain Awareness Cooperation

India and the United States are expanding cooperation on Undersea Domain Awareness (UDA) as part of broader Indo-Pacific maritime security initiatives. This includes enhanced deployment of autonomous maritime sensors, ocean surveillance systems and data-sharing frameworks aimed at monitoring critical sea lines of communication and underwater threats.

3. Land & Aerial Autonomous Projects

Project Cheetah – Heron UAV Fleet Modernisation

Under Project Cheetah, India is upgrading its existing Heron UAV fleet with improved satellite communication capabilities, enhanced endurance, and advanced ISR functionality. While plans to arm these drones were revised, the programme remains a key upgrade initiative for persistent surveillance operations. MQ-9B Sea Guardian/Sky Guardian Induction: A government-to-

government megadeal to purchase 31 High-Altitude Long-Endurance (HALE) armed predator drones from the US to significantly boost long-range ocean and border surveillance.

MQ-9B Sea Guardian / Sky Guardian Induction

India has signed a government-to-government deal with the United States for procurement of 31 MQ-9B High-Altitude Long-Endurance (HALE) drones for tri-service deployment. These platforms will significantly enhance long-range maritime surveillance, border ISR, and strategic reconnaissance capabilities. Separately, in August 2026, the Ministry of Defence signed a 30-month contract to lease two MQ-9B Sea Guardian RPAS for the Indian Navy, valued at approximately Rs 19.43 billion.

Autonomous Ground Systems and UGV Development

The Indian Army and DRDO are actively working on Unmanned Ground Vehicles (UGVs) for reconnaissance, logistics support, and hazardous battlefield operations. These remain under prototype and pilot deployment stages and form part of the broader push toward autonomous land warfare systems.

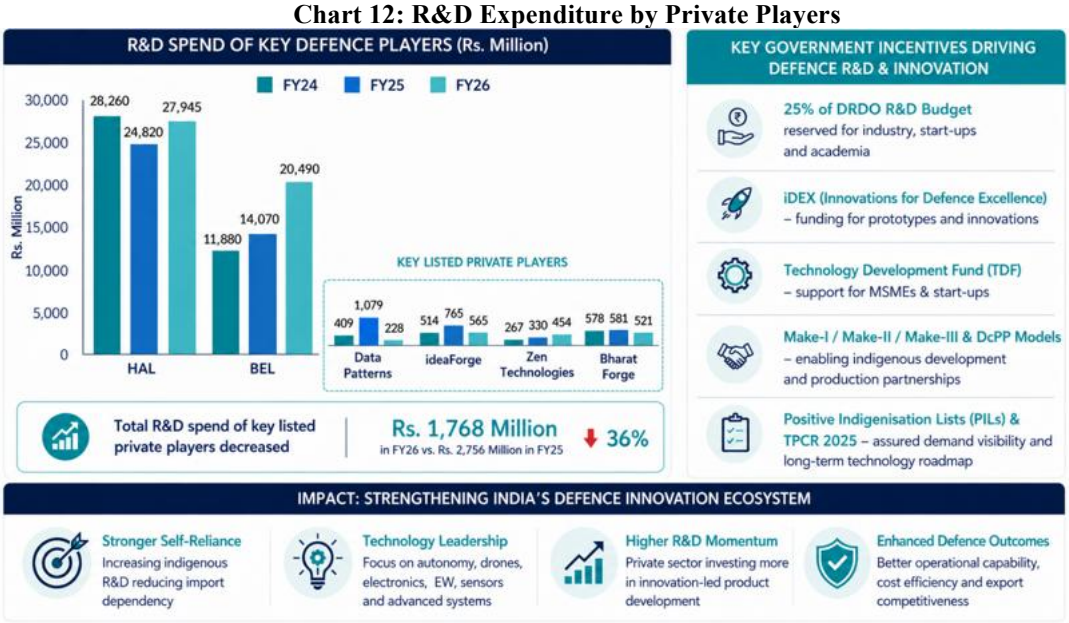
Indigenous Loitering Munitions Development

India is accelerating development and induction of indigenous loitering munitions under multiple defence innovation channels, including iDEX and DRDO-backed programmes. These systems are increasingly being prioritised for precision-strike, anti-personnel and tactical battlefield operations.

Increasing Spend on Defence R&D by Private Players and the Government

India's R&D ecosystem for the defence sector is witnessing a structural shift, supported by increasing investments from both public sector undertakings and private defence players. While established government-backed entities such as HAL and BEL continue to anchor the ecosystem with substantial R&D spending of over Rs 48.43 billion in FY26, private companies are steadily increasing investments in niche technology domains such as autonomous systems, defence electronics, drones, sensors, and anti-drone technologies.

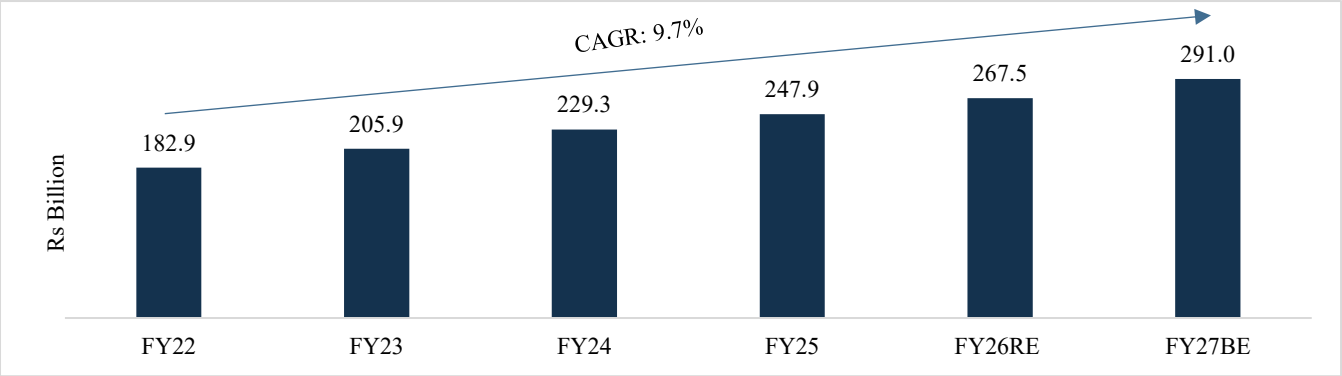
Chart 12: R&D Expenditure by Private Players



Source: Company Presentations, Annual Reports, CareEdge Research

Growing competitive intensity may compress pricing, constrain market share expansion, and require sustained investment in innovation and strategic alliances to drive long-term growth. Among private players, companies such as Data Patterns and Zen Technologies have reported notable growth in R&D investments, reflecting increasing focus on indigenous product development and technology differentiation. R&D expenditure by key private players witnessed a 56% rise in FY25 over FY24. However, in FY26, R&D expenditure by key private players decreased to approximately Rs 1.77 billion, representing a decline of around 35.8%. The moderation was primarily driven by lower R&D expenditure by Data Patterns and ideaForge following relatively higher spending in FY25, while Zen Technologies continued to increase its R&D expenditure during the year.

Chart 13: Budgetary Allocation towards R&D



Source: Union Budget Documents, CareEdge Research

India's budgetary allocation towards defence R&D increased from Rs 182.9 billion in FY22 to Rs 267.5 billion in FY26RE and is budgeted to reach Rs 291.0 billion in FY27BE. The Government has also opened approximately 25% of the defence R&D budget to industry, start-ups and academia, enabling private participants to undertake the development of critical technologies that were historically concentrated within government research institutions.

The Government has simultaneously increased the scale of financial support available for industry-led defence R&D projects. Under iDEX, the Defence India Start-up Challenge and Open Challenge provide grants of up to Rs 15 million, while iDEX Prime increases the project-level grant to up to Rs 100 million. The ADITI programme further raises the grant ceiling to Rs 250 million for the development of critical and strategic defence technologies, indicating a shift towards funding larger, technologically complex and longer-duration projects. The iDEX scheme was approved with an overall outlay of Rs 4.99 billion for the next five years from FY22–FY26, whereas ADITI received a separate outlay of Rs 7.50 billion for FY24–FY26. In addition, the Technology Development Fund provides grant support of up to Rs 500 million per project and may fund up to 90% of the total development cost. Together with the Make-I, Make-II and Make-III procedures and Positive Indigenisation Lists, these programmes are expanding private-sector participation in defence innovation, strengthening indigenous capability development and supporting India's long-term strategic objective of self-reliance in critical defence technologies.

Mergers and Acquisition in Indian Defence Sector

Merger and acquisition activity in the Indian defence sector is gradually increasing as established companies seek to expand into specialised technologies, acquire intellectual property, strengthen manufacturing capacity and develop integrated capabilities across platforms, subsystems, software and lifecycle services. The sector remains fragmented across large conglomerates, defence public sector undertakings, specialised manufacturers, MSMEs and technology start-ups, many of which possess capabilities in specific areas but lack the scale or complementary expertise required to independently undertake large defence programmes. Consequently, acquisitions, strategic investments and joint ventures are increasingly being used to accelerate entry into areas such as autonomous systems, defence electronics, propulsion, simulation, robotics and maintenance, repair and overhaul, rather than developing each capability organically. This trend is being supported by rising domestic procurement, indigenisation requirements and growing defence exports, which are improving long-term demand visibility for domestic participants.

Recent transactions reflect a shift towards capability-led consolidation. In 2025, Zen Technologies acquired Applied Research International and ARI Labs for approximately Rs 1,300 million to strengthen its marine and defence-simulation capabilities and acquired controlling stakes in Vector Technics and Bhairav Robotics to expand into indigenous UAV components, propulsion and autonomous ground systems. Similarly, Adani Defence and Aerospace's acquisition of Air Works strengthened its presence in aircraft maintenance, repair and overhaul and created a broader integrated aviation and defence-services platform. Such transactions indicate that consolidation is likely to remain focused on acquiring complementary technologies, qualified products, skilled engineering teams and established customer relationships.

Key Growth Drivers

- **Government Initiatives:** The Indian government's emphasis on modernising the armed forces and promoting indigenous defence manufacturing through initiatives like 'Make-in India' and the Defence Procurement Procedure (DPP) is driving growth in the sector. These initiatives aim to reduce dependency on imports, enhance self-reliance and foster innovation and technology development.
- **Defence Budget:** India's consistent increase in defence spending reflects its commitment to strengthening its defence capabilities. The allocation of funding for defence procurement, research and development and infrastructure development is a significant growth driver for the sector.
- **Indigenous Manufacturing:** There is growing emphasis on indigenous manufacturing and technology development to reduce reliance on foreign suppliers and enhance self-sufficiency. Partnerships between domestic defence firms,

foreign original equipment manufacturers (OEMs), along with technology transfer agreements are advancing indigenous capabilities.

- **Offset Obligations:** India's offset policy mandates foreign defence suppliers to invest a portion of their contract value in India's defence sector. This approach fosters technology transfer, collaboration and investment in domestic production capabilities, stimulating innovation and sectoral expansion.
- **Export Opportunities:** India's growing defence capabilities and expertise present opportunities for defence exports. Strategic partnerships, international collaborations and participation in defence exhibitions and trade shows are enabling Indian defence firms to explore and capitalise on export opportunities in global markets.
- **Geopolitical Dynamics:** India's strategic location and geopolitical importance in the Indo-Pacific region are driving investments in defence infrastructure, maritime security and strategic partnerships. Collaborations with friendly nations, joint exercises and defence agreements are bolstering India's defence capabilities and influence in the region.
- **Suo Moto Development and New-Age Innovation:** Policy mechanisms such as the Make-II procedure and the iDEX Open Challenge have enabled start-ups, MSMEs, private companies and individual innovators to proactively identify capability gaps and submit suo moto solutions, rather than relying solely on requirements formally initiated by the Armed Forces. These platforms offer funding, testing support and procurement pathways, accelerating the development of technologies like AI, robotics, autonomous systems and counter-UAS solutions while expanding private-sector participation and indigenous innovation.

Defence Sector Future Outlook – Domestic and Global

India’s defence sector is poised for sustained growth, driven by strategic policy interventions, rising domestic participation, and a focus on indigenisation. The government has set an ambitious target of achieving Rs 3 trillion in annual defence production and Rs 500 billion in exports by 2029, reflecting its intent to establish India as a leading global defence manufacturing hub. The defence budget is on a steady rise, with Rs 7,846.8 billion allocated for FY26–27, growing at 7.1% Y-o-Y. Capital outlays continue to prioritise aircraft and aero engines (29%), high-technology equipment (37%), and naval fleet expansion (11%), while also supporting infrastructure, R&D, and technology development.

India is undergoing a strategic shift from being predominantly dependent on defence imports to establishing itself as a credible exporter of indigenous, combat-tested platforms. The international profile of Indian defence systems has been significantly elevated by the successful operational deployment of assets such as the Hermes 900 UAVs, domestically developed missile systems, and the BrahMos cruise missile. These achievements underscore India’s growing capability to deliver reliable and high-performance military technologies to the global market. Notably, the USD 375 million BrahMos export deal with the Philippines, showcases India’s growing ability to secure high-value exports in competitive markets. Further momentum is expected as the Defence Acquisition Council (DAC) recently approved ten capital acquisition proposals valued at approximately Rs 1.05 trillion in FY25, aimed at accelerating the modernisation of the armed forces and providing a strong order pipeline for domestic manufacturers.

Globally, the defence sector is entering a phase of accelerated expansion due to heightened geopolitical tensions, supply chain realignments and rising military budgets. According to SIPRI estimates, global defence spending reached USD 2.9 trillion in CY25, driven by regional conflicts and security concerns in Eastern Europe and the Middle East, NATO’s 5% GDP defence spending mandate and diversification away from Russian suppliers. Additionally, the global defence expenditure is expected to increase by 35-45% by 2030. This growth is driven by global rearmament movement, technological advancements focusing on artificial intelligence applications and development of futuristic weapons such as autonomous drone swarms, Directed Energy Weapons (DEWs) and hypersonic missiles. Going forward, global demand will be concentrated in fighter aircraft, missile defence systems, drones, hypersonic missiles and electronic warfare systems, segments where Indian firms and joint ventures (e.g., BrahMos and Brahmos-II, Adani-Vympel’s ‘Raya’ missile, and DRDO-backed UAVs) are increasingly competitive.

Together, these domestic and global dynamics will reinforce India’s position as a self-reliant defence manufacturing hub and rising exporter, contributing to national security, trade competitiveness, and industrial growth.

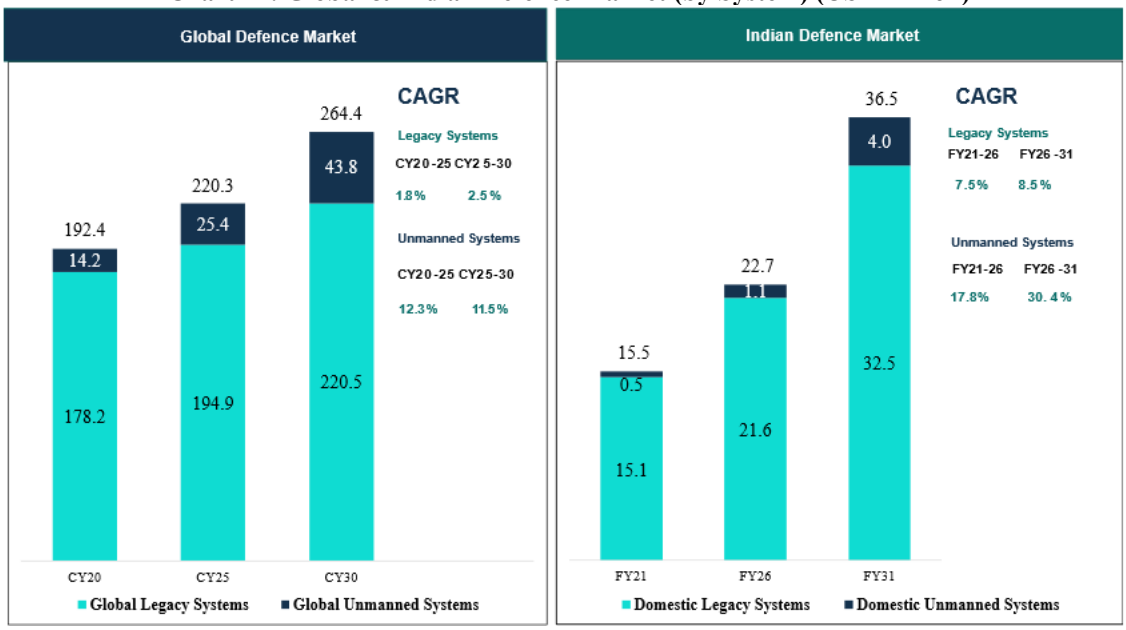
Modern Warfare – Shift from Legacy Systems to Unmanned Systems

Split Between Legacy Systems and Unmanned Systems – Global and India

Legacy systems include conventional manned defence platforms such as combat aircraft, naval vessels, armoured vehicles, artillery and missile systems, while unmanned systems include remotely operated, semi-autonomous and autonomous aerial, ground, surface and underwater platforms. At the global level, the combined market for legacy and unmanned defence systems increased from USD 192.4 billion in CY20 to USD 220.3 billion in CY25, registering a CAGR of 2.7% during the period. The market is projected to expand further to USD 264.4 billion by CY30, growing at a CAGR of 3.7% during CY25–CY30. This growth reflects continued investment in conventional military capability alongside the increasing adoption of autonomous and digitally enabled defence systems.

Global legacy defence systems increased from USD 178.2 billion in CY20 to USD 194.9 billion in CY25, registering a CAGR of 1.8%. The segment is projected to reach USD 220.5 billion by CY30, growing at a CAGR of 2.5% during CY25–CY30. Demand is expected to remain supported by fleet recapitalisation, replacement and modernisation of ageing military platforms and continuing investments in combat aircraft, naval vessels, missile systems, air-defence systems, artillery and armoured vehicles. Conventional platforms remain essential for strategic deterrence, force projection, territorial defence and high-intensity warfare and are therefore expected to continue accounting for the majority of global defence-system expenditure. In comparison, the global unmanned defence systems increased from USD 14.2 billion in CY20 to USD 25.4 billion in CY25, registering a CAGR of 12.3%. The segment is projected to reach USD 43.8 billion by CY30, growing at a CAGR of 11.5% during CY25–CY30. The faster growth of unmanned defence systems is supported by increasing deployment of drones, loitering munitions, autonomous maritime platforms and unmanned ground systems across surveillance, reconnaissance, precision engagement, logistics, electronic warfare and hazardous operations. Advancements in artificial intelligence, autonomous navigation, sensor fusion, secure communications and edge computing are also enabling unmanned platforms to undertake more complex missions with lower dependence on continuous operator control.

Chart 14: Global & Indian Defence Market (by System) (USD Billion)



Source: CareEdge Research

Similarly, the Indian defence market is also witnessing rising adoption of unmanned systems, although at a relatively earlier stage compared to global markets. The combined domestic market increased from USD 15.5 billion in FY21 to USD 22.7 billion in FY26, registering a CAGR of 7.9%. It is projected to reach USD 36.5 billion by FY31, growing at a CAGR of approximately 10.0% during FY26–FY31, reflecting strong modernisation spending, indigenous defence manufacturing, and increasing emphasis on border security and maritime surveillance.

Domestic legacy defence systems increased from USD 15.1 billion in FY21 to USD 21.6 billion in FY26, registering a CAGR of 7.5%. The segment is projected to reach USD 32.5 billion by FY31, growing at a CAGR of 8.5% during FY26–FY31. Growth is expected to be supported by continued procurement of aircraft, naval platforms, artillery, missile and air-defence systems and armoured vehicles, along with the replacement and upgrading of existing defence assets.

In comparison, domestic unmanned defence systems are expected to expand at a significantly faster pace, increasing from USD 0.5 billion in FY21 to USD 1.1 billion in FY26, and further to USD 4.0 billion by FY31, growing at a CAGR of 17.8% during FY21–FY26 and 30.4% during FY26–FY31. The sustained high-growth trajectory reflects increasing deployment across surveillance, tactical combat, logistics, and maritime applications, supported by indigenous defence manufacturing, rapid advancements in AI and autonomous technologies, and rising strategic emphasis on cost-efficient and precision-driven warfare solutions.

Recent conflicts, including the Russia-Ukraine and Israel-Hamas conflicts, India's Operation Sindoor, as well as ongoing security developments in the Indo-Pacific, have highlighted the growing role of relatively low-cost autonomous systems, loitering munitions, electronic warfare tools and AI-enabled intelligence, surveillance and reconnaissance capabilities. In practice, these engagements have shown how unmanned platforms can be used for continuous surveillance, targeted strikes and maritime support, often allowing smaller or less resourced forces to challenge more conventional military strengths. As a result, procurement priorities are gradually shifting towards more distributed and scalable systems that can work alongside existing platforms, rather than replacing them outright. This suggests that defence spending is likely to continue supporting both traditional assets and newer unmanned technologies over the medium term.

Overall, both global and domestic defence markets indicate a clear long-term transition toward unmanned systems. While global markets are further advanced in terms of penetration and scale, India is emerging as a high-growth market supported by indigenous innovation, policy support under '*Atmanirbhar Bharat'*, and increasing deployment across defence and homeland security applications. This structural shift is expected to create significant long-term opportunities across the unmanned systems value chain, particularly in autonomy software, sensors, mission intelligence, and modular defence platforms.

Key trends in Modern Warfare – How legacy weapons are being replaced by unmanned systems

The nature of warfare is rapidly shifting from conventional, asset-heavy combat systems toward agile, autonomous, and intelligence-driven operations. Traditional military platforms such as tanks, fighter aircraft, patrol vessels, and infantry-led reconnaissance have long been central to defence strategies; however, their high cost, extended deployment cycles, and growing vulnerability to precision strikes are driving a structural rethink.

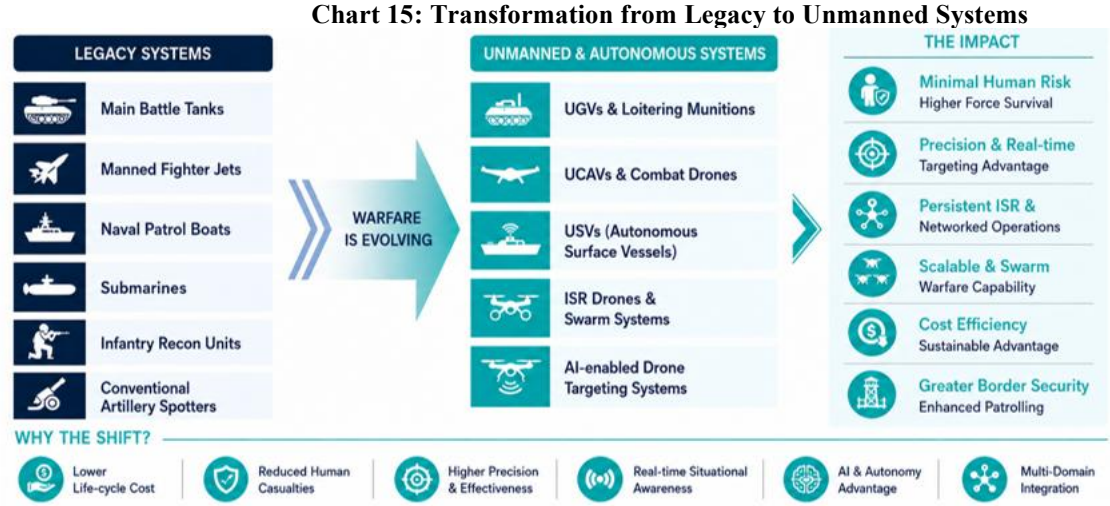
The ongoing **Russia–Ukraine conflict** provides a clear illustration of this shift. Both sides have made extensive use of drones, including low-cost first-person-view (FPV) systems and loitering munitions, for surveillance, artillery spotting and targeted strikes. These systems have proven particularly effective against armoured vehicles and infrastructure, often at a fraction of the cost of conventional weapons. At the same time, the conflict has highlighted the rapid evolution of countermeasures such as electronic warfare, GPS jamming and signal disruption. As a result, battlefield effectiveness is no longer determined solely by the scale of conventional assets, but also by how quickly forces can adapt, produce and deploy unmanned systems in response to changing conditions.

A similar pattern is evident in the Israel–Hamas conflict and the ongoing US–Iran confrontation, where unmanned platforms have become important for persistent surveillance, intelligence gathering, maritime monitoring and precision targeting. In the US–Iran conflict, Iran has deployed drones alongside missiles against US and allied assets, while the US has used uncrewed surface vessels for surveillance in regional waters and targeted Iranian coastal surveillance and air-defence infrastructure. These conflicts demonstrate that unmanned systems can improve situational awareness, accelerate target identification and reduce personnel exposure, but their effectiveness depends on integration with intelligence, communications, electronic warfare, air-defence and command-and-control networks. Accordingly, unmanned platforms generate the greatest operational value when deployed as part of a broader networked defence ecosystem rather than as standalone assets.

India's **Operation Sindoor** also reflects this evolving approach. The operation saw the use of drones, loitering munitions and counter-UAS systems alongside traditional air defence capabilities. Hostile drones and missiles were intercepted through an integrated air defence network, while loitering munitions were deployed against critical targets such as radar installations. The role of the Indian Air Force's Integrated Air Command and Control System in linking sensors, command centres and response units highlights the increasing importance of network-centric operations that combine legacy and next-generation technologies.

These developments suggest that unmanned systems are not replacing conventional military platforms, but are being used to complement them. Defence forces are selectively deploying autonomous systems for tasks such as surveillance, reconnaissance, logistics support and high-risk strike missions, while retaining crewed platforms for roles that require endurance, payload capacity or strategic presence. The ability to deploy low-cost, scalable unmanned systems also allows for greater operational flexibility without a proportional increase in manpower or expenditure.

Chart 15: Transformation from Legacy to Unmanned Systems



Benefits of deploying unmanned systems

Reduced Human Risk and Enhanced Force Survivability

Unmanned systems significantly reduce the need for direct human deployment in high-risk combat environments such as border surveillance, deep reconnaissance, mine detection, and contested maritime operations. By minimising troop exposure, these systems improve force survivability while ensuring uninterrupted mission execution.

Lower Lifecycle and Operating Costs

Compared to traditional military assets such as fighter aircraft, armoured vehicles, and patrol vessels, unmanned systems typically involve lower acquisition, maintenance, and deployment costs. Their smaller platform size, lower fuel and energy requirements and reduced dependence on onboard crew, life-support systems and specialised training infrastructure contribute to a comparatively lower cost base. Modular design also allows sensors, payloads and software to be upgraded without replacing the entire platform, while predictive maintenance and remote diagnostics can reduce downtime and servicing costs. Further, unmanned systems can be deployed for routine surveillance, reconnaissance and logistics missions that may otherwise require the use of larger and more expensive conventional assets, thereby improving asset utilisation and enabling defence forces to expand operational coverage while optimising lifecycle expenditure.

Persistent Intelligence, Surveillance and Reconnaissance (ISR)

Unmanned platforms can operate for extended durations, enabling continuous surveillance and real-time intelligence gathering across critical operational zones. This enhances battlefield visibility, strengthens border security, and improves situational awareness for tactical decision-making.

High Precision and Faster Response Capability

Integrated with AI-enabled targeting, advanced sensors, and autonomous navigation systems, unmanned platforms can execute precision-led missions with faster response times. This improves strike accuracy, threat neutralisation, and reduces collateral damage.

Operational Flexibility Across Multiple Mission Profiles

Unmanned systems can be rapidly reconfigured through modular payload integration for a wide range of applications, including surveillance, combat, logistics, electronic warfare, and search-and-rescue. This versatility enhances mission adaptability across diverse operational requirements.

Swarm Warfare and Force Multiplication

Advanced unmanned systems enable coordinated swarm operations, where multiple autonomous assets can operate simultaneously to cover larger operational areas, overwhelm enemy defences, and execute distributed intelligence gathering. This significantly enhances battlefield effectiveness.

Scalable and Mass Deployment

Unmanned systems can be deployed at scale across multiple operational theatres without a proportionate increase in manpower or command requirements. Large fleets of interoperable unmanned platforms can simultaneously undertake surveillance, reconnaissance, logistics, electronic warfare and combat missions, enabling wider geographic coverage, operational redundancy and rapid force mobilisation.

Rapid Modernisation of Legacy Platforms

Autonomous retrofit kits, dronisation kits, and modular integration technologies allow existing defence assets to be upgraded into intelligent systems without requiring complete platform replacement. Such upgrades may include the integration of autonomous navigation software, sensors, communication systems, remote-control modules, mission computers and command-and-control interfaces into existing vehicles, vessels or aircraft. This allows defence forces to extend the operational life of legacy assets, reduce the time and capital required for capability enhancement and deploy them in high-risk or repetitive missions with lower personnel exposure. A common modular autonomy architecture can also enable older platforms to operate alongside newly developed unmanned systems, improving interoperability and allowing modernisation to be undertaken progressively across the existing fleet.

Data-Driven Decision Making and Continuous Learning

Through onboard sensors, mission analytics, and AI training feedback loops, unmanned systems generate large volumes of mission data that can be used to optimise future operations. This creates a continuous improvement cycle, enhancing tactical effectiveness over time.

Access to Difficult Terrains and Remote Areas

Unmanned systems can operate in geographically inaccessible, environmentally hazardous and remote areas where manned missions may be restricted, infrequent or operationally unviable. Their deployment across mountainous borders, dense forests, deserts, offshore zones and underwater environments enables surveillance, reconnaissance, logistics support and threat detection without exposing personnel to difficult terrain, extreme weather or prolonged isolation.

Importance of Integrated Technology Stack Enabling Autonomous and Multi-Domain Defence Systems

The evolution of unmanned systems is increasingly being shaped by a multi-layered technology architecture that extends far beyond physical platforms. While drones, unmanned surface vessels (USVs), unmanned ground vehicles (UGVs), and aircraft form the foundational deployment layer, the strategic differentiation lies in the software, intelligence, and modularity layers built on top of these platforms. This integrated technology stack enables different unmanned platforms to communicate, share

data and coordinate missions across air, land, surface and underwater domains, thereby supporting autonomous execution, real-time battlefield adaptability and seamless multi-domain interoperability.

At the **platform layer**, mobility infrastructure forms the base for deployment across air, land, and maritime domains, enabling mission scalability across diverse operational theatres. The addition of the **payload layer** significantly enhances mission specialisation, allowing platforms to be configured with EO/IR systems, LiDAR, radar, SIGINT/ELINT modules, weaponised payloads, and logistics modules depending on operational requirements.

The **autonomy layer** represents the core intelligence engine of modern unmanned warfare, integrating artificial intelligence, machine learning, sensor fusion, target recognition, and threat avoidance capabilities. This layer enables platforms to independently navigate, perceive, and respond to dynamic battlefield conditions, reducing operator dependence and improving mission efficiency. It also creates a continuous feedback loop in which sensor inputs, platform responses and mission outcomes are processed in real time to refine navigation, threat assessment and decision-making.

Supporting this intelligence stack is the **edge compute layer**, which enables low-latency onboard processing and real-time decision-making. In contested or GPS-denied environments, embedded AI acceleration and resilient positioning technologies become critical for maintaining mission continuity without centralised dependencies.

The newly emerging **network layer** serves as the digital backbone of unmanned operations, connecting assets through SATCOM, tactical data links, mesh networking, and anti-jam communication systems. By establishing a common communication architecture across heterogeneous platforms, this layer allows individual vehicles to share sensor feeds, positional information, threat assessments and mission status in real time. This layer is increasingly important in enabling swarm coordination, secure battlefield interoperability, and distributed operational control.

At the intelligence level, the **mission intelligence layer** transforms raw operational data into actionable insights through mission planning software, ISR fusion, battle damage assessment, analytics, and AI training feedback loops. This creates a continuous learning ecosystem where every mission improves future operational performance.

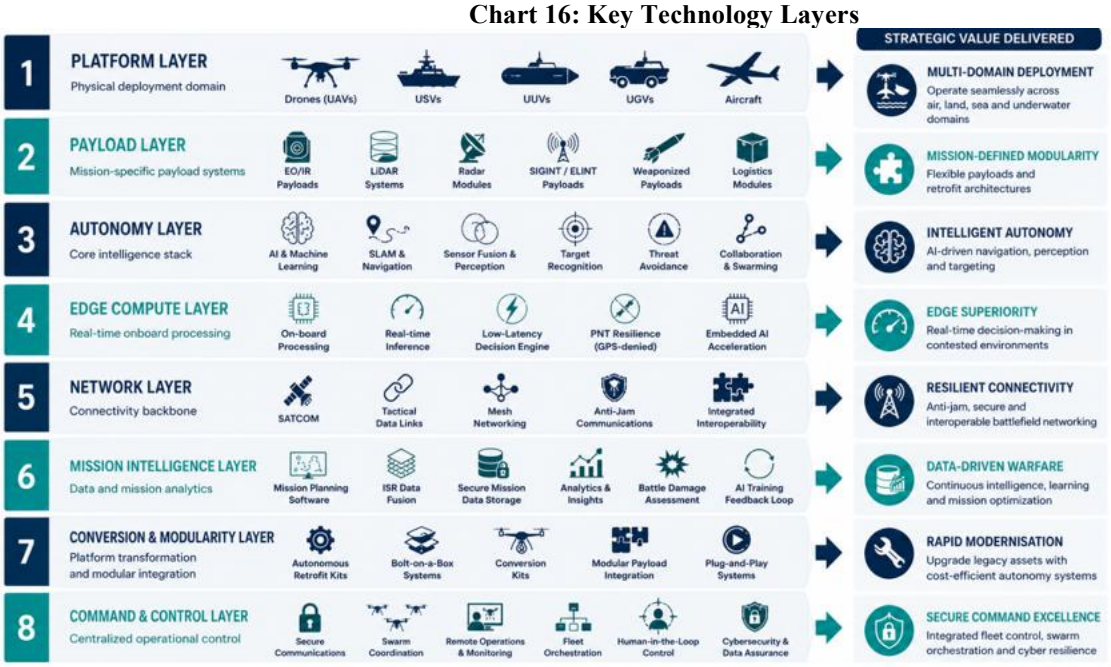
Further, the **conversion and modularity layer** is accelerating defence modernisation by enabling legacy platforms to be retrofitted with autonomous kits, dronisation systems, and modular payload architectures. This significantly lowers capital intensity while improving deployment flexibility and extending platform life.

At the top of the stack, the **command-and-control layer** uses the shared network to coordinate the actions of integrated unmanned platforms across different operational domains. It integrates secure communications, remote fleet orchestration, swarm coordination, human-in-the-loop oversight, and cybersecurity frameworks to ensure that aerial, terrestrial, surface and underwater vehicles operate as part of a unified mission architecture rather than as independent assets. Together, the network and command-and-control layers enable coordinated mission execution, centralised supervision and mission assurance across distributed autonomous systems.

An autonomous operating system functions as a cross-layer composition capability, integrating autonomy, edge computing, networking, mission intelligence and command-and-control while interfacing with sensors, payloads and platform controls. It enables autonomous navigation, mission planning, communication, fleet coordination and fail-safe operations across diverse unmanned platforms, and can be applied to both new systems and the conversion of existing assets. Developing such a platform-agnostic system requires deep integration of hardware, software and data, supported by extensive testing, and remains concentrated among a limited number of specialised players globally. As defence shifts towards software-defined and data-driven ecosystems, companies with proprietary, cross-layer autonomy platforms are expected to gain increasing strategic importance and long-term value.

Overall, the unmanned systems technology stack reflects a broader structural shift in defence from hardware-centric procurement to **software-defined, data-driven, and modular warfare ecosystems**. As military modernisation priorities increasingly focus on autonomy, digitisation, and interoperability, companies with integrated capabilities across these technology layers are expected to gain stronger strategic relevance and higher long-term value capture.

Chart 16: Key Technology Layers



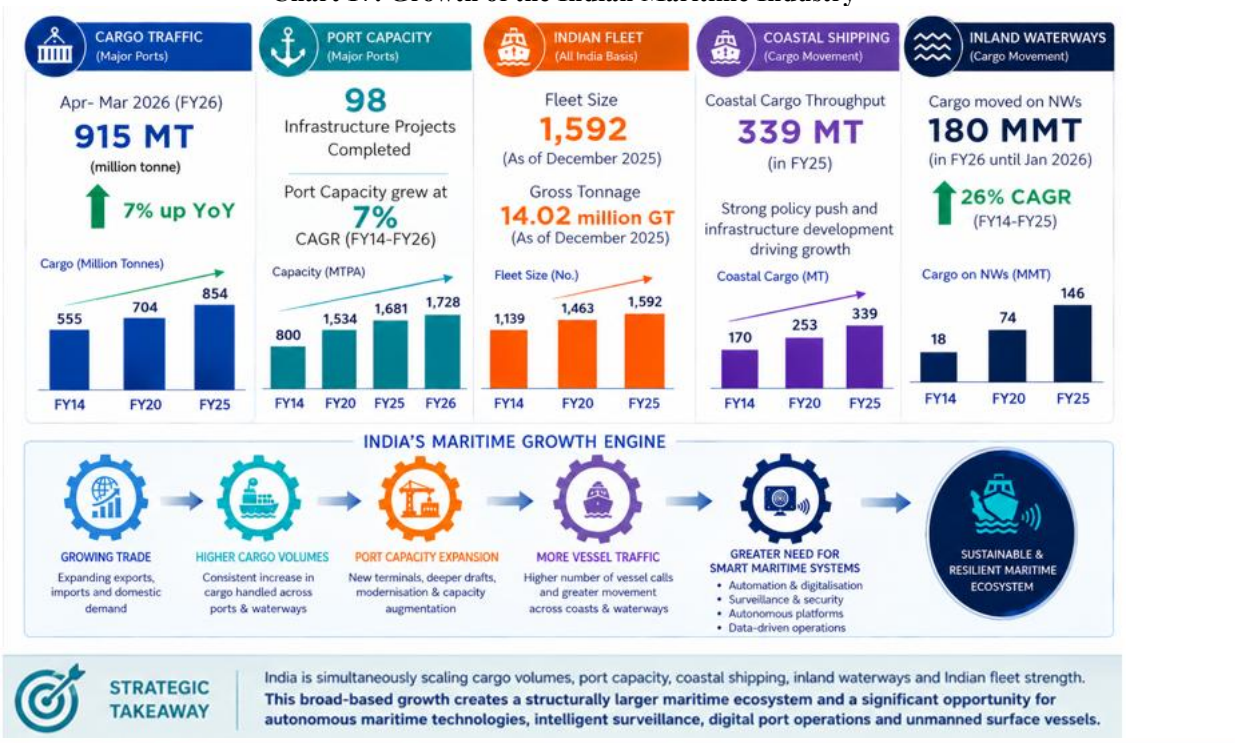
Maritime Industry

Overview of the Indian Maritime Sector

India's maritime sector - key for economic resilience and logistics efficiency under Maritime Amrit Kaal Vision 2047 and Sagarmala Programme

India's maritime sector plays a critical role in the country's economic growth, international trade and national security. Strategically located along major shipping routes in the Indian Ocean, India has a coastline of approximately **11,098 kms** across nine coastal states and four Union Territories, along with an **Exclusive Economic Zone** of over **2.37 million square kilometres**. These maritime assets support trade, fisheries, offshore energy, coastal tourism and the broader blue economy.

Chart 17: Growth of the Indian Maritime Industry



STRATEGIC TAKEAWAY
India is simultaneously scaling cargo volumes, port capacity, coastal shipping, inland waterways and Indian fleet strength.
This broad-based growth creates a structurally larger maritime ecosystem and a significant opportunity for autonomous maritime technologies, intelligent surveillance, digital port operations and unmanned surface vessels.

Source: Ministry of Ports, Shipping & Waterways, Directorate General of Shipping, Shipping Statistics, CareEdge Research

Sea routes account for nearly 95% of India's merchandise trade by volume and around 70% by value, making the maritime sector central to the country's trade and supply-chain network. The sector also supports coastal shipping, port-led industrialisation and multimodal connectivity, contributing to lower logistics costs and improved trade competitiveness.

From a strategic perspective, India's location in the Indian Ocean Region places it close to key global trade and energy corridors, including critical chokepoints such as the Strait of Hormuz, Bab-el-Mandeb and the Strait of Malacca. The maritime domain is therefore important for protecting Sea Lines of Communication, strengthening coastal surveillance, conducting anti-piracy and disaster-response operations and supporting maritime law enforcement. It also supports the operational preparedness of the Indian Navy and the Indian Coast Guard, both of which play a vital role in safeguarding national interests and ensuring maritime security.

With a long-term investment roadmap of approximately Rs 80 trillion aimed at modernising ports, enhancing connectivity and strengthening maritime infrastructure, along with continued focus on domestic shipbuilding, coastal shipping, green technologies, digitalisation and maritime skills, the sector is expected to remain an important enabler of economic resilience and strategic influence under the Viksit Bharat 2047 vision.

India's Maritime Infrastructure

India's maritime infrastructure comprises 12 major ports, over 200 non-major ports, inland waterways, coastal shipping networks and an expanding shipbuilding and ship-repair ecosystem. The policy initiatives such as the Sagarmala Programme and Maritime India Vision 2030 are focused on improving port capacity, connectivity, operational efficiency and domestic maritime manufacturing. The continued expansion of ports, terminals, waterways and vessel-handling infrastructure is creating a larger and more integrated maritime operating environment. Rising cargo movement and vessel traffic are also increasing the need for efficient monitoring, inspection, maintenance, navigation and security systems.

Chart 18: The Indian Maritime Infrastructure



Source: Secondary Research, CareEdge Research & Analysis

For defence and maritime-technology players, this infrastructure-led growth supports demand for coastal surveillance systems, autonomous and remotely operated platforms, maritime intelligence solutions and advanced communication and command-and-control technologies. It also creates opportunities across vessel deployment, inspection, repair and maintenance, coastal security, export markets and participation in the domestic naval and maritime ecosystem.

Strategic Government Support Backs the Indian Maritime Sector

India's maritime sector has emerged as a strategic focus area for the government, given its critical role in trade, logistics efficiency, coastal security and industrial development. Recognising its importance, the government has launched multiple long-term policy initiatives aimed at expanding port infrastructure, strengthening domestic shipbuilding, improving multimodal connectivity and accelerating digital and sustainable transformation across the maritime value chain. These initiatives are not only enhancing the sector's operational scale but are also creating a stronger technology and security ecosystem, thereby opening new opportunities for defence and maritime technology players.

Sr. No.	Policy	Key Benefits	Opportunities for Defence Players
1.	**Sagarmala Programme**	The flagship initiative focuses on port led economic development through modernisation,	Expansion of port infrastructure increases demand for autonomous

Sr. No.	Policy	Key Benefits	Opportunities for Defence Players
		multimodal connectivity, development of coastal economic zones and improved logistics efficiency. Moreover, it aims to reduce logistics costs and increase cargo evacuation efficiency.	surveillance systems, harbour security platforms, and unmanned surface vessels (USVs) for port monitoring and coastal defence.
2.	**Maritime India Vision 2030 (MIV 2030)**	Maritime India Vision 2030 is a comprehensive 10 year blueprint by Ministry of Ports towards enhancing port capacity, operational efficiency, promoting smart ports, coastal shipping and inland waterways while strengthening India's shipbuilding ecosystem.	Accelerates adoption of AI-enabled maritime systems, smart navigation, vessel traffic monitoring and maritime situational awareness technologies, benefitting defence-tech players.
3.	**Maritime Amrit Kaal Vision 2047 (MAKV 2047)**	Developed by Ministry of Ports, Shipping and Waterways, it is India's long-term blueprint with 300+ initiatives aimed at scaling port capacity to 10,000 MTPA, boosting shipbuilding, maritime trade along with strengthening strategic maritime security.	Creates a large long-term opportunity for ISR systems, unmanned defence platforms, underwater surveillance and autonomous naval technologies.
4.	**Port Modernisation & Smart Port Development**	Investments in automation, digital traffic management, mechanisation, and faster vessel turnaround to improve productivity and safety.	Drives demand for smart port security, predictive surveillance, autonomous inspection vessels, and threat detection systems.
5.	**Shipbuilding Clusters & Domestic Manufacturing Push**	Policy support for indigenous shipbuilding through financial incentives, ROFR, infrastructure support and integrated manufacturing hubs.	Strengthens local ecosystem for manufacturing USVs, patrol boats, marine robotics and defence-grade autonomous platforms, reducing import dependency.

Technology Adoption in the Indian Maritime Sector

The Indian maritime sector is undergoing a significant technology-led transformation, supported by policy initiatives aimed at improving operational efficiency, capacity utilisation and sustainability. Under the Maritime India Vision 2030, the government has set a target to reduce average vessel turnaround time from ~25 hours in 2020 to below 20 hours by 2030, alongside improving port mechanisation, digital integration and logistics efficiency. This reflects a broader shift from conventional infrastructure expansion toward operational optimisation through technology.

Further, rising cargo movement through coastal and inland waterways is expanding the operational complexity of maritime logistics. Managing the higher cargo intensity requires wider adoption of Port Community Systems (PCS), automated cargo handling, AI-based berth planning, Internet of Things (IoT)enabled asset monitoring and predictive maintenance systems to improve throughput and reduce congestion.

Technology adoption in India's maritime sector is accelerating across naval surveillance, communication, navigation and autonomous operations. The Indian Navy is increasingly integrating satellites, coastal radars, maritime patrol aircraft, command-and-control networks and unmanned platforms to improve maritime domain awareness and operational coordination. Technologies such as UAVs, USVs and UUVs are supporting persistent surveillance, anti-submarine warfare, mine countermeasures and operations in hazardous environments. This transition is strengthening the shift towards a more networked, data-driven and technology-enabled maritime security architecture

Technology adoption is also becoming critical in shipping operations. India's fleet size increased to 1,592 vessels as of December 2025, with gross tonnage reaching 14.02 million, reflecting a gradual strengthening of domestic maritime assets. Parallelly, government policy under Maritime Amrit Kaal Vision 2047 emphasises indigenous shipbuilding, smart ports and green shipping, including adoption of alternative fuels such as green hydrogen and methanol, which will require advanced digital fleet management and fuel-efficiency technologies.

The defence segment represents a key component of this technology-led opportunity. The Indian Navy's Maritime Capability Perspective Plan 2022–37 provides a long-term framework for capability development and the induction of platforms, equipment and supporting infrastructure. The Navy is also expanding private-sector and start-up participation through programmes such as iDEX, SPRINT and the Make-I and Make-II categories, which promote indigenous design, prototyping and commercialisation of defence technologies; as of October 2025, 194 innovation and indigenisation projects were underway across these initiatives. At the same time, the growth of India's blue economy, spanning fisheries, offshore energy, coastal infrastructure and seaborne trade, heightens the need to secure ports, offshore assets, shipping routes and marine resources, driving demand for integrated surveillance systems, including coastal radar networks, satellite and aerial monitoring, autonomous platforms and command-and-control solutions.

The next phase of growth in India's maritime sector is expected to be shaped by the convergence of commercial digitalisation and defence-led capability development. This creates long-term opportunities for providers of unmanned surface vessels,

autonomous underwater vehicles, maritime drones, surveillance payloads, communication systems, AI-based maritime analytics and command-and-control solutions across naval, coast guard, port-security and commercial applications.

Relevance of Unmanned Systems for Maritime Sector

Unmanned systems are relevant to the maritime sector because they can perform missions that are repetitive, hazardous, time-sensitive or difficult for crewed assets to execute cost-effectively. UAVs can support port surveillance, coastal monitoring, search and rescue, anti-piracy operations and over-the-horizon reconnaissance. USVs can be used for harbour patrol, hydrographic survey, coastal surveillance, mine-countermeasure support, environmental monitoring and offshore asset inspection. UUVs can support seabed mapping, subsea infrastructure inspection, underwater surveillance, mine detection, oceanographic research and anti-submarine warfare support. Together, these systems can improve maritime domain awareness, reduce personnel exposure, lower operating costs and enable more frequent data collection across India's maritime ecosystem.

Table 3: Importance of Unmanned Systems for Maritime Sector

Maritime Use Case	Relevance of Unmanned Systems	Applicable Platforms
Port and harbour security	Continuous monitoring of port approaches, berths, restricted zones, anchorages and vessel movement.	UAVs, USVs, fixed cameras, sensor networks.
Coastal and EEZ surveillance	Persistent monitoring of fishing activity, suspicious vessels, smuggling, piracy, illegal activity and maritime traffic.	UAVs, USVs, HALE / MALE drones, maritime patrol UAVs.
Hydrographic survey and dredging support	Faster and safer collection of bathymetric data for navigation channels, ports, inland waterways and coastal infrastructure.	USVs, UAVs, survey payloads, sonar-equipped platforms.
Offshore energy and subsea infrastructure inspection	Inspection of offshore platforms, subsea pipelines, cables, wind assets and underwater structures with reduced diver exposure.	UUVs, ROVs, USVs, UAVs.
Oceanographic and environmental monitoring	Water-quality monitoring, pollution tracking, oil-spill detection, marine research and climate-data collection.	USVs, UUVs, underwater gliders, UAVs.
Search and rescue and disaster response	Rapid area scanning, real-time imagery, emergency logistics and coordination during maritime distress or cyclones.	UAVs, USVs, shipborne drones.
Naval and defence operations	Support for ISR, mine countermeasures, anti-submarine warfare support, maritime interdiction, fleet surveillance and communication relay.	UAVs, USVs, UUVs, autonomous swarms.
Smart ports and logistics efficiency	Automated monitoring of assets, cargo areas, safety zones, vessel movement and port infrastructure.	UAVs, USVs, IoT sensors, digital command platforms.

The maritime sector is also important because it is one of the most difficult environments in which to deploy autonomy. Unmanned maritime systems must operate in harsh sea states, corrosive conditions, poor visibility, dense vessel traffic, changing currents, GPS-degraded areas, limited underwater communication and long-duration mission profiles. USVs are continuously affected by six degrees of freedom—surge, sway, heave, roll, pitch and yaw—which simultaneously alter the platform's position and orientation. This complicates stability control, sensor performance, autonomous navigation, collision avoidance and launch-and-recovery operations, particularly under adverse sea conditions. UUVs face additional challenges from increasing hydrostatic pressure at greater depths, requiring pressure-resistant hulls, watertight seals, specialised materials and protected electronics. Torpedo-shaped UUVs must balance such structural requirements with hydrodynamic efficiency, payload capacity, manoeuvrability and energy consumption. Surface systems must also comply with collision-avoidance rules and interact safely with crewed vessels, while underwater systems must navigate with limited communication and sensor visibility. These challenges make maritime autonomy difficult to develop and validate, but they also create a strong technological moat for companies that can build reliable platforms, autonomy software, sensor fusion, navigation systems, communication resilience and mission-control capabilities.

For India, the relevance of unmanned systems is expected to increase as maritime infrastructure, port-led development, shipbuilding, coastal shipping, inland waterways, offshore energy and naval modernisation continue to expand. The move towards smart ports, green vessels, maritime domain awareness, indigenous shipbuilding and blue-economy development will require higher levels of automation, real-time data collection and autonomous inspection. As a result, the maritime sector provides a large and strategically important market for UAVs, USVs, UUVs and integrated autonomy software, with applications spanning defence, commercial shipping, ports, inland waterways, offshore energy, environmental monitoring and disaster response.

Unmanned Systems Industry

Definition of Unmanned Systems

Unmanned systems refer to platforms that operate without an onboard human operator and are either remotely controlled, semi-autonomous or fully autonomous depending on mission requirements. These systems typically consist of a vehicle or platform, control station, communication link, sensors, payloads, navigation systems, power systems and mission software. While the

term “drone” is commonly used for aerial platforms, unmanned systems cover a wider set of technologies operating across air, land, surface and underwater domains.

Unmanned systems are broadly classified into unmanned aerial vehicles (UAVs), unmanned ground vehicles (UGVs), unmanned surface vehicles (USVs) and unmanned underwater vehicles (UUVs). UAVs operate in the air and are used for surveillance, reconnaissance, mapping, logistics and combat support. UGVs operate on land and are used for explosive ordnance disposal, perimeter security, logistics and high-risk ground operations. USVs operate on the water surface and are used for maritime surveillance, hydrographic survey, harbour security and mine countermeasure support. UUVs operate below the water surface and are used for underwater inspection, seabed mapping, mine detection, surveillance and oceanographic missions.

Chart 19: Adoption of Unmanned Systems in Key Countries



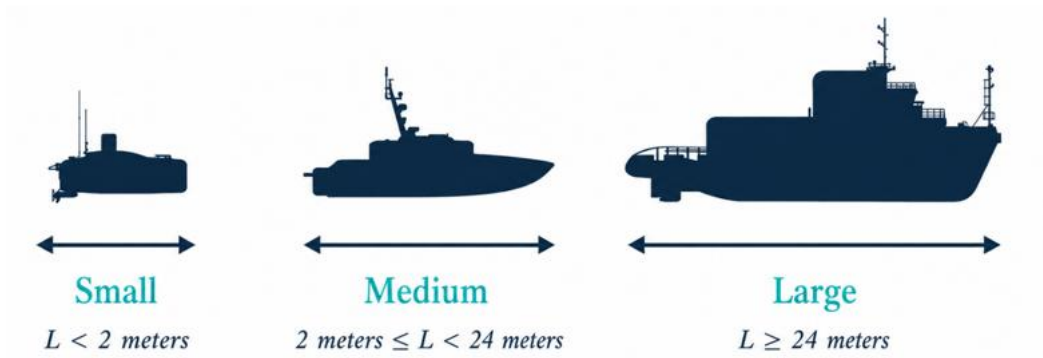
Overview on Types of Unmanned Systems

- **Unmanned Surface Vehicles (USV)**

USVs are remotely operated or autonomous marine platforms that operate on the water surface for defence, security, commercial and scientific applications. The industry is gaining importance as navies, coast guards, port authorities and commercial operators seek platforms that can perform high-risk, repetitive and data-intensive missions without exposing personnel to hazardous marine environments. In defence applications, USVs are increasingly being deployed or tested for intelligence, surveillance and reconnaissance (ISR), mine countermeasures, anti-submarine warfare support, coastal patrol, harbour protection and maritime domain awareness. Their ability to operate in contested or dangerous waters, support distributed maritime operations and work alongside UAVs and UUVs makes them an important component of modern multi-domain unmanned operations.

Commercial and civil adoption of USVs is also increasing across offshore oil and gas, offshore wind, hydrographic survey, oceanographic research, environmental monitoring, port operations and disaster response. The sector is benefiting from advances in artificial intelligence, autonomous navigation, sensor fusion, satellite communication, hybrid propulsion and modular payload integration, enabling longer-duration missions and lower operating costs compared with crewed vessels in selected use cases. Collaboration between shipbuilders, technology companies, defence contractors and maritime start-ups is supporting the development of smaller, cost-effective, solar-powered and hybrid USVs tailored for different mission profiles.

- **Classification of USVs by Size**

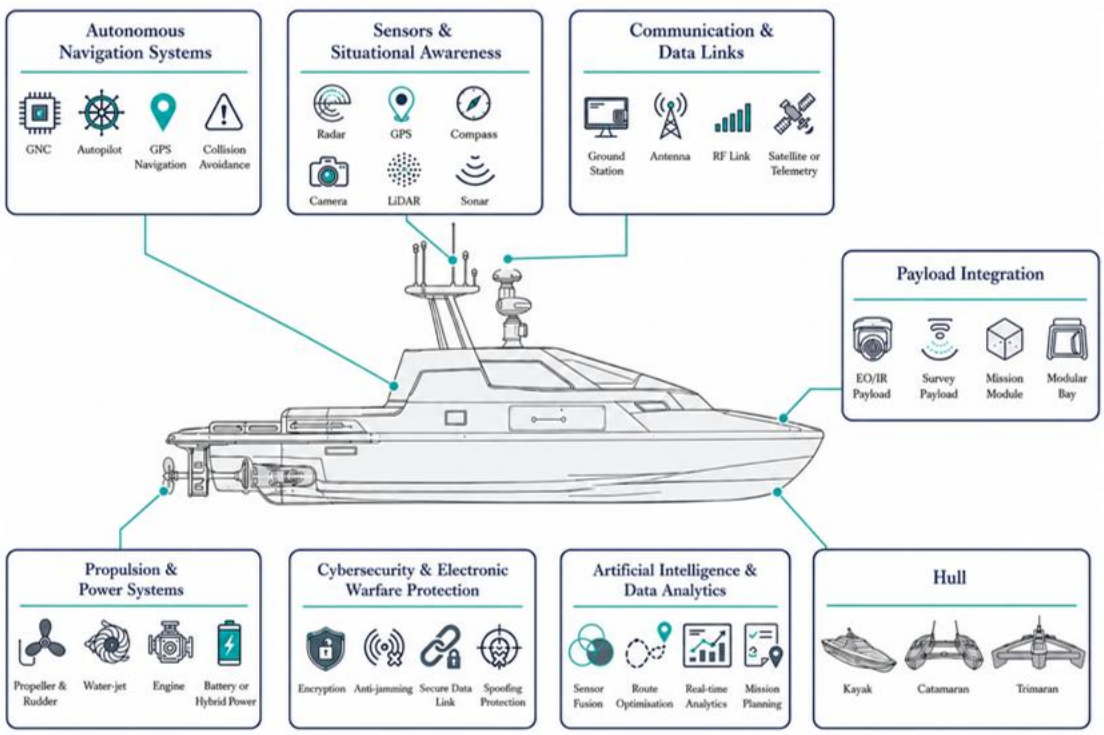


Unmanned Surface Vehicles (USVs) can be classified by size into small, medium and large platforms, depending on hull length, payload capacity, endurance and mission profile. Small USVs, typically below 2 metres, are compact platforms used for nearshore inspection, inland-waterway monitoring, environmental sensing, training and short-duration survey missions. Medium USVs, ranging from 2 metres to 24 metres, form the most versatile category and are used across hydrographic survey, port security, coastal surveillance, mine-countermeasure support, offshore inspection and maritime data collection. Large USVs, above 24 metres, are designed for longer-endurance and higher-payload missions, including naval surveillance, anti-submarine warfare support, autonomous logistics, maritime patrol and multi-domain operations in coordination with UAVs and UUVs.

- **Types of USVs**

USVs can be classified by mode of operation into **Remotely Operated Surface Vehicles (ROSVs)** and **Autonomous Surface Vehicles (ASVs)**. ROSVs are controlled by human operators through communication links and are generally used where direct supervision is required, such as port security, harbour patrol, inspection, survey and missions in restricted or sensitive waters. ASVs, on the other hand, operate with higher levels of onboard autonomy and can execute pre-defined or adaptive missions using navigation systems, sensors, collision-avoidance algorithms, communication systems and mission software. ASVs are increasingly relevant for long-duration surveillance, hydrographic survey, environmental monitoring, coastal patrol and defence applications where reduced human intervention and persistent operations are required.

- **Technology Stack in USVs**



The performance of Unmanned Surface Vehicles (USVs) is determined by the integration of marine engineering, onboard autonomy, sensors, communication systems, payloads and cybersecurity architecture. Unlike land-based unmanned systems, USVs operate in a dynamic marine environment where waves, currents, saltwater exposure, wind, vessel traffic and communication limitations directly affect platform stability, navigation, endurance and mission reliability. Therefore, the technology stack of a USV is not limited to software or autonomy alone but extends from hull design and propulsion to sensor fusion, mission payloads and secure data links.

Technology Component	Role in USVs	Importance
Hull Design	The hull determines the basic marine performance of the USV, including stability, buoyancy, hydrodynamic efficiency, speed, endurance, payload-carrying capacity and survivability in different sea states. Hulls may use lightweight composites, reinforced aluminium or other marine-grade materials depending on mission requirements.	A well-designed hull reduces drag, improves fuel or battery efficiency, enhances stability during sensor operations and supports longer missions. It is also important for stealth, wave-handling ability, deck recovery and survivability in rough marine conditions.

Autonomous Navigation Systems	These systems enable the USV to plan routes, maintain heading, avoid obstacles, follow waypoints and operate with limited human intervention. They typically combine GNSS, inertial navigation systems, autopilot, radar, AIS, electronic charts and collision-avoidance algorithms.	Autonomous navigation is critical for safe operation in congested ports, littoral waters, offshore environments and defence missions. It enables long-duration missions, reduces operator workload and supports operations in degraded communication conditions.
Sensors & Situational Awareness	USVs use a combination of radar, LiDAR, EO/IR cameras, sonar, AIS receivers, weather sensors and environmental sensors to detect vessels, obstacles, coastlines, floating debris and underwater or surface threats.	Sensor integration improves situational awareness, target detection, collision avoidance and mission accuracy. Multi-sensor fusion allows the platform to build a real-time operating picture, which is essential for surveillance, mine countermeasures, hydrographic survey and maritime security missions.
Propulsion & Power Systems	USVs may use electric motors, diesel engines, hybrid propulsion, solar-assisted power systems, lithium-ion batteries or fuel-cell-based systems, depending on endurance, speed, payload and noise requirements.	Propulsion and power systems determine range, endurance, acoustic signature, speed and operating cost. Electric propulsion supports low-noise operations, while hybrid and diesel systems are suitable for longer-range missions.
Communication & Data Links	USVs rely on radio frequency links, satellite communication, 4G/5G networks, mesh networks and encrypted datalinks for command, telemetry, payload data transfer and mission updates.	Reliable communication is essential for remote operation, fleet coordination, live video transmission and command-and-control. Since maritime communication can degrade with distance, sea state and line-of-sight limitations, USVs require a redundant and secure communication architecture.
Payload Integration	Payloads may include EO/IR cameras, radar, sonar, hydrographic survey equipment, mine-countermeasure systems, environmental sensors, communication relay equipment, electronic warfare payloads or weapon systems, depending on mission type.	Modular payload integration allows the same USV platform to support multiple use cases such as ISR, port security, mine detection, oceanographic research, offshore inspection and maritime surveillance.
Cybersecurity & Electronic Warfare Protection	USVs require protection against spoofing, jamming, unauthorised access, data interception, remote takeover and electronic warfare threats. This includes encrypted communication, secure software, anti-jamming systems, access controls and fail-safe modes.	Cybersecurity is critical because USVs are connected and remotely controlled assets. In defence and critical infrastructure missions, compromised systems can lead to mission failure, data loss or hostile takeover.
Artificial Intelligence & Data Analytics	AI supports object detection, route optimisation, anomaly detection, sensor fusion, target classification, autonomous decision-making, mission planning and predictive maintenance. Data analytics helps process mission data for operational and intelligence use.	AI and analytics improve autonomy, reduce operator workload and allow USVs to operate more effectively in complex marine environments. These capabilities are increasingly important for long-duration surveillance, swarm operations and multi-domain missions involving UAVs, UUVs and crewed vessels.

- **Unmanned Underwater Vehicles (UUVs)**

Unmanned Underwater Vehicles (UUVs) are remotely operated or autonomous platforms designed to operate below the water surface for defence, commercial, scientific and environmental applications. The Unmanned Underwater Vehicle industry is emerging as a key segment within the broader unmanned systems market, driven by increasing demand for underwater surveillance, mine countermeasures, seabed mapping, oceanographic research and protection of critical subsea infrastructure. UUVs play a strategic role across naval and commercial applications by enabling operations in deep, hostile and difficult-to-access underwater environments without risking human life.

The market is shaped by factors such as defence modernisation, growing geopolitical focus on undersea warfare, offshore energy exploration and continuous advancements in autonomy, sensors, battery systems and underwater communication technologies. Compared with other unmanned systems like UAVs, the UUV segment remains at an early stage of development, but it is positioned for steady long-term expansion as technological capabilities improve, and operational requirements evolve across defence, research and industrial sectors.

- **Types of UUVs**

UUVs can be classified into remotely operated vehicles, autonomously operated vehicles, hybrid underwater vehicles and gliders, based on their operating mode, level of autonomy and mission endurance. **Remotely operated vehicles** are tethered or

operator-controlled systems used for underwater inspection, repair, survey and intervention tasks where real-time human control is required. **Autonomously operated vehicles** conduct underwater missions with limited human intervention using onboard navigation, sensors, mission software and power systems, making them suitable for mine countermeasures, ISR, seabed mapping, anti-submarine warfare support and long-duration surveillance. This category also includes advanced platforms such as XLUUVs, which are extra-large underwater vehicles designed for long-range missions and higher payload carriage, and ULAUV-type concepts, where an underwater vehicle can support the launch of unmanned aerial platforms for ISR, communication relay or multi-domain operations. **Hybrid underwater vehicles** combine features of remotely operated and autonomous systems, allowing flexibility across inspection and mission-specific underwater tasks. **Gliders** are long-endurance, low-power underwater vehicles that use buoyancy-driven propulsion and are primarily used for oceanographic research, environmental monitoring and long-duration data collection.

- **Unmanned Aerial Vehicles (UAVs)**

Unmanned Aerial Vehicles (UAVs), commonly referred to as drones, are aircraft systems that operate without an onboard human pilot and are controlled either remotely, semi-autonomously or autonomously through onboard sensors, flight-control systems, communication links and mission software. The Unmanned Aerial Vehicle industry represents the most mature and widely adopted segment within the broader unmanned systems market, supported by its extensive use across defence, homeland security, agriculture, logistics, infrastructure inspection, surveillance, mapping and disaster management. UAVs have gained strong relevance due to their ability to provide real-time aerial intelligence, reduce human risk and operate across diverse terrains and mission environments at relatively lower cost compared with manned platforms.

The market is driven by rising defence modernisation, increasing demand for intelligence, surveillance and reconnaissance capabilities, growth in commercial drone applications and continued advancements in autonomy, sensors, artificial intelligence, communication systems and payload integration. With expanding use cases across both military and civilian domains, UAVs are expected to remain the dominant unmanned systems category, while regulatory support and improving indigenous manufacturing capabilities are likely to further strengthen market adoption over the long term.

- **Types of UAVs**

UAVs can be classified into fixed-wing, single-rotor, multi-rotor and hybrid VTOL platforms, depending on their structure, flight mechanism, endurance and operating use case**. Fixed-wing UAVs** have aircraft-like wings and are suitable for long-range, high-endurance missions such as surveillance, mapping, border monitoring, agriculture assessment and maritime patrol. **Single-rotor UAVs** operate like helicopters and offer better payload capacity and endurance compared with small multi-rotor drones, making them useful for specialised inspection and tactical operations. **Multi-rotor UAVs**, including quadcopters and hexacopters, are widely used for short-duration missions such as photography, survey, inspection, agriculture spraying and public safety due to their vertical take-off capability and manoeuvrability. **Hybrid UAVs** combine fixed-wing endurance with vertical take-off and landing capability, making them suitable for operations where runway access is limited but longer range is required.

- **Unmanned Ground Vehicles (UGVs)**

Unmanned Ground Vehicles (UGVs) are land-based robotic platforms designed to operate without an onboard human operator and may be controlled remotely, semi-autonomously or autonomously through onboard sensors, navigation systems, communication links and mission software. The UGV industry is emerging as an important segment within the broader unmanned systems market, supported by increasing deployment across defence, homeland security, mining, industrial inspection, logistics, disaster response and hazardous-material handling. UGVs are particularly relevant for missions involving difficult terrain, explosive threats, contaminated environments and other high-risk operating conditions where direct human deployment may be unsafe or operationally constrained.

The market is being shaped by defence modernisation, growing emphasis on soldier safety and advancements in artificial intelligence, robotics, sensor fusion, edge computing and autonomous navigation. UGVs can be configured as wheeled, tracked, legged or hybrid platforms and equipped with modular payloads for surveillance, reconnaissance, logistics, explosive ordnance disposal, casualty evacuation, mine detection and combat-support applications.

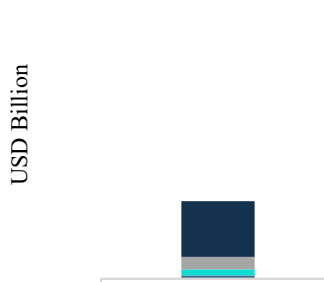
Global Unmanned Systems Industry

At present, the nature of modern warfare and industrial operations is undergoing a structural transformation, driven by the increasing complexity of conflict environments, the emergence of hybrid warfare, and the need for persistent, data-driven decision-making. This shift is compelling defence forces and commercial operators globally to revisit their operational guidelines and invest in unmanned systems across air, land and maritime domains. As multi-domain operations become central to both military and civilian applications, unmanned systems are evolving into critical force multipliers, enabling enhanced situational awareness, precision engagement, operational efficiency and reduced human risk.

The global unmanned systems market was valued at USD 37.4 billion in CY25 and is projected to reach USD 70.3 billion by CY30P, growing at a CAGR of 13.4% during CY25-30P. The growth is being driven by increasing defence spending, the need to modernise legacy platforms, and rapid advancements in enabling technologies such as artificial intelligence (AI), autonomous navigation, sensor fusion, edge computing and secure communication systems.

- **By Type**

Chart 20: Market Size of Global Unmanned Systems



	CY20	CY25	CY30P	CAGR (CY20-CY25)	CAGR (CY25-CY30)
UAV	14.4	27.4	48.8	13.7%	12.2%
UUV	3.2	6.1	14.6	13.4%	19.1%
UGV	1.6	2.5	4.2	9.3%	10.8%
USV	0.9	1.4	2.7	10.5%	14.1%
Total	20.1	37.4	70.3	13.2%	13.4%

Source: CareEdge Research

UAVs lead the unmanned systems market, driven by defence modernisation, commercial use and expanding global drone programmes.

Unmanned Aerial Vehicles (UAVs) continue to dominate the unmanned systems market, accounting for 73.3% of the total market in CY25, valued at USD 27.4 billion and expected to reach USD 48.8 billion at a CAGR of 12.2%, supported by expanding defence and commercial applications. This growth trend is supported by significant government initiatives and investments globally. The United States has strengthened its focus through the establishment of the Director for Unmanned and Autonomous Systems (DRPM-UxS) and continued funding for advanced drone programmes, while the United Kingdom's £5 billion investment in AI-enabled unmanned systems highlights a long-term commitment to multi-domain integration. India is accelerating adoption through initiatives such as Digital Sky and iDEX, alongside procurement of MALE drones, and China continues to scale production and deployment capabilities. These developments, along with increasing adoption of loitering munitions and drone swarms as seen in the Russia–Ukraine conflict, support sustained demand and growth for UAVs.

Marine unmanned systems gain momentum as maritime security and undersea surveillance become strategic priorities.

Unmanned Underwater Vehicles (UUVs) and Unmanned Surface Vehicles (USVs) are expected to be the fastest-growing segments at a CAGR of 19.1% and 14.1%, respectively, during CY25–30P, driven by rising geopolitical focus on maritime security and undersea infrastructure. Strategic initiatives such as the AUKUS partnership (a trilateral security partnership between Australia, the United Kingdom, and the United States) are accelerating development of advanced undersea capabilities, while the US Navy's investments in Medium Uncrewed Surface Vessels (MUSVs) and extra-large UUVs (XLUUVs), along with China's expansion of subsea surveillance networks and USV fleets, and India's growing focus on indigenous UUV development and autonomous maritime surveillance programmes under initiatives such as DRDO-led projects and the Indian Navy's unmanned roadmap, are reinforcing long-term growth prospects for marine unmanned systems.

Despite strong growth potential, marine autonomy remains the most technically challenging domain to scale. UUVs and USVs must operate in highly dynamic and unpredictable environments characterised by hydrodynamic forces, wave and current interactions, buoyancy management, corrosion and water ingress risks. Underwater operations are further constrained by GPS-denied conditions, limited communication bandwidth and complex perception challenges due to low visibility and cluttered environments. Additionally, launch and recovery operations, particularly in rough sea conditions or near moving vessels, add significant operational complexity. These factors require advanced engineering, robust autonomy algorithms, specialised materials and high-reliability systems, making marine autonomy significantly more difficult to develop and deploy at scale compared to aerial or ground systems.

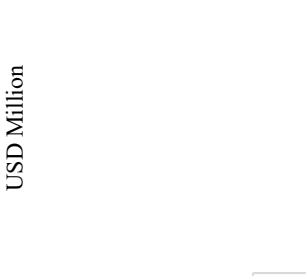
- **By Region**

- **USVs**

The USV market is evolving in response to a broader transformation in maritime operations, where increasing operational complexity, heightened security concerns and the need for continuous, data-driven monitoring are reshaping both defence and commercial strategies. As a result, the global USV market was valued at USD 1,399.1 million in CY25 and is projected to reach USD 2,701.0 million by CY30P, growing at a CAGR of 14.1% during CY25-30P. **North America** remained the largest regional market in CY25 at USD 490.7 million and is projected to reach USD 838.5 million by CY30P, supported by strong naval modernisation, high defence R&D spending, unmanned maritime initiatives by defence and homeland security agencies, and commercial deployment across offshore energy, environmental monitoring and marine research. The region benefits from the

presence of major USV manufacturers, advanced electronics supply chains, satellite communication capability and regulatory progress for autonomous maritime systems, making it the most mature market for both defence and commercial USV deployment.

Chart 21: Global Market Size of USVs



	CY20	CY25	CY30P	CAGR (CY20-CY25)	CAGR (CY25-CY30)
North America	285.1	490.7	838.5	11.5%	11.3%
APAC	178.5	433.2	1,061.2	19.4%	19.6%
Europe	229.4	286.5	468.1	4.6%	10.3%
Middle East & Africa	142.1	171.3	303.1	3.8%	12.1%
South America	15.0	17.3	30.1	2.9%	11.7%
Total	850.0	1,399.1	2,701.0	10.5%	14.1%

Source: CareEdge Research

APAC is expected to be the fastest-growing region, growing from USD 433.2 million in CY25 to USD 1,061.2 million by CY30P at a CAGR of 19.6%, driven by maritime territorial disputes, naval modernisation, coastal infrastructure expansion and rising adoption supported by developments such as China's increasing deployment of autonomous surface vessels for maritime surveillance and hydrographic survey, India's initiatives under its naval modernisation programs to integrate unmanned systems for maritime security operations, Japan's use of USVs for offshore infrastructure inspection and disaster monitoring.

Europe is projected to grow from USD 286.5million in CY25 to USD 468.1 million by CY30P, supported by developments such as the UK Royal Navy's deployment of autonomous mine-hunting systems under its Mine Countermeasures and Hydrographic Capability (MHC) program, France's and Belgium–Netherlands joint initiatives for next-generation mine countermeasure vessels integrating USVs, increasing use of USVs for offshore wind farm inspection and maintenance across the North Sea, and growing adoption for monitoring and protection of subsea cables and critical underwater infrastructure. Meanwhile, the Middle East & Africa and South America remain relatively smaller markets with gradual growth, primarily supported by maritime security, offshore energy inspection and port monitoring applications.

- **UUVs**

The global UUV market is witnessing strong growth driven by increasing demand for autonomous underwater operations across defence, offshore energy, scientific research and subsea infrastructure monitoring. The global UUV market was valued at USD 6.1 billion in CY25, and is projected to reach USD 14.6 billion by CY30P, growing at a CAGR of 19.1% during CY25-30P. **Europe** was the largest regional market in CY25, valued at USD 2.1 billion and accounting for around 34.7% of the global market, supported by mine-countermeasure modernisation programmes such as the UK and France-led Maritime Mine Counter Measures (MMCM) initiative, increased deployment of autonomous systems for protecting subsea cables and pipelines in the North Sea following incidents such as the Nord Stream pipeline explosions and suspected sabotage of Baltic Sea communication cables, expansion of offshore wind and oil & gas inspection activities, and growing naval investments in undersea surveillance capabilities across NATO countries.

Chart 22: Global Market Size of UUVs



	CY20	CY25	CY30P	CAGR (CY20-CY25)	CAGR (CY25-CY30)
Europe	0.9	2.1	5.0	18.4%	18.7%
Asia Pacific	1.0	1.7	4.3	12.3%	20.3%
North America	1.0	1.6	3.8	9.3%	19.0%
Middle East & Africa	0.2	0.4	1.0	16.0%	18.2%
South America	0.2	0.2	0.5	9.3%	17.0%
Total	3.2	6.1	14.6	13.4%	19.1%

Source: CareEdge Research

North America valued at USD 1.6 billion in CY25 and is projected to reach USD 3.8 billion by CY30P, driven by advanced naval unmanned programmes such as the US Navy's Large Displacement Unmanned Undersea Vehicle (LDUUV) and Orca XLUUV programmes, increasing deployment of REMUS and Bluefin AUVs for mine countermeasures and seabed mapping, rising investments in undersea domain awareness through initiatives like the Integrated Undersea Surveillance System (IUSS), growing anti-submarine warfare requirements in response to increased submarine activity in the Atlantic and Pacific, as well as expanding use of UUVs in deep-sea exploration missions by NOAA and offshore inspection activities in the Gulf of Mexico.

Asia Pacific is expected to be the fastest-growing region, expanding from USD 1.7 billion in CY25 to USD 4.3 billion by CY30P, registering a CAGR of 20.3% during CY25-30P. The growth in the region is expected to be driven by intensifying maritime territorial disputes and defence modernisation initiatives, such as China's continued deployment of large-displacement UUVs and seabed sensor networks in the South China Sea, India's DRDO-led development of autonomous underwater vehicles for surveillance and mine countermeasures, and Japan's investment in advanced UUV systems for anti-submarine warfare and seabed monitoring. In parallel, countries such as South Korea and Australia are expanding submarine fleets and integrating unmanned systems into naval operations, with Australia's AUKUS partnership emphasising undersea capability enhancement. The growth in **Middle East & Africa** market is supported by offshore oil and gas inspection, port security and maritime infrastructure monitoring, while **South America** remains the smallest regional market, with demand led by offshore energy, hydrographic survey, marine research and environmental monitoring.

- **UAVs**

The global UAV market is witnessing strong growth driven by increasing demand for autonomous aerial operations across defence, commercial, industrial and public-sector applications. The global UAV market was valued at USD 27.4 billion in CY25 and is projected to reach USD 48.8 billion by CY30P, growing at a CAGR of 12.2% during CY25-30P.

Chart 23: Global Market Size of UAVs



	CY20	CY25	CY30P	CAGR (CY20-CY25)	CAGR (CY25-CY30)
North America	6.8	12.2	21.1	12.4%	11.6%
Europe	3.4	7.0	11.9	15.5%	11.2%
Asia Pacific	3.1	5.7	10.8	12.7%	13.8%
Middle East & Africa	1.0	2.3	4.5	17.9%	14.3%
Latin America	0.1	0.3	0.6	23.3%	15.1%
Total	14.4	27.4	48.8	13.7%	12.2%

Source: Markets & Markets, CareEdge Research

North America is expected to remain the largest market, increasing from USD 12.2 billion in CY25 to USD 21.1 billion by CY30P, supported by strong defence modernisation, high adoption of UAVs across military and homeland security applications, commercial drone deployment in agriculture, logistics and infrastructure monitoring, and regulatory progress around advanced drone operations, including continued expansion of advanced UAV procurement by the U.S. Department of Defence and regulatory initiatives by the Federal Aviation Administration (FAA) such as Beyond Visual Line of Sight (BVLOS) approvals and the Integration Pilot Program, enabling wider commercial drone operations across logistics and infrastructure inspection. **Europe** is projected to grow from USD 7.0 billion to USD 11.9 billion over the same period, supported by increasing defence spending, demand for ISR and border-security UAVs, the Russia-Ukraine conflict-driven emphasis on drone warfare, and the implementation unified drone regulations by European Union Aviation Safety Agency (EASA) enabling cross-border commercial drone operations, supporting growth in sectors such as infrastructure inspection and urban air mobility pilots.

Asia Pacific is expected to grow from USD 5.7 billion in CY25 to USD 10.8 billion by CY30P at a CAGR of 13.8%, driven by rising defence procurement, indigenous UAV manufacturing, China's strength in drone and battery supply chains, and India's push for domestic drone manufacturing, supported by policy initiatives such as the Production-Linked Incentive (PLI) scheme and regulatory liberalisation, alongside growing use of UAVs across agriculture, infrastructure, mining, logistics and public-sector programmes. The **Middle East & Africa** market is expected to witness strong growth, driven by increasing investments in border surveillance, critical infrastructure protection, oil and gas monitoring, counter-UAV capabilities and broader defence modernisation across countries such as Israel, Saudi Arabia, the UAE and South Africa. The growth in **Latin America** is supported by rising adoption of UAVs in agriculture, mining, environmental monitoring, public safety and border surveillance, particularly in Brazil and other resource-rich economies.

- **UGVs**

The global UGV market has demonstrated strong growth over the past five years, increasing from USD 1,612.4 million in CY20 to USD 2,513.8 million in CY25, reflecting a CAGR of 9.3%. This growth has been primarily driven by increasing number of defence modernisation programmes, rising geopolitical tensions and the growing emphasis on deploying autonomous systems to enhance operational effectiveness while minimising life risks to military personnel. UGVs are increasingly being adopted for intelligence, surveillance and reconnaissance (ISR), explosive ordnance disposal (EOD), logistics support, border security, combat support and autonomous resupply, supported by rapid advancements in AI, autonomous navigation, sensor fusion and human-machine teaming technologies.

Chart 24: Global Market Size of UGVs



	CY20	CY25	CY30P	CAGR (CY20-CY25)	CAGR (CY25-CY30)
North America	576.8	863.1	1,374.8	8.4%	9.8%
Europe	447.2	702.9	1,205.7	9.5%	11.4%
Asia Pacific	327.3	546.9	976.2	10.8%	12.3%
Middle East & Africa	243.3	375.7	611.4	9.1%	10.2%
Latin America	17.8	25.2	38.8	7.2%	9.0%
Total	1,612.4	2,513.8	4,206.9	9.3%	10.8%

Source: Markets & Markets, CareEdge Research; P: Projected

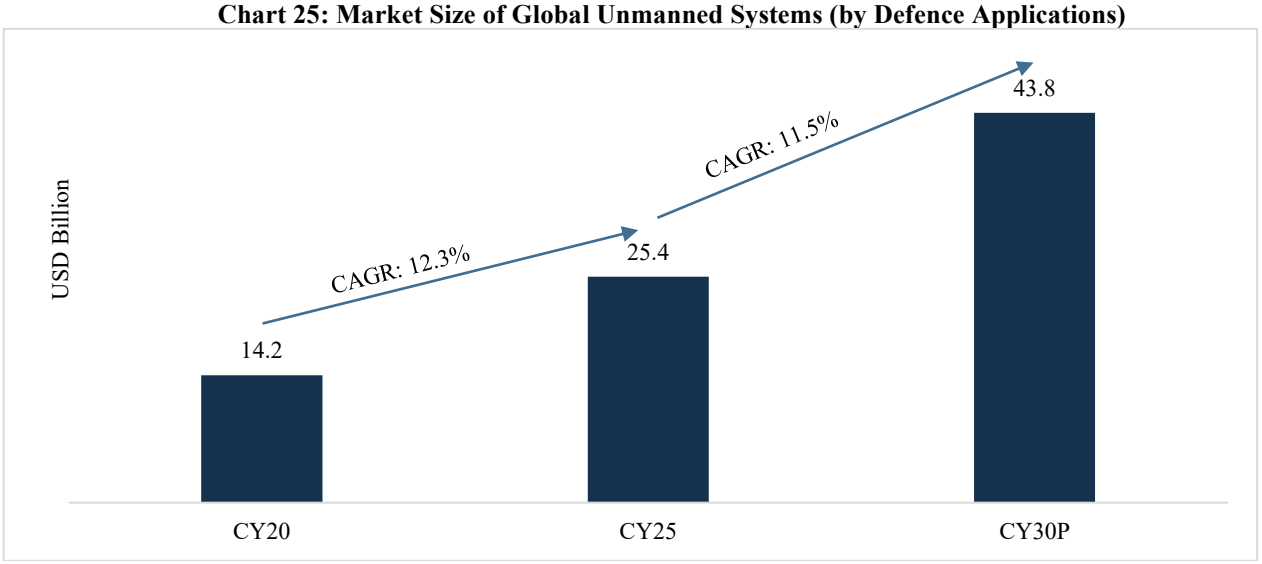
Going forward, the global UGV market is projected to expand at a CAGR of 10.8% during CY25–CY30, reaching approximately USD 4,206.9 million by CY30. The accelerated growth is expected to be fuelled by rising defence budgets, increasing procurement of next-generation robotic combat vehicles, and greater integration of autonomous platforms into future battlefield doctrines. **North America** is expected to remain the largest regional market, supported by sustained investments in advanced military technologies and large-scale procurement programmes, while **Europe** will continue to witness strong demand driven by military modernization initiatives and enhanced defence spending across NATO member nations. The **Asia-Pacific region** is projected to be the fastest-growing market, expanding at a CAGR of 12.3% during CY25–CY30, driven by increasing indigenous UGV development, expanding defence budgets, and heightened regional security concerns. Overall, the market is expected to benefit from the growing adoption of AI-enabled autonomous systems, positioning UGVs as a critical component of next-generation land warfare and multi-domain defence operations.

- **By Use Cases**

Defence & Government remains the largest application within the global unmanned system market, valued at USD 25.4 billion in CY25 and is projected to reach USD 43.8 billion by CY30P, growing at a CAGR of 11.5% during CY25-30P. The segment accounted for around 67.8% of the total market in CY25, reflecting the central role of unmanned systems in ISR, border

surveillance, maritime domain awareness, precision strike, loitering munitions, counter-UAS, mine countermeasures and high-risk logistics. The growth is expected to be supported by a structural shift in defence procurement from legacy systems towards distributed, replaceable and software-defined unmanned systems. Developments such as the United States' Replicator initiative to deploy large numbers of autonomous and uncrewed systems, the growing use of loitering munitions and tactical drones in the Russia-Ukraine war, and AUKUS-led focus on unmanned undersea vehicles indicate that defence users are moving unmanned systems from experimental deployments to core operational capability. While growth remains strong, the segment's share is expected to moderate to around 62.4% by CY30 as civil usage expand at a faster rate.

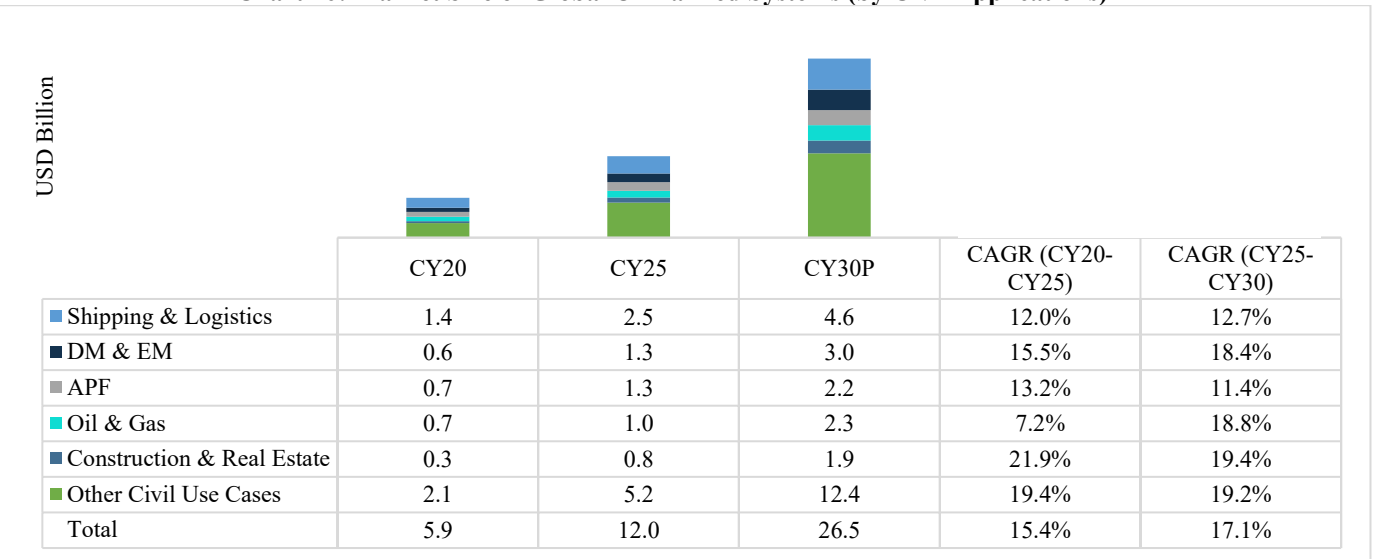
Chart 25: Market Size of Global Unmanned Systems (by Defence Applications)



Source: Markets and Markets, CareEdge Research

Civil applications were valued at USD 12.0 billion in CY25 and are projected to reach USD 26.5 billion by CY30P, growing at a CAGR of 17.1% during CY25-30P. The civil market is expanding because unmanned systems are increasingly being used where operations are repetitive, hazardous, data-intensive or difficult to access manually. Shipping & Logistics remains the largest civil application, projected to grow from USD 2.5 billion in CY25 to USD 4.6 billion by CY30P, supported by warehouse-to-customer drone delivery, medical logistics, remote-area cargo movement and autonomous maritime logistics trials. Other large civil segments include disaster management & environmental monitoring, agriculture and oil & gas, which together account for 30% share of the civil market in CY25 due to their extensive need for surveillance, precision operations, inspection and real-time data collection across geographically dispersed and high-risk environments.

Chart 26: Market Size of Global Unmanned Systems (by Civil Applications)



	CY20	CY25	CY30P	CAGR (CY20-CY25)	CAGR (CY25-CY30)
Shipping & Logistics	1.4	2.5	4.6	12.0%	12.7%
DM & EM	0.6	1.3	3.0	15.5%	18.4%
APF	0.7	1.3	2.2	13.2%	11.4%
Oil & Gas	0.7	1.0	2.3	7.2%	18.8%
Construction & Real Estate	0.3	0.8	1.9	21.9%	19.4%
Other Civil Use Cases	2.1	5.2	12.4	19.4%	19.2%
Total	5.9	12.0	26.5	15.4%	17.1%

Source: Markets and Markets, CareEdge Research, DM & EM - Disaster Management & Environmental Monitoring, APF - Agriculture & Precision Farming, HSM - Hydrographic Survey & Mapping, Other Civil Use Cases includes Mining, Oceanography & Marine Research, Hydrographic Survey & Mapping, Renewable Energy, Fisheries & Aquaculture, Power & Utilities, Ports & Maritime Infrastructure, Telecom and Others.

The fastest growing applications are expected in oceanography and marine research, hydrographic survey, ports and maritime infrastructure, oil & gas, renewable energy, mining, fisheries & aquaculture and construction, with these segments expected to grow at CAGRs in the range of approximately 18-22% during CY25-30P. These segments are seeing rapid uptake of USVs for long-duration ocean data collection missions, UUVs for high-resolution seabed mapping and subsea asset inspection, and UAVs for automated inspection of wind farms, transmission networks and mining sites. In offshore wind projects, drones are replacing rope-access inspections for turbine blades, while in mining, UAV-based photogrammetry is being used for weekly stockpile

reconciliation instead of manual surveys. Similarly, hydrographic agencies are deploying autonomous surface vessels to conduct nearshore surveys at lower cost and higher frequency compared to crewed vessels, directly improving data refresh cycles and operational efficiency.

- **Key Players**

Name	Location	Key Products	Domains
Anduril	United States - Costa Mesa, California	UAVs / UAS: Ghost, Altius, Fury, Bolt; C-UAS / interceptor systems: Roadrunner, Anvil; UUV / AUV: Dive-LD, Ghost Shark XL-AUV, Copperhead; autonomy and command software: Lattice.	Air, Surface, Underwater, Software / Autonomy
Exail	France - La Garde	USV / UUV / AUV systems: DriX USV, Inspector 90 USV, A18 AUV, K-STER mine disposal drone, Seascan ROV; integrated mine countermeasure systems: UMIS.	Surface, Underwater
Saronic	United States - Austin, Texas	Autonomous Surface Vessels (ASVs): Spyglass, Cutlass and Corsair; autonomous maritime software and payload integration for naval and maritime missions.	Surface
AeroVironment	United States - Arlington, Virginia	UAVs / UAS: Puma 3 AE, JUMP 20-X, P550, Wasp; loitering munitions: Switchblade 300 and Switchblade 600; UGV / EOD systems: telemax EVO, tEODor EVO; C-UAS: Titan.	Air, Ground
Elbit Systems	Israel - Haifa	UAVs / UAS: Hermes 450, Hermes 900, Hermes 650 Spark, Skylark; loitering munition: SkyStriker; USV: Seagull / Silver Marlin; autonomy and C4ISR systems.	Air, Surface, Software / Autonomy
L3Harris Technologies	United States - Melbourne, Florida	UUV / AUV: Iver family of autonomous underwater vehicles; UGV / EOD: T7 Multi-Mission Robotic System; C-UAS: VAMPIRE; EO/IR payloads and ISR systems through WESCAM.	Underwater, Ground, Air
DJI	China - Shenzhen, Guangdong	Commercial UAVs: Matrice series, Mavic series, Phantom series; agriculture drones: Agras series; autonomous drone-in-a-box systems: DJI Dock; payloads, gimbals, cameras and flight-control systems.	Air
Northrop Grumman	United States - West Falls Church, Virginia	HALE UAVs / UAS: RQ-4 Global Hawk, MQ-4C Triton; VTOL naval UAV: MQ-8C Fire Scout; tactical UAV: Bat; autonomous ISR, maritime surveillance and mission systems.	Air, Surface

Indian Unmanned System Industry

- **Historical Market Size**

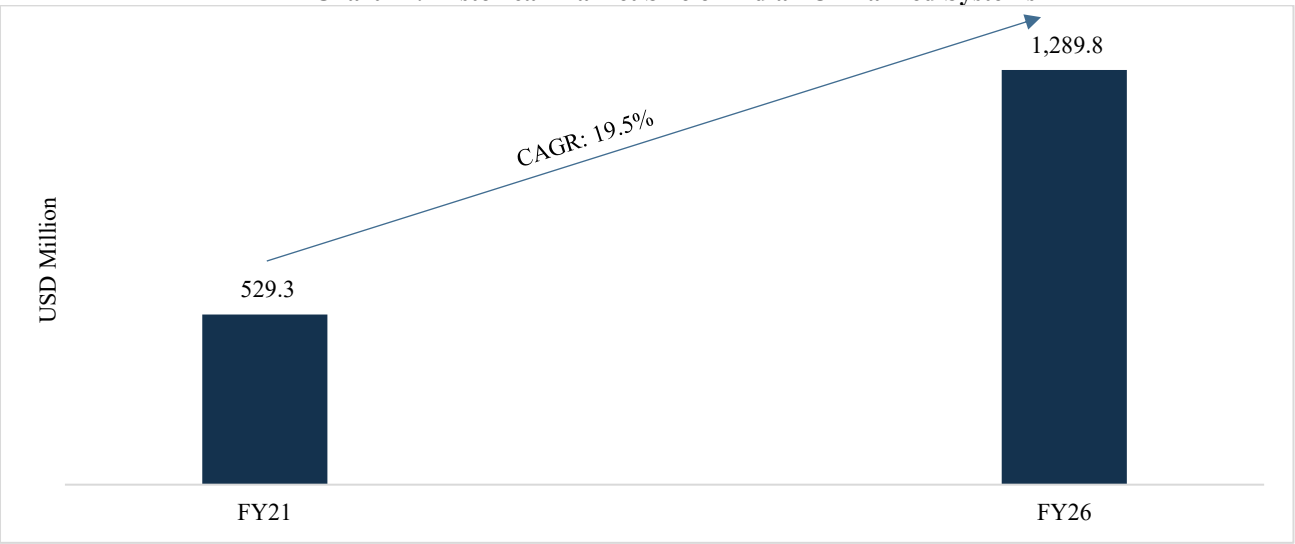
India's unmanned systems market is witnessing rapid evolution, driven by increasing defence modernisation efforts, rising geopolitical tensions, and growing adoption of unmanned technologies across commercial sectors such as agriculture, infrastructure, and logistics. Additionally, increasing investments in surveillance, border security, and maritime domain awareness are further strengthening demand across different unmanned system categories.

The Indian unmanned systems market increased from USD 529.3 million in FY21 to USD 1,289.8 million in FY26, registering a CAGR of 19.5% during the period. Despite this strong growth, the domestic market remains relatively nascent compared with the global unmanned systems industry in terms of market size, platform penetration, operational deployment and adoption across different unmanned-system categories. This indicates significant headroom for growth as indigenous capabilities mature and unmanned platforms are deployed more widely across defence and commercial applications.

The growth during FY21–FY26 was supported by sustained defence procurement of advanced unmanned platforms, increasing integration of autonomous systems across land, air and maritime domains and rising commercial adoption in agriculture, mining, logistics and infrastructure inspection. The period also witnessed large-scale defence acquisitions, indigenous development programmes led by DRDO and private players, and policy initiatives such as the Digital Sky platform and Production Linked Incentive (PLI) schemes. In parallel, USVs and UUVs gained traction during the period, driven by India's

expanding maritime security requirements, offshore energy activities and increasing focus on underwater surveillance and ocean research.

Chart 27: Historical Market Size of Indian Unmanned Systems



Source: CareEdge Research

Unmanned Aerial Vehicles (UAVs) is largest segment due to their versatility and scalability.

UAVs represent the largest and mature segment within the Indian unmanned systems market, accounting for approximately 78-83% of the total market in FY26. UAVs were deployed extensively across defence applications such as intelligence, surveillance and reconnaissance (ISR), border monitoring, precision strike capabilities and logistics, supported by procurements such as MQ-9B drones and indigenous UAV programmes. The operational deployment of drones and loitering munitions during Operation Sindoor further demonstrated their effectiveness in real-time surveillance, target acquisition and precision engagement, reinforcing their growing role in modern military operations. On the commercial side, UAVs were widely used in agriculture spraying, land mapping, highway monitoring, railway inspection, mining, infrastructure inspection and disaster response, with growing adoption of drone-as-a-service models. The supporting ecosystem also expanded significantly, as of February 2026, India had over 38,500 registered drones, approximately 39,890 certified remote pilots and 244 approved remote-pilot training organisations. The combination of relatively established regulations, domestic manufacturing incentives, scalable service models and wider availability of trained operators enabled UAV adoption to advance faster than other unmanned-system categories.

In comparison, **Unmanned Ground Vehicles (UGVs)** remain a smaller but strategically important segment, accounting for 5-8% in FY26, driven by their use in logistics support, explosive ordnance disposal, and high-risk military and internal security operations. The Defence Acquisition Council's 2023 approval for a ground-based autonomous system for mechanised infantry and armoured regiments provided a defined procurement pathway for platforms capable of carrying ammunition, fuel and spares and undertaking battlefield casualty evacuation. The deployment and demonstration of robotic mules and logistics platforms during the Bharat Shakti exercise in 2024 also reflected the increasing integration of ground robotics into military operations.

Unmanned Surface Vehicles (USVs) and Unmanned Underwater Vehicles (UUVs) are gaining traction due to India's increasing focus on maritime security and underwater capabilities.

UUVs represented approximately 8-12% of the market in FY26, supported by their use in underwater surveillance, mine countermeasures, hydrographic surveys, seabed mapping, ocean research and offshore infrastructure inspection. Remotely operated vehicles (ROVs) currently form a significant part of the UUV market, particularly in commercial applications requiring real-time human control, while autonomous underwater vehicles (AUVs) are gaining traction for defence, surveillance, survey and research missions requiring greater operational autonomy and coverage. During the period, the Indian Navy released its Integrated Unmanned Roadmap, while iDEX contracts covered unmanned surface and underwater vehicles, autonomous underwater swarm drones and technologies for underwater-domain awareness.

Recent procurement and development activity also indicates increasing domestic capability in the UUV segment. The iDEX list of successful products with procurement orders placed as of June 2026 included an AI-enabled, swarm-capable AUV developed by Sagar Defence Engineering for mine-countermeasure operations. It also included underwater ROVs developed by EyeROV and Coratia Technologies and an underwater navigation system for AUVs developed by Airbotix Technologies. In July 2026, Apollo Micro Systems received a Make-II Prototype Sanction Order from the Indian Navy to design and demonstrate SAVIOR-ASW, an autonomous semi-submersible platform intended for persistent anti-submarine warfare surveillance using acoustic sensors, AI/ML-based target classification and encrypted communications. Under the Make-II framework, procurement is envisaged subject to successful prototype demonstration. In November 2025, the DRDO also announced the successful development and field validation of man-portable autonomous underwater vehicles equipped with sonar, underwater cameras, deep-learning-based target recognition and inter-vehicle acoustic communication for mine-countermeasure missions.

In commercial adoption, a significant portion of current deployments is driven by remotely operated vehicles (ROVs), which are widely used for inspection, maintenance and repair of offshore infrastructure, underwater surveys requiring real-time human control, as they offer operational reliability in complex underwater environments due to tethered communication, enabling continuous power supply and high-bandwidth data transmission, although their range and manoeuvrability are constrained compared with fully autonomous systems.

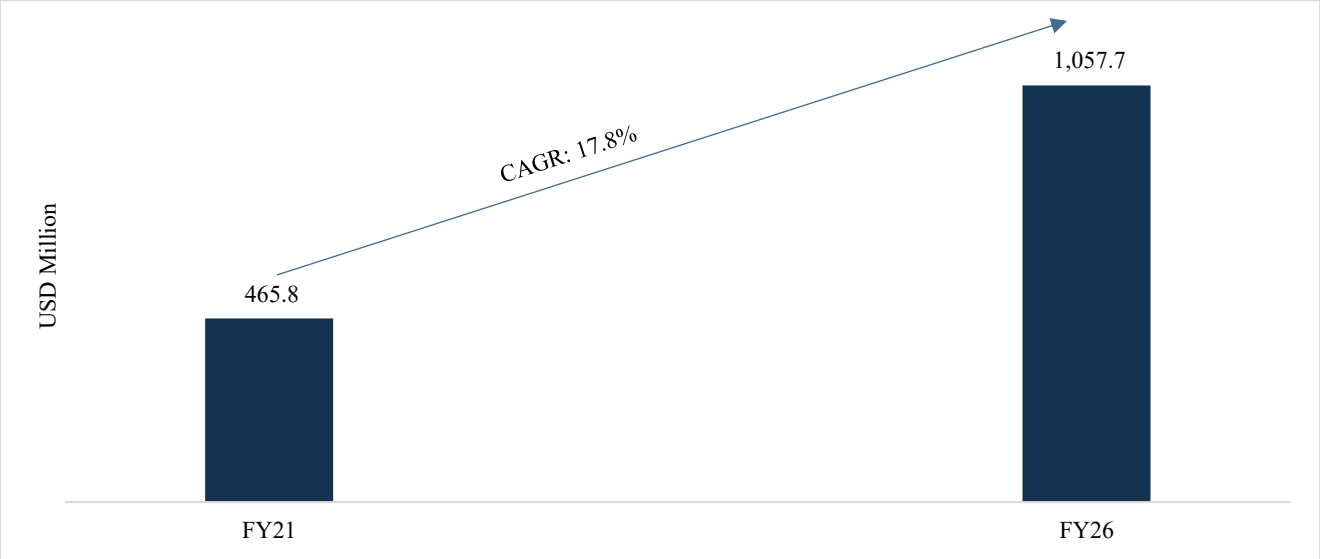
USVs remained at a nascent stage in India, accounting for approximately 2-4% of the market in FY26. The demand was primarily associated with coastal and harbour surveillance, maritime intelligence, hydrographic data collection, mine countermeasures and the monitoring of offshore and critical maritime assets. The Indian Navy's Integrated Unmanned Roadmap and iDEX challenges for unmanned surface and underwater platforms created a development pathway for domestic participants. Recent activity indicates that select programmes are progressing from prototype development towards initial induction. Sagar Defence Engineering secured an Indian Navy order for 12 autonomous weaponised fast-interceptor craft under the iDEX–SPRINT framework. The vessels are intended to support missions such as high-speed interdiction, surveillance, reconnaissance, coastal security and low-intensity maritime operations.

USV adoption remained at an earlier stage compared with UAVs, given the greater complexity of autonomous navigation, collision avoidance, communication and launch-and-recovery operations under changing sea states. Therefore, activity during this period remained more concentrated in indigenous development, prototyping and operational validation than in widespread fleet-scale deployment.

- **Historical Market Size by Use Cases**

Defence remained the largest application within India's unmanned systems market during FY21–FY26, supported by the growing deployment of unmanned platforms for intelligence, surveillance and reconnaissance (ISR), border monitoring, precision engagement, logistics, explosive-ordnance disposal and maritime-domain awareness. The Indian defence unmanned systems market increased from USD 465.8 million in FY21 to USD 1,057.7 million in FY26, registering a CAGR of 17.8% during the period. Defence applications accounted for approximately 88.0% of the overall Indian unmanned systems market in FY21 and around 82.0% in FY26. Defence continued to dominate the market due to the comparatively larger procurement value of military-grade platforms, specialised payloads, secure communication systems and mission-control infrastructure, along with the requirement for extensive testing, integration and lifecycle support.

Chart 28: Historical Market Size of Indian Unmanned Systems (by Defence Application)



Source: CareEdge Research

The growth during FY21–FY26 was supported by heightened demand for persistent surveillance and rapid-response capabilities along India's land and maritime borders. The Armed Forces progressively expanded the induction of tactical UAVs, loitering munitions and other niche unmanned technologies to improve long-range precision engagement and reduce personnel exposure in contested environments. In 2022, the Ministry of Defence reported that land- and sea-based loitering munitions were being inducted to strengthen targeting capabilities, demonstrating the movement of unmanned systems beyond conventional surveillance roles into tactical and combat applications. This shift towards advanced capabilities was further reflected in June 2023, the Defence Acquisition Council accorded Acceptance of Necessity for the procurement of 31 MQ-9B remotely piloted aircraft systems, comprising 16 SkyGuardian and 15 SeaGuardian platforms for the three Services. The procurement contract was subsequently signed in October 2024, indicating increased investment in long-endurance ISR, maritime surveillance and precision-strike capabilities.

The maritime segment gained strategic relevance during the period as the Indian Navy expanded its focus on uncrewed and autonomous capabilities. The Navy formulated an Integrated Unmanned Roadmap in 2021 and subsequently pursued capability development under the Indian Navy Vision for Unmanned Systems 2022–30. These frameworks provided direction for the development and induction of unmanned aerial, surface and underwater systems for maritime surveillance, mine countermeasures, anti-submarine warfare, hydrographic operations and protection of critical maritime assets.

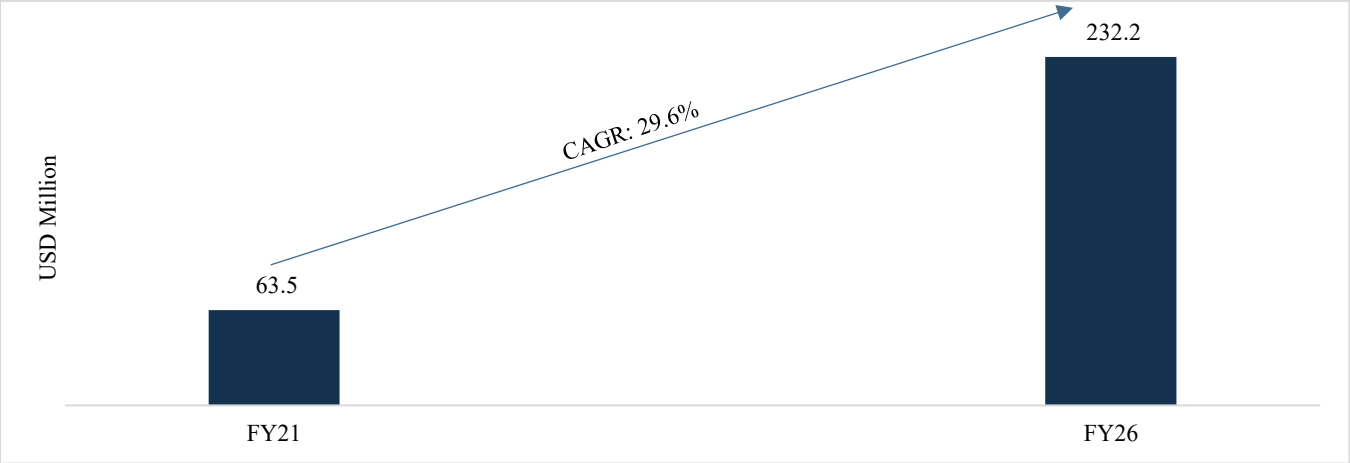
In addition, government-backed innovation and indigenisation programmes also expanded the domestic supply base. Initiatives such as iDEX, SPRINT, the Technology Development Fund and the Make-category procurement routes enabled start-ups, MSMEs and private companies to develop autonomous platforms, advanced sensors, navigation systems and mission technologies against requirements identified by the Armed Forces. By March 2026, iDEX had engaged 676 start-ups, MSMEs and innovators and facilitated 551 design and development contracts, supporting the transition of domestic participants from component development towards complete unmanned platforms and integrated solutions.

The operational role of unmanned systems became more visible during Operation Sindoor in 2025, when drones and loitering munitions were deployed for surveillance and precision engagement and operated alongside radar networks, air-defence systems and command centres. This demonstrated that unmanned platforms were increasingly being integrated into network-centric military operations rather than being deployed solely as standalone surveillance assets. Such operational validation strengthened the case for continued investment in indigenous drones, loitering munitions, autonomous navigation, secure communications and command-and-control technologies

Commercial Application

Commercial applications emerged as the fastest-growing segment within India's unmanned systems market during FY21–FY26, supported by the transition of drones and other unmanned platforms from demonstration-stage technologies towards routine surveying, monitoring, inspection and data-collection tools. The commercial unmanned systems market increased from USD 63.5 million in FY21 to USD 232.2 million in FY26, registering a CAGR of 29.6% during the period, while its share in the overall Indian unmanned systems market rose from approximately 12.0% in FY21 to around 18.0% in FY26. This growth was supported by wider deployment across agriculture and precision farming, construction and infrastructure, mining, power and utilities, oil and gas, telecom, disaster management, environmental monitoring, ports, hydrographic surveys, ocean research, fisheries and other civil applications, particularly in activities where conventional operations were labour-intensive, geographically dispersed, hazardous or dependent on frequent and accurate collection of visual and spatial data.

Chart 29: Historical Market Size of Indian Unmanned Systems (by Civil Applications)



Source: CareEdge Research

The expansion of commercial UAV applications was enabled by the introduction of the liberalised Drone Rules, 2021, the Digital Sky regulatory platform and measures supporting domestic manufacturing, including the Production Linked Incentive scheme and restrictions on the import of fully assembled drones. These interventions reduced regulatory barriers, improved the availability of locally manufactured platforms and encouraged the development of drone-service providers, remote-pilot training organisations and application-specific software and analytics solutions.

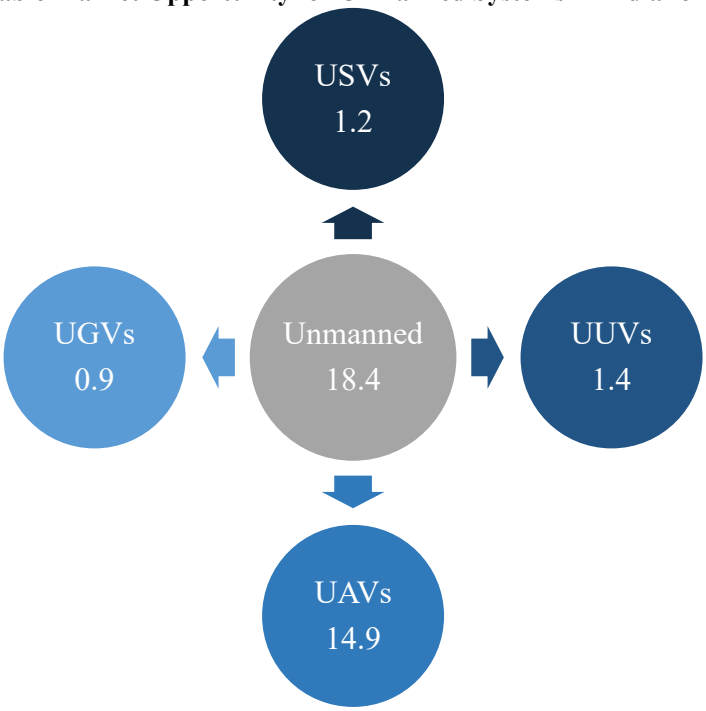
Agriculture, infrastructure, industrial inspection and disaster management collectively drove commercial adoption during the period, supported by government programmes and expanding use cases. Under the SVAMITVA scheme, drone surveys were completed across approximately 3.28 lakh villages by December 2025, while the Namo Drone Didi scheme, with an outlay of Rs 12.61 billion, enabled the distribution of 1,094 drones to women self-help groups by FY24 to support agricultural services. In infrastructure, the National Highways Authority of India mandated monthly drone-based monitoring for highway projects in June 2021, alongside increasing use in railways, urban planning and telecom inspection. Industrial sectors such as mining, oil and gas and power utilities adopted drones for surveying, inspection and asset monitoring, including deployments by Coal India and NTPC. Additionally, drones were increasingly used for disaster management and environmental monitoring, enabling rapid assessment, mapping and inspection in hazardous or inaccessible areas.

Marine-linked commercial applications remained smaller than aerial applications but gained technological and operational relevance during FY21–FY26. UAVs, USVs, UUVs and remotely operated vehicles were increasingly evaluated or deployed for port and harbour surveys, hydrographic mapping, underwater inspection, offshore infrastructure monitoring, oceanographic research and environmental data collection. In 2023, the National Technology Centre for Ports, Waterways and Coasts introduced an indigenously developed USV capable of undertaking autonomous hydrographic surveys and transmitting data over long distances. Indigenous solutions subsequently included autonomous hydrographic and oceanographic survey systems with intelligent obstacle avoidance, demonstrating the gradual movement of marine unmanned systems from research and prototype development towards specialised commercial applications.

- **Total Addressable Market Opportunity for Unmanned System Market in India for the next 5 years**

India's unmanned systems market presents a total addressable opportunity of approximately USD 18.4 billion over the next five years, spanning unmanned aerial, ground, surface and underwater platforms. The opportunity is expected to be supported by defence modernisation, indigenous procurement, expanding commercial applications and increasing adoption of autonomous technologies across surveillance, logistics, inspection, security and maritime operations.

Chart 30: Total Addressable Market Opportunity for Unmanned Systems in India for the next 5 years (USD Billion)



Source: CareEdge Research

Total Addressable Market Opportunity for Unmanned Surface Vehicles (USVs) in India for the next 5 years

India's Unmanned Surface Vehicle market presents a total addressable opportunity of approximately USD 1.2 billion over the next five years. The market is supported by a combination of strategic, security, policy and commercial factors that position it as an emerging segment within the broader unmanned systems ecosystem. India's maritime geography, comprises a coastline of approximately 11,098.8 km and an Exclusive Economic Zone of over 2.4 million square kilometres, together with rising maritime activity across the Indian Ocean Region, is increasing the requirement for persistent and cost-efficient surface surveillance, monitoring and interdiction capabilities. USVs can maintain an operational presence across extended maritime areas without the crew rotation, onboard accommodation and life-support requirements associated with manned patrol vessels and can operate alongside naval vessels, aircraft and other unmanned systems in coordinated maritime operations.

From a defence perspective, demand is expected to be driven primarily by the Indian Navy and the Indian Coast Guard. Potential applications include intelligence, surveillance and reconnaissance, harbour and naval-base protection, mine-countermeasure support, anti-submarine warfare support, coastal patrol, anti-smuggling operations, search and rescue and armed interdiction. In addition to platform procurement, the market is expected to generate recurring lifecycle revenues from the integration and replacement of sensors and payloads, autonomy-software upgrades, secure communication systems, fleet-management solutions, maintenance, repair and overhaul and platform refurbishment.

Demand visibility is being strengthened by the Indian Navy's long-term indigenisation and unmanned-system development frameworks. The Indian Naval Indigenisation Plan 2015–2030, the Integrated Unmanned Roadmap, Swavlamban 3.0 Indigenisation Plan (2023) and the Indian Navy's vision for unmanned systems provide direction to domestic companies regarding the development of autonomous surface, subsurface and aerial capabilities. These are complemented by the SPRINT initiative, launched through the Naval Innovation and Indigenisation Organisation and iDEX, which was initially aimed at inducting at least 75 indigenous technologies and products into the Navy and is supporting private sector and start-up participation in defence technology. Programmes under iDEX, the Naval Innovation and Indigenisation Organisation (NIIO), the Technology Development Acceleration Cell (TDAC) and the Technology Development Fund are accelerating indigenous maritime autonomy development by providing prototype funding, testing and procurement pathways. In addition, initiatives such as the Technology Perspective and Capability Roadmap (TPCR) and the Indian Naval Maritime Strategy 2026 (INMSS-26) are guiding long-term capability development and operational priorities in unmanned and autonomous maritime systems. The Defence Acquisition Procedure further supports this ecosystem by giving the highest procurement priority to the Buy (Indian-IDDM) category, thereby reducing the gap between technology development and commercial defence orders for indigenous USV manufacturers.

Recent acquisition decisions provide a more direct indication of the emerging procurement opportunity. In August 2025, the Defence Acquisition Council approved the procurement of Compact Autonomous Surface Craft for the Indian Navy as part of a wider package of defence acquisitions, reinforcing the Navy's movement from technology demonstrations towards the induction of operational autonomous surface platforms. Further, the Navy's indigenously constructed multi-purpose vessels are being designed to operate autonomous, remotely operated and unmanned vessels, creating the supporting launch, recovery and command infrastructure required for wider fleet deployment. These developments can support demand not only for standalone USVs, but also for compatible control stations, launch-and-recovery systems, payloads and multi-platform command-and-control architectures.

The commercial opportunity is also significant. India's network of major and non-major ports, many of which are undergoing capacity expansion, provides scope for USV adoption in perimeter and harbour security, channel monitoring and hydrographic survey. Additional demand is expected from offshore oil and gas fields, subsea pipelines, offshore renewable energy projects and environmental monitoring, where autonomous surface platforms can reduce operating costs and improve survey efficiency. A further driver is the replacement and upgradation of traditional manned craft, as mission profiles transition to crew-optional and autonomous platforms and as existing vessels are retrofitted with autonomy and remote-operation capability.

Overall, the combination of naval modernisation, coastal security requirements, port infrastructure expansion, offshore asset growth and the transition from manned to unmanned platforms is expected to create a diversified addressable market for USVs in India. As indigenous design, manufacturing and integration capabilities mature, and as early export and regional maintenance, repair and overhaul opportunities develop, USVs are expected to move from experimental platforms to operational maritime assets across both defence and commercial applications, supporting demand for platforms as well as long-term aftermarket and support services.

Total Addressable Market Opportunity for Unmanned Underwater Vehicles (UUVs) in India for the next 5 years

India's Unmanned Underwater Vehicle market presents a total addressable opportunity of approximately USD 1.4 billion over the next five years. The market is supported by a combination of strategic, security, policy, scientific and commercial factors, positioning it as an attractive emerging segment within the broader unmanned-systems ecosystem. With India's coastline of 11,098.8 km and an Exclusive Economic Zone exceeding 2.4 million square kilometres, together with increasing naval and commercial activity across the Indian Ocean Region, creates a growing requirement for persistent underwater surveillance, inspection, survey and reconnaissance capabilities. UUVs are particularly relevant for missions in deep, hazardous or contested underwater environments where crewed platforms may be costly, operationally constrained or exposed to significant risk.

From a defence perspective, the Indian Navy is expected to remain the principal source of demand. India's naval commands, island territories, ports, dockyards, strategic chokepoints and critical maritime infrastructure require continuous underwater-domain awareness. Potential applications include intelligence, surveillance and reconnaissance, harbour and naval-base protection, mine detection and neutralisation, seabed mapping, hydrographic surveys, anti-submarine warfare support and inspection of underwater infrastructure. The Indian Coast Guard, port-security agencies and other maritime authorities may represent additional opportunities for underwater inspection, search-and-rescue support and protection of coastal assets, although procurement visibility is presently stronger for the Indian Navy.

A significant demand indicator emerged in July 2025, when the Defence Acquisition Council accorded Acceptance of Necessity for the procurement of Submersible Autonomous Vessels as part of 10 capital-acquisition proposals valued at approximately Rs 1.05 trillion under the Buy (Indian-Indigenously Designed, Developed and Manufactured) category, signalling a shift from development to operational induction of indigenous UUVs. Demand visibility is further supported by the Indian Navy's Integrated Unmanned Roadmap and indigenisation initiatives such as the Indian Naval Indigenisation Plan 2015–2030, SPRINT, iDEX and related programmes, which are expanding private-sector participation across areas including autonomous platforms, sonar, acoustic communication, navigation and mine-countermeasure technologies. The induction of four Survey Vessel (Large) ships between 2023 and 2026, equipped with AUVs, ROVs and advanced hydrographic systems, demonstrates the integration of UUVs into naval operations and creates demand for associated systems such as launch-and-recovery equipment, control stations, payloads and data-processing solutions. Mine-countermeasure operations are expected to be a key application area, with UUVs offering safer alternatives to conventional mine clearance, supported by DRDO-developed man-portable systems for mine detection and neutralisation, enabling deployment across both shallow and deep-water missions. In addition to platform acquisitions, the market is expected to benefit from recurring lifecycle revenues related to maintenance, upgrades, spares, software enhancements and fleet replacement requirements.

The commercial and scientific opportunity is expanding through the Government's Deep Ocean Mission, launched in 2021 with a budget of Rs 40.77 billion, which supports deep-sea exploration, underwater robotics, ocean observation and seabed-resource technologies. Autonomous underwater surveys under the programme have already identified hydrothermal vents in the Indian Ocean, highlighting the role of AUVs in mineral exploration and research, while also fostering collaboration across government, academia and industry. Beyond this, India's ports, offshore energy assets, subsea pipelines, cables and coastal infrastructure present a broad commercial opportunity, where UUVs can support inspection, surveys, environmental monitoring and seabed mapping more efficiently and safely than traditional methods.

Overall, the convergence of direct naval procurement approvals, indigenous-development policies, mine-countermeasure requirements, expanding hydrographic capability, the Deep Ocean Mission and increasing inspection requirements across offshore infrastructure is expected to create a diversified addressable market for UUVs in India over the next five years. As indigenous platforms progress from research and demonstration towards operational induction, companies with proven

capabilities in underwater autonomy, sonar integration, acoustic communication, navigation, marine engineering and lifecycle support are likely to be better positioned to capture opportunities across both defence and commercial applications.

Total Addressable Market Opportunity for Unmanned Aerial Vehicles (UAVs) in India for the next 5 years

India's Unmanned Aerial Vehicle market presents a total addressable opportunity of approximately USD 14.9 billion over the next five years. It is the largest and most established segment within the domestic unmanned-systems industry, supported by national-security requirements, defence modernisation, indigenisation policies and expanding commercial deployment. Evolving security conditions along India's land borders and maritime approaches, together with the growing importance of persistent surveillance, precision engagement and network-centric operations, are increasing the strategic relevance of UAVs across intelligence, surveillance and reconnaissance, tactical combat, logistics, communication relay and counter-terrorism applications.

From a defence perspective, demand is expected to be driven by multi-service procurement across the capability spectrum. At the strategic level, Medium-Altitude Long-Endurance and High-Altitude Long-Endurance platforms, both imported and indigenously developed, are expected to enhance persistent intelligence, surveillance and reconnaissance across land borders and maritime approaches. At the tactical level, the armed forces are expected to require substantial volumes of short- and medium-range systems for battlefield ISR, in addition to a growing category of loitering munitions and first-person-view platforms. Procurement is further shaped by a policy emphasis on self-reliance, including import substitution of legacy foreign fleets, positive indigenisation lists and emergency procurement provisions. This demand is reflected in India's acquisition pipeline, including the procurement of 31 MQ-9B SkyGuardian and SeaGuardian aircraft and the Defence Acquisition Council's Acceptance of Necessity in August 2025 for MALE UAVs under proposals valued at approximately Rs 670 billion. The programme signals significant opportunities across airframes, payloads, communication systems, ground-control infrastructure and lifecycle services.

Operational developments such as Operation Sindoor have further accelerated demand by demonstrating the effectiveness of drones and loitering munitions in surveillance, precision engagement and integrated network-centric warfare, while also highlighting the need for counter-UAS capabilities. As a result, procurement is expected to expand beyond conventional UAVs to include autonomous swarms, electronic-warfare-enabled platforms and specialised payloads.

The commercial segment provides a separate and increasingly diversified addressable opportunity. UAV adoption is expanding across agriculture and precision farming, rural land mapping, mining, oil and gas, power transmission, telecommunications, highways, railways, construction, real estate, disaster management and environmental monitoring. Across these applications, drones can reduce survey time, improve data accuracy, enable recurring inspection and limit personnel exposure in geographically dispersed or hazardous operating environments. This creates demand not only for aerial platforms, but also for multispectral cameras, LiDAR, thermal sensors, mapping software, analytics, cloud-based data platforms and managed Drone-as-a-Service offerings.

Further, India's emerging defence-export orientation provides an additional growth avenue. Defence exports reached Rs 384.2 billion in FY26 and the Government has set a target of Rs 500 billion by 2029. While the target applies to the overall defence sector rather than UAVs alone, the expanding domestic base of tactical drones, loitering munitions, surveillance systems and associated payloads provides an opportunity for Indian manufacturers to target countries seeking cost-efficient alternatives to larger global defence platforms.

Overall, the combination of defence modernisation, indigenisation policy, precision-strike capability development, broad-based commercial adoption and an emerging export orientation is expected to create a large and diversified addressable market for UAVs in India. As domestic manufacturing capability increases and Indian platforms gain acceptance in international markets, UAVs are expected to remain a central component of both defence and civil operations, supporting sustained demand for platforms alongside long-term payload, software and aftermarket revenues.

Total Addressable Market Opportunity for Unmanned Ground Vehicles (UGVs) in India for the next 5 years

India's Unmanned Ground Vehicle market presents a total addressable opportunity of approximately USD 0.9 billion over the next five years. The market is emerging as a significant opportunity within the broader defence robotics and autonomous systems ecosystem, driven by the increasing need to improve soldier safety, enhance operational effectiveness and reduce manpower exposure in high-risk environments. As the Indian Armed Forces continue to modernise their capabilities and incorporate autonomous technologies into battlefield operations, UGVs are increasingly being deployed across logistics, surveillance, reconnaissance and explosive ordnance disposal missions. This evolution is expected to create a sizeable procurement opportunity over the next five years, supported by both fleet expansion and replacement demand.

Quadruped robotic systems, commonly referred to as robotic mules, are expected to represent an important opportunity, particularly for operations in mountainous, high-altitude and inaccessible border areas. These platforms can carry ammunition, communication equipment, medical supplies, sensors and other mission-critical payloads over terrain where conventional wheeled vehicles may have limited mobility. Their use can reduce the physical load carried by soldiers, improve the regularity of last-mile supply and support reconnaissance and perimeter-security missions. Robotic mules were demonstrated during the Bharat Shakti tri-services exercise in March 2024 and were subsequently showcased by the Indian Army as quadrupedal UGVs for reconnaissance and perimeter security, indicating their increasing operational relevance. Given India's extensive deployment across mountainous regions, border areas and high-altitude terrain, the adoption of robotic mules is expected to increase steadily

as the Armed Forces seek to improve mobility, reduce soldier fatigue and enhance operational efficiency. The opportunity is further supported by the need to expand the installed fleet as usage levels increase.

A second major demand driver is expected to come from Explosive Ordnance Disposal (EOD) and ordnance-handling robots, which allow security forces to safely identify, inspect and neutralise explosive threats while minimising risk to personnel. As counter-terrorism, border security and base protection requirements continue to evolve, demand is expected from the Army, paramilitary forces, specialised bomb disposal units and other security agencies. Growing emphasis on force protection and operational safety is expected to support sustained procurement of these systems across a range of defence and security applications.

Humanoid robotic systems represent an emerging category within the defence robotics landscape. Advances in artificial intelligence, autonomous navigation and human-machine collaboration are expanding the potential use cases of these platforms for logistics support, hazardous operations and semi-autonomous mission execution. As defence organisations globally continue to evaluate next-generation robotic capabilities, India is also expected to explore deployment across select military applications, creating an incremental opportunity.

The addressable market extends beyond first-time platform acquisitions. Defence robotic fleets generally require periodic replacement, maintenance, refurbishment and technology upgrades, particularly as systems operate in harsh terrains and mission-critical environments. In addition, operational wear and tear, battlefield losses and equipment damage are expected to drive replacement demand over time. A growing installed base is expected to generate recurring demand for spare parts, batteries, software updates, sensors, payload integration and fleet replenishment programs, supporting a sustained revenue opportunity throughout the lifecycle of deployed systems.

Collectively, defence modernisation initiatives, increasing focus on force protection and the growing adoption of autonomous technologies are creating a significant opportunity for UGVs in India. As robotic systems become increasingly integrated into military operations, UGVs are expected to become an important component of future battlefield deployments, supporting sustained demand for platforms and lifecycle support services.

- **Key Players**

Name	Location	Key Products	Domains Covered	Autonomous Capabilities
ideaForge Technology	Mumbai, Maharashtra	Industrial and defence UAVs, swarming solutions and drone-in-a-box systems.	Aerial	Yes
Garuda Aerospace	Chennai, Tamil Nadu	Multi-role UAVs for defence, agriculture, surveillance, logistics, and disaster response operations.	Aerial	Yes
ANA Drone System	Gurugram, Haryana	Endurance UAVs, VTOL platforms and ISR solutions for defence, surveillance and mapping.	Aerial	Yes
Raphe Defence Mphibr	Noida, Uttar Pradesh	High-endurance UAVs, VTOL platforms, loitering munitions, and tactical unmanned systems for defence missions.	Aerial	Yes
Asteria Aerospace	Bengaluru, Karnataka	Enterprise and defence UAVs, drone analytics platforms, and AI-enabled surveillance systems.	Aerial	Yes
NewSpace Research & Technologies	Bengaluru, Karnataka	Swarm drones, autonomous UAV systems, UGVs, AI-based mission planning platforms, and defence-grade unmanned solutions.	Aerial, Land	Yes
Aereo	Bengaluru, Karnataka	Survey-grade UAVs, mapping drones, and geospatial intelligence solutions for infrastructure and defence applications.	Aerial	Yes
Aeroarc Private Limited	India	UAV and UGV platforms for surveillance, reconnaissance, and industrial inspection applications.	Aerial, Land	Yes
Sagar Defence Engineering	Mumbai, Maharashtra	USVs, UUVs, UAVs, UGVs and integrated autonomous solutions for defence and maritime applications.	Aerial, Surface, Underwater, Land	Yes
Bharat Electronics Limited	Bengaluru, Karnataka	Advanced electronic systems, radar, electronic warfare (EW), C4ISR and electro-optics for UAVs, UGVs and naval platforms.	Aerial, Land, Surface, Underwater	Partial (systems support autonomy)
Mazagon Dock Shipbuilders Limited	Mumbai, Maharashtra	Shipbuilding and marine systems including swarm autonomous underwater vessels (AUVs).	Underwater	Yes

Indian Value Chain and Vertical Integration in Unmanned Systems

The key elements in the value chain of the unmanned systems market include raw material, subsystem and component suppliers, software providers, system manufacturers (OEMs), system integrators, and end users, forming a comprehensive framework that drives the production, delivery, and sustained operation of unmanned systems.



The first layer consists of **raw material, subsystem and component providers**. These include suppliers of metals, composites, electronics, motors, batteries, propulsion systems, embedded systems, EO/IR cameras, LiDAR, radar, sonar, GPS/INS, navigation modules, data links, antennas, control units, actuators and payload components. These components are supplied by companies such as Paras Defence and Space Technologies, which provides defence and space optics, optronic systems, rugged computing systems and sensing electronics, and Data Patterns, which develops radar, electronic-warfare, avionics, communication and high-performance embedded-computing products. This foundational layer determines the technical capability, reliability and cost structure of unmanned platforms. While India remains largely dependent on imports for several critical raw materials, there has been significant progress in domestic availability of components and subsystems. As Indian demand scales across defence and commercial applications, localisation of these subsystems is becoming critical to reduce import dependence, improve supply-chain resilience and enable faster upgrades.

The second layer consists of **software-only and data-led solution providers**. These players develop autonomy stacks, mission planning software, fleet management platforms, AI-enabled analytics, computer vision, swarming algorithms, sensor fusion, cybersecurity solutions, simulation tools and command-and-control dashboards. This segment remains at a very nascent stage in India. While software capabilities for traditional defence systems are relatively established, fully integrated autonomy stacks for unmanned and multi-platform systems are largely absent in the domestic ecosystem. There is currently a significant gap in indigenous solutions for autonomous operations. As unmanned systems evolve, software is increasingly becoming a key differentiator in unmanned systems, as users demand real-time data processing, autonomous navigation, target recognition, predictive maintenance, multi-platform coordination and secure communication.

The third layer consists of **OEMs (Original Equipment Manufacturers)** that design and manufacture unmanned platforms. Indian OEMs include ideaForge and Raphe mPhibr in aerial systems, Sagar Defence Engineering in unmanned surface, underwater, aerial and ground platforms, EyeROV in underwater robotic systems and Bharat Electronics in aerial, ground and surface unmanned systems. These players develop UAVs, UGVs, USVs and UUVs, along with associated airframes, hulls, chassis, propulsion systems, power systems, ground control stations and platform-level control systems. OEMs convert user requirements into deployable platforms and are increasingly focusing on indigenous design, modular architectures and mission-specific configurations.

The fourth layer consists of **system integrators** that combine platforms with mission payloads, sensors, communication networks, command-and-control systems and operational workflows. System integrators include several Indian companies operating in defence electronics, engineering and platform integration, including Larsen & Toubro, Bharat Electronics, Data Patterns and Sagar Defence Engineering. System integrators configure unmanned systems for specific missions such as intelligence, surveillance and reconnaissance, border monitoring, mine detection, harbour security, logistics support, target acquisition, inspection and disaster response. Their role is critical in ensuring interoperability, performance optimisation, testing, user training and lifecycle support.

The final layer consists of **end users** that shape demand, policy direction, certification and procurement across defence, civil and commercial applications, generating demand across surveillance, mapping, inspection, agriculture, logistics, disaster response and infrastructure monitoring. Defence users include the Indian Army, Indian Navy, Indian Air Force, Indian Coast Guard and central armed police forces. Government and civil users include the Survey of India, which uses drones for large-scale mapping under the SVAMITVA scheme, and the National Highways Authority of India, which uses drone-based monitoring for highway projects. Commercial users span agriculture, mining, oil and gas, power and utilities, telecommunications, construction, ports and infrastructure operators. Examples include Hindalco, which has used drone-based mapping and volumetric analytics for mining operations, and Pipeline Infrastructure Limited, which has used drones for pipeline surveillance and right-of-use monitoring.

Vertical integration is becoming increasingly relevant in India's unmanned systems ecosystem. Companies that can span multiple layers of the value chain - from components and embedded systems to software, platform manufacturing, system integration and lifecycle support - are better positioned to meet defence and commercial requirements. Such integration enhances control over intellectual property, reduces dependence on external vendors, enables faster customisation, improves data security and strengthens maintenance responsiveness.

Key Growth Drivers for Unmanned System Industry

India's unmanned systems industry is being driven by the convergence of defence modernisation, border security requirements, commercial adoption, policy support and advances in autonomous technologies. The market is gradually moving beyond small UAVs and surveillance drones towards a broader ecosystem covering UAVs, UGVs, USVs, UUVs, counter-UAS systems, payloads, autonomy software, command-and-control systems and lifecycle support. Demand is being supported by both defence and commercial applications, with use cases expanding across military operations, homeland security, maritime surveillance, agriculture, infrastructure inspection, logistics, disaster management and industrial automation.

Growth Drivers	Description
Evolving defence and security environment	• India's security requirements across land borders, maritime zones and internal security areas are increasing the relevance of unmanned systems. • UAVs are being used for ISR, border monitoring, target acquisition and tactical operations, while UGVs, USVs and UUVs are gaining relevance for explosive ordnance disposal, logistics support, port security, mine countermeasures, coastal surveillance and maritime domain awareness.
Rising defence expenditure and indigenous procurement	• India's defence modernisation plans, capital acquisition outlay and reservation of procurement for the domestic industry are supporting demand for indigenous unmanned platforms and subsystems. • Initiatives such as Make in India, iDEX, Technology Development Fund and defence indigenisation programmes are creating opportunities for domestic OEMs, subsystem providers, software companies and system integrators. In addition, fast-track procurement procedures and emergency procurement mechanisms are enabling quicker induction of unmanned systems. • Large upcoming procurement programmes, including planned orders for ISR drones, loitering munitions and tactical UAVs, along with naval indigenisation initiatives such as the Indian Naval Indigenisation Plan (INIP) 2015–2030, are expected to generate sustained demand for domestic manufacturers across aerial, surface and underwater unmanned platforms.
Expansion of commercial and civil use cases	• Commercial adoption is increasing across agriculture, land mapping, mining, infrastructure inspection, power transmission inspection, oil and gas monitoring, disaster response, logistics and media production. • Drone-based rural land mapping, agricultural spraying and infrastructure monitoring are improving the adoption of unmanned systems beyond defence applications.
Strengthening of policy and operating ecosystem	• Liberalised drone rules, the Digital Sky platform, remote pilot certification, drone training organisations and production-linked incentives for drones and drone components have helped formalise India's drone ecosystem. • A structured operating ecosystem is important for wider adoption, as it supports certification, training, compliance, insurance, maintenance and deployment standards.
Technology advancement across autonomy, sensors and software	• Advances in artificial intelligence, computer vision, sensor fusion, autonomous navigation, swarming, secure data links, edge computing and real-time analytics are improving platform capability. • As unmanned systems become more software-defined, value addition is expected to move towards autonomy software, mission planning, payload integration, fleet management and command-and-control solutions.
Need to reduce operational risk and improve efficiency.	• Unmanned systems allow users to operate in hostile, remote, contaminated or difficult-to-access environments while reducing personnel exposure. • In defence, this supports surveillance, reconnaissance, mine detection, logistics and counter-terrorism operations. In commercial sectors, it reduces inspection time, improves data accuracy and supports predictive maintenance.
Growth of lifecycle support and integrated solutions	• As unmanned systems move from pilot deployments to regular operations, demand is expanding for testing, training, maintenance, software upgrades, payload recalibration and field support. • This favours companies that can provide integrated solutions across platforms, payloads, software, system integration and lifecycle support rather than standalone hardware products.

Challenges of Operating Unmanned Systems in Marine Environments

Operating unmanned systems in marine environments is more complex than land-based deployment due to the dynamic and harsh nature of the operating surface. On land, launch and recovery generally take place from stable and predictable terrain, allowing better control over vehicle orientation, navigation reference, communication links and recovery geometry. In contrast, marine launch and recovery are affected by waves, vessel motion, wind, spray, saltwater exposure, current, glare and communication intermittency. These factors increase the design, testing, navigation and operational requirements for unmanned aerial, surface and underwater systems.

A key operational challenge arises from the six degrees of freedom experienced by a vessel or floating platform: surge, sway and heave, representing linear movement along three axes, and roll, pitch and yaw, representing rotational movement around those axes. These movements occur simultaneously and continuously under varying sea states, making the launch platform and recovery point mobile in both position and orientation. Consequently, an unmanned system must calculate relative motion in real time, anticipate deck movement and adjust its approach, speed and orientation during launch, landing, docking or recovery. Even minor errors can result in hard landings, missed recovery, collision with the vessel or damage to the platform and payload.

The complexity is particularly pronounced for UAVs launched from ships, USVs deployed from support vessels and UUVs recovered at sea. Ship-launched UAVs must compensate for deck movement, turbulent airflow around the vessel and the vessel's forward speed. USVs must maintain stability and navigation accuracy despite waves, currents and vessel wake, while UUVs face limited underwater communications, pressure, currents, low visibility and the absence of continuous satellite navigation. Recovery is often more difficult than deployment, as the unmanned platform must locate and approach a moving vessel or recovery system under changing environmental conditions.

Marine operations also require stronger platform ruggedisation, corrosion resistance, deck-motion compensation, water-contact tolerance, secure communication links and higher operator training. As a result, unmanned systems for maritime applications typically require more advanced launch-recovery systems, autonomy software, environmental sensing and lifecycle support compared with land-based systems.

Table 4: Comparison of Operating Unmanned Systems in Land and Marine-based Environments

Factor	Land-Based Environment	Marine environment
Launch surface	Fixed, stable and predictable surface such as a runway, helipad, road or prepared ground.	Moving, wet and often unstable surface due to vessel motion, waves, deck conditions or floating launch platforms.
Degrees of freedom	Movement is generally limited and primarily affected by terrain and vehicle orientation.	Simultaneous surge, sway, heave, roll, pitch and yaw create continuous changes in platform position and orientation.
Vehicle motion before lift-off	Mainly planar movement with limited variation in roll, pitch and yaw.	Continuous coupled movement caused by sea state, vessel speed, waves, current and wind.
Navigation reference	GNSS-rich environment with clearer visual references, landmarks and ground-based aids.	Horizon ambiguity, sea-surface clutter, glare, spray and potential GNSS degradation near ship structures or during deck recovery.
Environmental loads	Primarily wind, dust, heat, cold or uneven terrain.	Wind, waves, sea spray, saltwater, humidity, current, vessel wake and corrosive marine exposure.
Launch and recovery	Known take-off and touchdown geometry, enabling higher repeatability.	Requires deck-motion prediction, stabilised launch systems, water-contact tolerance or assisted recovery systems.
Communications	Higher availability of terrestrial RF links, ground stations and network backhaul.	RF intermittency at sea, line-of-sight constraints, vessel interference and acoustic dependence for underwater operations.
Maintenance and durability	Lower exposure to corrosion, water ingress and biofouling.	Requires marine-grade sealing, corrosion resistance, waterproof electronics and more frequent inspection and maintenance.

Overall, marine environments impose higher operational and technical complexity on unmanned systems compared with land-based deployments. This increases demand for specialised design, ruggedised components, autonomous recovery systems, corrosion-resistant materials, advanced sensors, secure communications and maritime-specific MRO capabilities. These requirements also create entry barriers and strengthen the position of companies with domain expertise across naval architecture, electronics, autonomy, systems integration and field support.

Indian Defence Procurement Trend

India's defence UAV procurement is transitioning from limited tactical surveillance deployments to a comprehensive, multi-layered unmanned aviation ecosystem encompassing mini-VTOL drones, long-range surveillance UAVs, MALE / HALE platforms, shipborne UAVs, loitering munitions, counter-UAV systems and high-altitude pseudo-satellite platforms. Procurement momentum is evident across the Indian Army, Navy and Air Force, driven by requirements such as border surveillance, high-altitude operations, artillery support, maritime domain awareness, logistics support and network-centric

warfare. Tactical and mini-VTOL UAVs have already gained traction through domestic procurement, with the Indian Army inducting high-altitude SWITCH 1.0 UAVs and awarding contracts for 200 VTOL drones, reflecting a clear shift towards indigenous platforms for field-level ISR and last-mile surveillance.

The procurement pipeline is expanding towards larger, more capable and mission-diverse systems, including the procurement of 31 MQ-9B SkyGuardian and SeaGuardian aircraft and the Defence Acquisition Council's grant of Acceptance of Necessity in August 2025 for the procurement of MALE remotely piloted aircraft for the three services. The MALE UAV programme formed part of a broader set of defence acquisition proposals valued at approximately Rs 670 billion. Separately, in August 2026, the Ministry of Defence signed a 30-month contract, valued at approximately Rs 19.43 billion, to lease two MQ-9B Sea Guardian RPAS for the Indian Navy. The MQ-9B procurement is expected to strengthen India's long-endurance intelligence, surveillance and reconnaissance capabilities across land and maritime domains, while the proposed indigenous MALE UAV procurement is expected to support domestic design, manufacturing and production capabilities. Naval requirements are also evolving, with increasing emphasis on shipborne UAVs for maritime ISR, anti-submarine warfare support and extended surveillance coverage, reflecting the Indian Navy's focus on enhancing situational awareness across the Indian Ocean Region. Additionally, the Indian Navy, in collaboration with Hindustan Aeronautics Limited (HAL), is working on the Naval Collaborative Airborne Teaming System (N-CATS), a loyal wingman programme aimed at developing autonomous unmanned combat aerial vehicles that can operate alongside manned aircraft. This initiative reflects India's growing focus on manned-unmanned teaming and advanced autonomous combat capabilities within its future naval aviation strategy.

Recent Defence Acquisition Council approvals further highlight the broadening scope of unmanned and counter-unmanned systems procurement, including the Anti-UAV Electronic Warfare System "AKASH TARANG", Jet-Based Kamikaze Drone System, Naval Shipborne Unmanned Aerial System and Fixed-Wing High Altitude Pseudo Satellite. DRDO's successful development trials of the UAV Launched Precision Guided Missile-V3 highlights India's progress towards armed UAV ecosystems and indigenous precision-strike payloads. In September 2026, the IAF held its first Dronathon, released its UAS Roadmap and demonstrated Vayu UTtaM, a multi-mode unmanned traffic management system that detected and tracked military and civil UAS. The event assessed surveillance, autonomous operations, swarm technologies, electronic warfare and counter-UAS capabilities. In line with the Technology Perspective and Capability Roadmap, future procurement is expected to prioritise indigenous unmanned systems, autonomous platforms, manned-unmanned teaming, electronic warfare-enabled UAVs, persistent ISR and integration into joint, networked and multi-domain operations.

Table 5: Procurement Details

Procurement / Development Trend	Key Details	Relevance to UAV Market
Tactical / mini-VTOL UAV procurement	Indian Army contract for SWITCH 1.0 UAVs; 200 VTOL drones awarded in March 2022	Supports domestic procurement of portable, high-altitude ISR drones for field formations.
High-end HALE UAV procurement	31 MQ-9B SkyGuardian / SeaGuardian drones	Strengthens long-endurance ISR and maritime surveillance capability.
Indigenous MALE UAV opportunity	Reported Rs 300 billion opportunity for 87 MALE UAVs	Expected to support large domestic production facilities, local industry partnerships and export-ready capability.
Naval shipborne UAV development and procurement	Increasing focus on shipborne UAVs for maritime ISR and naval operations	Enhances maritime domain awareness, supports naval missions and expands UAV applications in the Indian Ocean Region.
Loyal wingman / manned-unmanned teaming (N-CATS)	Indian Navy–HAL collaboration on N-CATS programme	Advances autonomous combat UAV capabilities and supports future manned-unmanned teaming in naval aviation.
DAC approvals for unmanned and counter-UAV systems	Rs 520 billion overall DAC approvals in July 2026	Includes AKASH TARANG, Jet-Based Kamikaze Drone System, Naval Shipborne UAS and Fixed-Wing HAPS.
Armed UAV payload development	ULPGM-V3 completed development trials in 2026	Strengthens indigenous UAV-launched precision-strike capability through DRDO, BDL, Adani Defence and Newspace-linked ecosystem.
MQ-9B Sea Guardian lease	Two RPAS leased for the Indian Navy under a 30-month contract signed in August 2026, valued at approximately Rs 19.43 billion.	Adds near-term long-endurance maritime ISR capability alongside the planned procurement of 31 MQ-9B aircraft.
Nagastra-1R delivery	Indian Army received 450 loitering munitions in October 2026 under a Rs 1.58 billion emergency-procurement contract.	Demonstrates execution of an indigenous loitering-munition order.

UAV Applications in Naval Fleet Operations

UAVs are becoming an important part of India's naval fleet operations as the Indian Navy expands from platform-centric operations towards networked, unmanned-enabled maritime operations. India's naval operating environment spans the Indian

Ocean Region, Arabian Sea, Bay of Bengal, island territories, coastal zones, ports, offshore assets and key sea lanes of communication. This creates a requirement for persistent surveillance, faster detection of maritime threats, over-the-horizon awareness and reduced dependence on crewed aircraft for routine monitoring. UAVs support these requirements by acting as airborne sensor nodes for warships, shore establishments and maritime command centres, enabling real-time intelligence, surveillance, reconnaissance, targeting support and communication relay.

UAV Application	Description	Platform / System
Carrier-Based Operations & Spotter Drones	The Indian Navy has operationalized indigenous UAVs from aircraft carriers such as INS Vikrant. Maritime spotter drones enable autonomous launch and recovery from moving warships, supporting anti-piracy, counter-smuggling and SAR missions with persistent visual tracking.	Maritime Spotter Drone carrier-deployed multicopters, INS Vikrant-based UAV operations.
Loyal Wingman and Carrier-Based UCAV Development	Advanced programs such as the Abhimanyu project and Naval Ghatak aim to develop carrier-based loyal wingman drones and stealth UCAVs with AI capabilities, folding wings and arrestor hooks for deep-strike and suppression missions.	Abhimanyu drone project, Naval Ghatak UCAV, DRDO-led carrier-based unmanned combat systems.
Strategic Reconnaissance and Long-Range Patrolling	The Navy employs long-endurance UAVs for deep-ocean ISR missions across the Indian Ocean Region, enabling persistent monitoring of maritime activity and strategic surveillance over extended durations.	MQ-9B Sea Guardian (leased), Heron, Searcher Mk II, Drishti-10 Starliner.
Coastal and EEZ Surveillance	UAV squadrons are deployed at key naval air stations to monitor Sea Lines of Communication (SLOCs), Exclusive Economic Zones (EEZs) and coastal regions, ensuring maritime domain awareness and early threat detection.	Heron, Searcher Mk II, shore-based UAV squadrons at Porbandar, Kochi and Uchipuli.
Airborne Early Warning (AEW) Drone Systems	The Navy is evaluating AEW drones equipped with advanced radar systems to complement or replace manned Ka-31 helicopters, enabling real-time data sharing with missiles, aircraft and fleet units.	AEW UAV concepts, radar-equipped drones, future naval AEW platforms.
Naval Shipborne Unmanned Aerial Systems (NSUAS)	Tactical shipborne UAVs are being procured for deployment on naval vessels to support SIGINT, coastal surveillance, target acquisition and real-time intelligence gathering during fleet operations.	NSUAS platforms, shipborne VTOL UAVs, tactical naval drones.
Counter-Drone Swarm Defence Systems	To counter emerging aerial threats and hostile drone swarms, the Navy is developing ship-launched autonomous interceptor drones capable of high-speed engagement and defensive operations around warships.	Autonomous interceptor drones, ship-launched counter-drone systems, high-speed defensive UAVs.
Search and Rescue and HADR Support	UAVs can rapidly scan large maritime areas during search and rescue, cyclone response, ship distress, oil spill events and disaster relief operations. Their ability to provide live aerial imagery helps reduce response time and improves coordination between ships, aircraft and shore-based command centres.	Heron, Drishti-10, MQ-9 Sea Guardian, multi-rotor UAVs, shipborne VTOL UAVs.
Anti-Piracy and Maritime Interdiction Support	UAVs can monitor suspicious vessels, support boarding operations, identify personnel movement and provide real-time intelligence before naval teams approach, aiding anti-piracy and anti-smuggling missions.	Shipborne UAVs, maritime ISR drones, VTOL drones, tactical UAV systems.

The use of UAVs in Indian naval fleet operations is expected to grow from shore-based surveillance towards a more integrated fleet architecture covering HALE / MALE drones, shipborne UAVs, tactical multicopters, communication relay systems, loitering platforms and future unmanned combat systems. The procurement of 31 MQ-9B drones, induction of Drishti-10 Starliner platforms, focus on Naval Shipborne Unmanned Aerial Systems and recent approvals for unmanned and pseudo-satellite capabilities indicate that UAVs are moving from supplementary reconnaissance assets to core enablers of maritime domain awareness and distributed naval operations. Over the medium term, UAVs are expected to operate in coordination with warships, submarines, P-8I aircraft, helicopters, USVs, UUVs and coastal surveillance networks, improving persistence, response time, targeting quality and decision-making across India's naval fleet.

Key risk and challenges for the industry and their mitigants

The unmanned systems industry faces multiple risks arising from technology complexity, supply-chain dependence, cybersecurity exposure, communication limitations and regulatory requirements. These risks are more pronounced in marine

environments, where unmanned platforms operate in dynamic sea conditions, face saltwater exposure, limited communication bandwidth and complex launch-recovery requirements. Companies with integrated capabilities across platform design, software, electronics, payload integration, testing and lifecycle support are better positioned to address these risks.

Key Risk / Challenge	Why it Matters	Typical Industry Mitigants
Technology complexity	Unmanned systems involve integration of hardware, software, sensors, communication systems and autonomy algorithms, making them inherently complex to design, test and deploy. This complexity is significantly amplified in marine environments due to six-degree-of-freedom vessel motion, hydrodynamic forces, waves, currents, saltwater exposure, variable buoyancy, underwater GNSS denial, difficult perception and complex launch-recovery operations. These conditions make USVs and UUVs more challenging compared with land-based or aerial systems.	Use of mission-specific platform design, extensive field trials, digital twins, simulation-led validation, sensor fusion, edge autonomy, ruggedised electronics, corrosion-resistant materials and phased operating envelopes. Companies with in-house design, software and testing capabilities can customise platforms for specific sea-state, payload and mission requirements.
Supply-chain vulnerabilities	Dependence on imported chips, sensors, composites, motors, batteries, propulsion systems, datalinks and navigation modules can affect production timelines, cost structure and security of supply. In defence applications, reliance on imported subsystems can also create concerns around data security, export restrictions and long-term maintenance.	Localisation of critical components, dual-sourcing, vendor development, inventory stocking of bottleneck parts, modular open architectures and use of domestic manufacturing partners. Vertically integrated companies can reduce exposure by developing or controlling key subsystems, software and integration layers in-house.
Cybersecurity threats	Unmanned systems are networked platforms and are exposed to risks such as unauthorised control, spoofing, jamming, data exfiltration, remote disablement and mission compromise. These risks are more critical in defence, homeland security, border surveillance and maritime security applications where operational data is sensitive.	Secure software development lifecycle, encrypted communication links, key management, trusted networks, cyber-hardened datalinks, access control, Red Team testing, local data processing modes and periodic security audits. Mission-critical systems should be designed with fail-safe and degraded-mode behaviours.
Communication and connectivity limitations	Unmanned systems require reliable communication for command, telemetry, payload data and mission updates. At sea, RF links can degrade due to distance, sea state, vessel motion and line-of-sight limitations. Underwater systems face greater limitations because acoustic links are low-bandwidth, high-latency and prone to signal loss.	Greater onboard autonomy, multi-link communication architecture, satellite/RF/acoustic redundancy, store-and-forward data models, degraded-mode mission execution and acoustic-optical hybrid communication for underwater systems. Platforms should be capable of continuing mission-critical actions even during communication loss.
Regulation and certification	Regulations can slow commercial scale-up, especially in BVLOS drone operations, autonomous maritime systems, port operations, mixed-traffic environments and defence-civil dual-use deployments. Certification requirements also increase testing and compliance costs.	Early engagement with regulators, corridor-based deployment, controlled trials, human-on-the-loop operations, clear standard operating procedures, documentation-led certification and compliance-ready system design. Companies with experience in defence and government deployments can better manage testing and approval cycles.
Weather and launch-recovery constraints	Weather, waves, currents, wind, spray and vessel motion can reduce operational availability, particularly in offshore and littoral operations. Marine launch and recovery are high-risk activities because the platform and launch surface may both be moving.	Use of weather windows, robust recovery systems, vessel-motion prediction, improved hull design, deck landing aids, autonomous station-keeping, waterproofing and enhanced operator training. Maritime platforms require higher ruggedisation and specialised maintenance compared with land-based systems.
High development and testing cost	Unmanned systems require repeated prototyping, environmental testing, field trials, software validation, payload integration and customer-specific customisation. Marine and defence-grade platforms require longer validation cycles due to operational complexity and mission-critical performance requirements.	Modular platform architecture, reusable software stacks, simulation-led testing, common subsystem platforms, phased product development and multi-use platform design. Companies that can reuse technology across UAVs, USVs, UUVs and UGVs can improve development efficiency.

Lifecycle support and maintenance complexity	Unmanned systems require recurring maintenance of propulsion systems, batteries, sensors, payloads, communication links, autonomy software and control systems. Marine platforms also face corrosion, water ingress, biofouling and higher field-maintenance requirements.	Establishment of MRO capability, preventive maintenance schedules, remote diagnostics, field support teams, spares management, software update capability and payload recalibration processes. Companies with integrated lifecycle support can improve uptime and customer retention.

Note: GNSS denotes Global Navigation Satellite System, RF denotes Radio Frequency

Overview of Autonomous Shipyards

Autonomous shipyards are digitally enabled shipbuilding and maritime support facilities that use technologies such as robotics, artificial intelligence, digital twins, Industrial Internet of Things (IIoT), augmented reality and automated inspection systems to enhance ship construction, repair, refit and lifecycle support, representing a gradual shift from labour-intensive processes to data-driven, semi-automated production environments rather than fully unmanned operations. Their development is driven by the need to reduce build timelines, improve consistency, address skilled labour shortages and support complex vessel programmes, with technologies enabling better coordination across design, procurement, production and quality control through real-time data integration, robotic fabrication, predictive maintenance and automated inspection.

Autonomous shipyards are also relevant to the unmanned systems ecosystem because unmanned surface vehicles (USVs), unmanned underwater vehicles (UUVs) and autonomous maritime platforms require specialised production, testing, launch, recovery and maintenance infrastructure. Unlike conventional vessels, unmanned maritime systems require integration of autonomy software, sensors, payloads, secure communications, mission control systems and cyber-hardened electronics. As autonomous shipping and naval unmanned systems scale, shipyards will need to combine traditional marine engineering capabilities with robotics, software integration, simulation, sensor calibration and lifecycle support.

Table 6: Recent Developments in Autonomous Shipyards

Key Recent Development	Details
Automation and robotics in shipyards	Global shipyards are increasingly adopting robotics, digital twins, AI, IIoT and AR across welding, cutting, painting, material handling and inspection. These technologies are aimed at improving consistency, reducing rework and increasing productivity in ship construction and repair.
Focus on remote-controlled and partially autonomous vessels	Industry adoption of autonomous shipping is currently more focused on remote-controlled and partially autonomous operations than fully autonomous vessels. This supports the need for shipyards that can integrate remote control systems, sensors, navigation software and communication systems into vessels.
India's first autonomous maritime shipbuilding centre	Sagar Defence Engineering is establishing India's first autonomous maritime shipbuilding centre in Andhra Pradesh. The facility is expected to focus on unmanned and autonomous maritime systems, integrating advanced manufacturing, robotics, and digital technologies to support design, production, testing and lifecycle management of autonomous vessels. This reflects a significant step towards establishing domestic infrastructure for next-generation maritime platforms.
Saronic's autonomous shipyard development	Saronic is investing in next-generation shipyard infrastructure, including its planned Port Alpha facility, to scale production of autonomous surface vessels. This development highlights the shift towards vertically integrated manufacturing ecosystems combining shipbuilding, autonomy software, electronics integration and rapid production capabilities.

Unmanned Systems Technology Stack / Software Systems market

Enabling autonomy and integration across multiple domains and platforms

The next generation of unmanned systems is being driven by the need for higher levels of autonomy, interoperability and coordinated operations across multiple operational domains. Increasing mission complexity, the deployment of larger unmanned fleets and the growing adoption of network-centric operations are accelerating the integration of artificial intelligence, advanced sensing, resilient communications and autonomous mission management into a unified technology stack. As a result, unmanned platforms are evolving from standalone assets into interconnected systems capable of operating collaboratively across air, land, surface and underwater environments.

At the core of this transformation is a layered technology stack that enables integration and autonomy across unmanned systems. The physical layer comprises sensors, cameras, radars, LiDAR, sonar, AIS and acoustic systems that provide raw data acquisition, enabling detection, monitoring and environmental awareness across domains. Building on this, the perception and data fusion layer processes and integrates multi-sensor inputs into meaningful insights, enhancing situational awareness and supporting accurate decision-making through a unified operational picture. The command and control layer centralises monitoring, control and coordination of multiple platforms and missions, enabling efficient management of multi-domain operations from a unified interface. The intelligence layer drives autonomous behaviour, decision-making, mission planning

and system optimisation, enabling reduced human intervention, adaptive operations and scalable autonomy across diverse mission environments.

A key aspect of multi-domain integration is Manned–Unmanned Teaming (MUM-T), where autonomous platforms operate alongside conventional military assets, with UAVs acting as loyal wingmen for fighter aircraft, USVs extending naval surveillance capabilities and UGVs supporting ground forces through reconnaissance and logistics. These collaborative operations enhance situational awareness, reduce operational risk and act as a force multiplier, while also enabling unmanned systems to share data, coordinate actions and respond dynamically to changing conditions across complex environments such as defence operations, maritime surveillance, disaster response and industrial inspection.

The growing emphasis on autonomy and integration is reshaping procurement strategies and competitive dynamics within the unmanned systems sector. End users are increasingly shifting from standalone platform acquisitions towards integrated autonomous ecosystems capable of operating across multiple domains. As a result, software, AI, interoperability frameworks, cybersecurity and mission management capabilities are becoming as strategically important as the unmanned platforms themselves. Defence applications will continue to prioritise multi-domain integration for ISR, border security and coordinated operations, while civil sectors will adopt these capabilities to enhance efficiency, safety and scalability in logistics, infrastructure monitoring, energy and emergency response.

Defence Autonomy Software – Importance and Growing Adoption

The defence autonomy software market is shifting from a hardware-led phase to a software-defined phase. In the earlier generation of unmanned systems, the main differentiators were hull, airframe, propulsion, payload, endurance, remote-control range and basic reliability. In the current generation, the decisive layer is increasing the autonomy software stack, which enables a vehicle to perceive, plan, navigate, collaborate, adapt and execute missions under human supervision. The autonomy layer turns hardware into a mission-capable autonomous system by enabling command and control, autonomous navigation, mission planning, sensor fusion, AI-enabled decision support, multi-agent coordination, human-supervised autonomy, communications resilience, GPS-denied operations, platform-agnostic integration, software-defined fleet management and mission-data learning.

Notably, many of the leading defence autonomy software platforms are being developed by deep-tech companies, whose competitive advantage is derived from proprietary advances in artificial intelligence, autonomy, robotics, software engineering and defence technologies rather than from hardware manufacturing alone. A deep-tech company is a company built on substantive, proprietary advances in technology, science and engineering, characterised by significant in-house research and development, hard-to-replicate intellectual property and extended technology-development cycles rather than on the assembly or distribution of third-party technology.

Table 7: Defence Autonomy Software

System / Platform	Company	Country	Core Role	Key Capabilities
Lattice / Lattice Mesh	Anduril	USA	Autonomous command, control and sensor-fusion platform	Integrates data from sensors, unmanned platforms and effectors; supports threat detection, tracking, command and control, counter-UAS missions and multi-domain situational awareness.
Hivemind	Shield AI	USA	AI pilot and autonomy software stack	Enables aircraft and drones to operate autonomously in GPS-degraded or communication-degraded environments; supports autonomy, navigation, coordination and swarm-enabled operations.
AuterionOS / Nemyx	Auterion	USA	Common operating system and swarming software for autonomous systems	Provides a hardware-agnostic operating system for drones and robotic systems; supports mission control, fleet management, interoperability, payload integration and AI-enabled swarm coordination.
Maven Smart System	Palantir	USA	AI-enabled warfighting, intelligence and command-support platform	Integrates data from satellites, drones, radar, sensors and other sources; applies AI / ML for target detection, intelligence fusion, operational planning and decision support.
Altra, Centaur, Cirra and related AI systems	Helsing	Germany	AI software for defence autonomy, strike coordination, electronic warfare and autonomous air combat	Provides AI-enabled precision mass, reconnaissance-strike software, electronic warfare analytics, autonomous air combat software and integration of existing hardware into AI-enabled networks.
GENISYS	Sagar Defence Engineering	India	self-learning, platform-agnostic navigation and	Captures operator commands and converts them into executable algorithms with time and position coordinates; supports multi-mode control (manual, mission-planning,

			command-and-control system	tactical), sensor fusion, collision avoidance, communication-resilient navigation and retrofit integration across platforms.

Defence autonomy software is becoming critical because armed forces are increasingly shifting from platform-centric procurement to capability-centric, software-defined operations. Modern missions generate vast volumes of data from UAVs, UGVs, USVs, UUVs, satellites, radars, acoustic sensors, battlefield sensors and crewed platforms, creating a complexity that cannot be effectively managed through isolated control systems. Defence autonomy software addresses this challenge by acting as an integrated layer that enables perception, data fusion, mission planning, autonomous navigation, decision support and coordinated execution across multiple assets. It allows operators to supervise distributed systems, allocate tasks dynamically, manage fleets at scale and retain human oversight over critical decisions. This capability is particularly important in contested environments where GPS denial, electronic warfare, communication disruption and high operational tempo limit the effectiveness of traditional remote-control approaches and require systems to operate with higher levels of autonomy and resilience.

The adoption of such platforms is already being supported through defence programmes and deployments. For example, the US Department of Defence has operationalised Palantir's Maven Smart System to support intelligence fusion and targeting workflows across multiple theatres. Anduril's Lattice platform has been deployed for counter-UAS missions, including border security and base protection, where it integrates sensors and interceptors into a unified command-and-control system. Shield AI's Hivemind has been integrated into UAV platforms such as the V-BAT, enabling autonomous operations in GPS-denied environments, and has been selected by defence partners for next-generation autonomy capabilities. Auterion's software stack is being adopted through partnerships such as its collaboration with Rheinmetall to standardise drone control systems across military fleets, while Helsing is working with European defence forces to deploy AI-enabled systems for reconnaissance-strike coordination and electronic warfare. These examples show a broader shift as armed forces move towards multi-domain operations, drone swarms, manned-unmanned teaming, distributed maritime surveillance, counter-UAS networks and AI-assisted command and control.

Autonomy Software as the Core Differentiator and Entry Barrier in Unmanned Systems

In unmanned systems, software increasingly forms the core of the product offering, determining how effectively a platform can perform its mission beyond the capabilities defined by its physical components such as airframe, propulsion, payload and communication hardware. Autonomy software enables perception, sensor processing, route planning, obstacle avoidance, communication, mission execution and coordination with other systems, thereby transforming unmanned platforms into intelligent, mission-capable assets. As customer requirements evolve toward operating in complex and uncertain environments, software has become the key differentiator across defence and commercial applications. It enables advanced capabilities such as GPS-denied navigation, sensor fusion, target recognition, swarm coordination, human-supervised operations and data-driven decision-making. Accordingly, the value proposition of unmanned systems is shifting from standalone hardware to integrated solutions that combine platforms with autonomy software, command-and-control systems, data analytics, cybersecurity and lifecycle support.

However, developing such software is inherently complex due to the unpredictable nature of real-world operating environments and the need for high reliability under diverse conditions such as poor visibility, harsh weather, communication loss and sensor limitations. Unlike conventional software, failures in unmanned systems can lead to mission failure, safety risks or loss of assets, requiring extensive validation across numerous edge cases. The challenge is further compounded by the need to integrate multiple disciplines including robotics, artificial intelligence, embedded systems, communications, navigation and cybersecurity, while ensuring compatibility across different platforms, sensors and mission profiles. In defence scenarios, additional requirements such as resilience to jamming, secure communications and human oversight increase complexity. As a result, building scalable, reliable and platform-agnostic autonomy software presents high entry barriers, making proven software capabilities a critical competitive advantage as the industry moves toward software-driven, integrated autonomous mission systems.

Breaking Down the Technology Stack of Unmanned Systems

The technology stack of unmanned systems can be understood as a layered architecture that converts a physical platform into an autonomous or semi-autonomous mission system. At the base is the physical layer, which captures raw information from the operating environment through sensors, cameras, radars and other payloads. This data is then processed by the perception and data fusion layer, which converts multiple sensor inputs into actionable situational awareness. The command and control layer enables operators to monitor, direct and coordinate unmanned platforms, while the intelligence layer applies autonomy, AI, mission planning and decision-support software to enable higher levels of independent and coordinated operation.

Table 8: Technology Stack

Technology Stack Layer	Key Components	Core Function	Relevance to Unmanned Systems
Physical Layer - Sensors,	EO / IR cameras, radar, LiDAR, sonar, AIS, acoustic sensors, GPS / GNSS, inertial navigation systems,	Captures raw environmental, positional and	Forms the foundation of unmanned operations by enabling the platform to detect objects, monitor

Cameras, Radars etc.	communication hardware, payloads and propulsion systems.	mission data from the operating domain.	surroundings, capture imagery, measure distance, identify location and collect mission-specific data.
Perception and Data Fusion Layer	Computer vision, object detection, target recognition, sensor fusion, SLAM, terrain mapping, bathymetric mapping, tracking algorithms and onboard data processing.	Converts raw sensor input into meaningful information by identifying objects, threats, routes, obstacles and mission-relevant patterns.	Enables the unmanned system to understand its environment, maintain situational awareness, avoid obstacles and support accurate decision-making across air, land, surface and underwater domains.
Command and Control Layer	Ground control stations, shipborne control systems, fleet dashboards, mission-control software, tactical communication links, operator interfaces and common operating picture systems.	Allow human operators or command centres to plan, supervise, redirect and coordinate unmanned missions.	Provides human oversight, mission control, fleet coordination and safe handover between manual, assisted and autonomous modes, which is especially important in defence and critical-infrastructure applications.
Intelligence Layer	Autonomy engines, AI mission software, swarm algorithms, decision-support systems, multi-agent coordination, mission-learning systems and platform-agnostic autonomy stacks such as GENISYS, Anduril Lattice, Shield AI Hivemind, AuterionOS, Palantir Maven and Helsing AI systems.	Enables autonomous behaviour, adaptive mission execution, collaborative operations, AI-assisted decision-making and software-defined fleet management.	Represents the highest-value software layer, allowing unmanned systems to move beyond remote control towards autonomous navigation, collaborative sensing, dynamic task allocation, resilient operations and multi-domain mission execution.

Overview of the Maintenance, Repair & Overhaul (MRO) Market in Maritime Industry

Overview

Maintenance, Repair and Overhaul (MRO) market constitutes a critical component of lifecycle management of assets across aviation & aerospace, maritime, automotive and industrial sectors. Unlike one-time capital expenditure on equipment or platforms, MRO generates recurring demand through scheduled maintenance, corrective repairs, component replacement, overhaul, retrofitting, software updates, system upgrades, testing, certification and field support. As assets become exceedingly technological, interconnected and mission-critical, the importance of MRO has also increased.

The MRO market is supported by the expanding fleet and asset base of aircraft, ships, vehicles, industrial machinery and infrastructure across both commercial and defence applications. In the maritime sector, increasing global trade, stricter environmental regulations and ageing fleets are boosting demand for ship repair, dry docking, retrofits and compliance upgrades.

Globally, supply-chain disruptions, higher utilisation levels, ageing assets and delays in new equipment deliveries have further increased the requirement for maintenance capacity, spare parts availability, component repair and overhaul services. Additionally, regulatory requirements related to safety, emissions and environmental compliance are driving periodic inspections, upgrades and retrofits across sectors. The increasing adoption of digital technologies such as IoT, data analytics, artificial intelligence and digital twins is transforming the MRO landscape. These technologies are not just enabling predictive maintenance, remote diagnostics and condition-based monitoring but also improving asset performance. This strengthens the role of MRO as an essential enabler of operational continuity and efficiency across industries.

Growth Opportunities in the Indian MRO Market in Maritime Industry

India presents a growing opportunity for Maintenance, Repair and Overhaul (MRO) services across segments like commercial aviation, defence aviation and maritime platforms. The opportunity is being driven by fleet expansion, higher asset utilisation, ageing platforms, defence modernisation, maritime security requirements and policy support for domestic lifecycle sustainment. As MRO generates recurring demand across the operating life of an asset, it is becoming an important part of India's aerospace, defence and maritime industrial ecosystem.

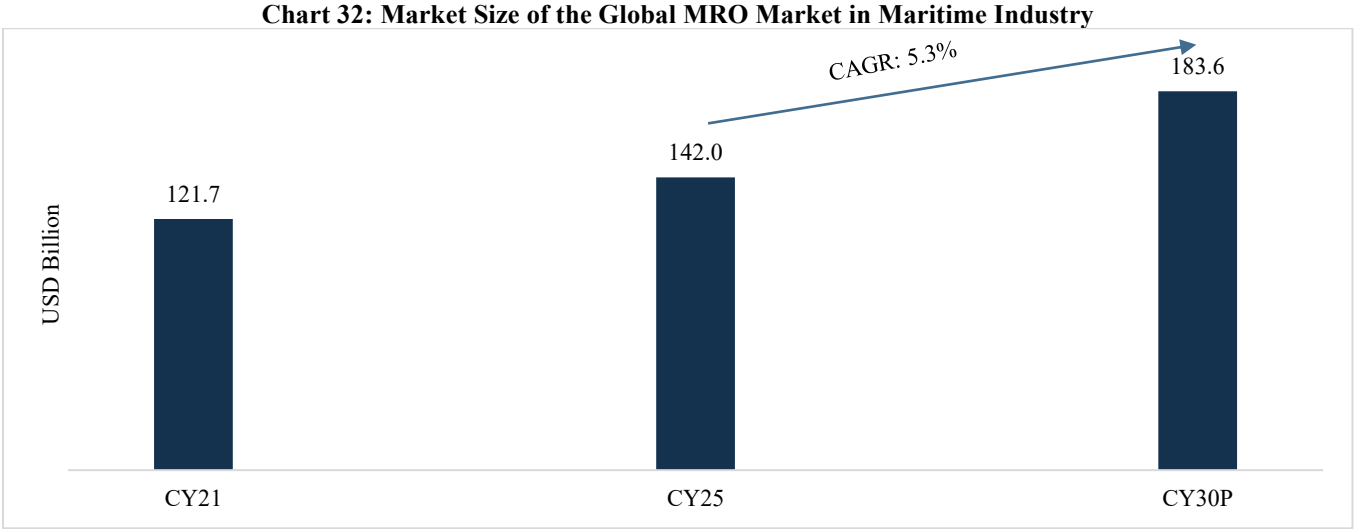
Chart 31: Growth Opportunities in the Indian MRO Market in Maritime Industry



Market Size of the Global MRO Market in Maritime Industry

The global maritime MRO market increased from USD 121.7 billion in CY21 to USD 142.0 billion in CY25. The market is projected to reach USD 183.6 billion by CY30, at a CAGR of 5.3% during CY25-CY30. This growth is driven by the large number of vessels in operation, the continued dependence on maritime transport for global trade and the need to keep vessels operational across shipping, offshore energy, port operations and naval segments. According to UNCTAD, global trade in goods and services reached around USD 35.2 trillion in CY25, while 11.6 billion metric tons of goods were loaded for international maritime trade in CY23, highlighting the ongoing importance of shipping in global trade.

Chart 32: Market Size of the Global MRO Market in Maritime Industry



Source: CareEdge Research

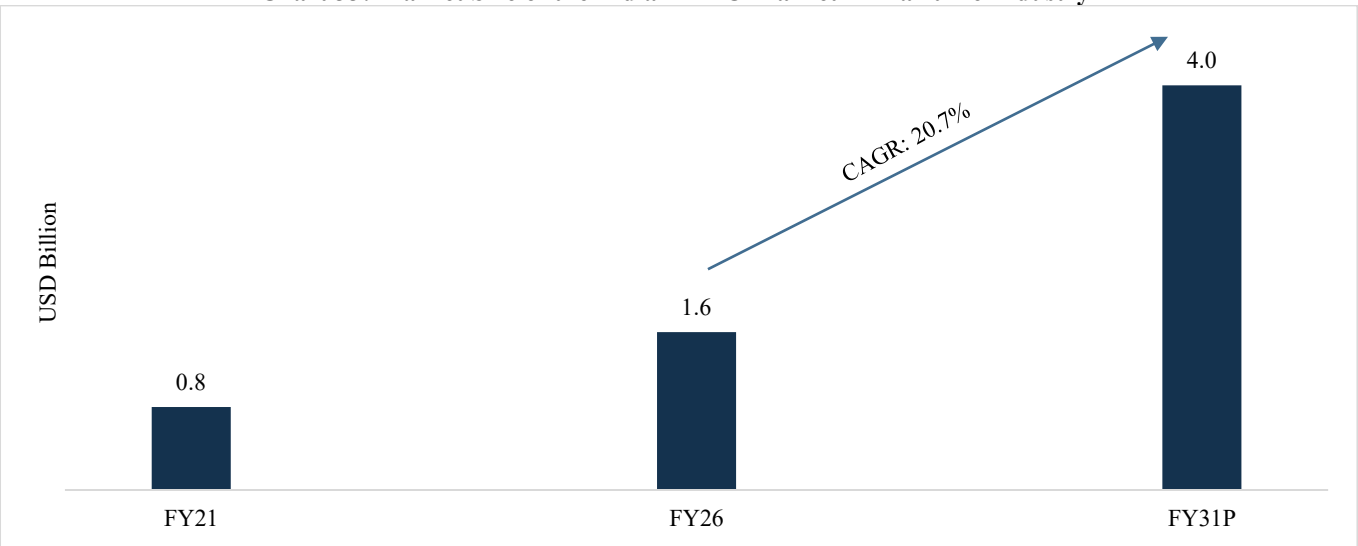
The ageing global fleet is another important factor supporting demand for maritime MRO services. According to UNCTAD, the average age of the global fleet was 12.6 years on a gross tonnage-weighted basis in CY24, while the average age by vessel count was 22.2 years. Overall, the fleet is more than three years older than it was a decade ago. In addition, 21.1% of deadweight tonnage in developing economies is over 20 years old, compared with 9.3% in developed economies. As vessels age, they require more frequent repairs, overhauls, dry docking, safety checks and upgrades, including those related to emissions and technology. At the same time, stricter regulations on decarbonisation, alternative fuels and digital monitoring are pushing the industry beyond basic repairs towards more comprehensive lifecycle support, predictive maintenance and specialised technical services.

Market Size of the Indian MRO Market in Maritime Industry

The Indian maritime MRO market has grown from USD 0.8 billion in FY21 to USD 1.6 billion in FY26. The market is projected to reach USD 4.0 billion by FY31, at a CAGR of 20.7% during FY26-31. Growth is supported by India's strategic location along major east-west shipping routes, increasing port-led trade activity, rising coastal shipping, expansion of naval and Coast Guard fleets and the need to reduce dependence on overseas shipyards. As of December 2025, India had over 1,592 ships with gross tonnage exceeding 14 million GT, while Indian ports continue to handle around 95% of India's trade by volume and 70% by value, highlighting the strategic relevance of maritime maintenance infrastructure. In addition, India's shipbuilding order

book has grown from 249 vessels in FY21 to 517 vessels in FY25, at a CAGR of 20.0%. A larger operating fleet and shipbuilding pipeline create recurring demand for repair, refit and overhaul services through the lifecycle of vessels.

Chart 33: Market Size of the Indian MRO Market in Maritime Industry



Source: CareEdge Research

The ageing profile of the Indian fleet is another key driver for maritime MRO demand. The share of Indian vessels older than 15 years increased from 55.3% in CY21 to 67.2% in CY25, increasing the requirement for dry docking, propulsion system overhaul, hull inspection, safety upgrades and compliance-related retrofits. India is also adding ship repair capacity through policy support and infrastructure development. Currently, India had 42 dry docks for repairing ships across public and private sector shipyards and nine dry docks operated by five major ports. In addition, recent government measures, including the Maritime Development Fund, support for shipyard and ship repair facility development, shipbuilding clusters and the proposed Vadinar ship repair facility, are expected to strengthen India's domestic repair ecosystem. These factors position India to capture a larger share of regional maritime MRO demand across commercial shipping, offshore vessels, naval platforms, Coast Guard vessels and specialised marine systems.

Risks and Challenges

1. High Dependence on Government Procurement Cycles

The autonomous defence systems industry remains significantly dependent on procurement by government defence agencies, where order flows are closely linked to budget allocations, strategic priorities, and tender timelines. Delays in approvals, extended trial periods, or changes in procurement priorities may adversely affect order conversion, execution timelines, and revenue visibility across industry participants.

2. Long Product Validation and Qualification Cycles

Autonomous defence platforms such as unmanned surface vessels (USVs), maritime surveillance drones, unmanned underwater vehicles (UUVs), and AI-enabled unmanned systems require extensive field trials, operational validation, and multiple-stage technical clearances prior to induction. These prolonged qualification cycles may delay commercialization, increase development costs and impact working capital cycles.

3. Technology Obsolescence Risk

The industry operates in a rapidly evolving technological environment driven by advancements in artificial intelligence, edge computing, sensor fusion, autonomous navigation, swarm intelligence, and electronic warfare resilience. Failure to continuously upgrade product capabilities and system architecture may reduce competitiveness, particularly as defence customers increasingly demand modular, scalable, and future-ready autonomous solutions.

4. Concentration in Early-stage and Evolving Defence Programs

A considerable portion of demand for autonomous defence systems is linked to emerging government-led programmes focused on innovation, maritime autonomy, and unmanned warfare capabilities, many of which remain in prototype, pilot, or developmental stages. The conversion of such initiatives into commercial procurement remains subject to successful testing, strategic prioritisation, and budgetary allocation.

5. Dependence on Indigenous Defence Ecosystem Development

Industry growth remains closely tied to policy support for indigenisation, domestic manufacturing, and self-reliance initiatives in defence. Any slowdown in policy implementation, changes in localisation mandates, or reduced support for defence innovation programmes may affect the pace of industry expansion and investment flows.

6. Supply Chain and Critical Component Dependency

Autonomous defence platforms depend on specialised components such as advanced navigation systems, marine sensors, communication modules, LiDAR, propulsion electronics and embedded mission-control systems, a significant portion of which may be sourced globally. Supply disruptions, export controls, geopolitical tensions, or shortages of critical components may adversely impact production schedules and cost structures.

7. Cybersecurity and System Integrity Risks

Autonomous and connected defence platforms are exposed to risks including cyber intrusion, signal jamming, spoofing, communication disruption, and electronic warfare attacks. Any compromise in system integrity, navigation accuracy, or communication security may impact mission effectiveness, operational reliability and end-user confidence.

8. Competitive Intensity from Large Defence OEMs and Global Collaborations

The defence autonomy ecosystem is witnessing increasing participation from established defence public sector enterprises, shipyards, large private defence manufacturers, global OEMs, and deep-tech start-ups. Rising competition may intensify pricing pressure, reduce market share opportunities, and increase the need for sustained innovation and strategic partnerships.

9. Capital Intensity and R&D Burden

The autonomous defence and maritime robotics segments require significant and continuous investment in prototyping, testing infrastructure, software development, simulation systems, field trials, and hardware integration. High upfront capital requirements and sustained R&D expenditure, without proportional near-term order inflows, may impact profitability, cash flows, and scalability across industry participants.

Company Profile – Sagar Defence Engineering Limited

Company Overview

Sagar Defence Engineering Limited is an Indian deep tech technology company engaged in the design, development and manufacturing of autonomous mission systems for defence and commercial applications. Since the company's incorporation in 2015, it has grown from a single-domain developer of unmanned maritime systems into a company that designs, develops and supports unmanned platforms across multiple domains. The company is a vertically integrated Indian deep-tech company that designs, develops, manufactures and supports multi-domain unmanned platforms across the maritime surface, maritime sub-surface, aerial and land domains. Its platforms are physical vehicles and robotic systems capable of navigating their environment, executing complex missions and making operational decisions without real-time human intervention. Sagar Defence is the only company in India specialising in unmanned, integrated and multi-domain systems across the maritime surface, maritime sub-surface, aerial and land domains.

The company has established capabilities across unmanned maritime, underwater, aerial and ground platforms, supported by strategic electronics, autonomy software, payload integration and lifecycle support services. This multi-domain capability enables the company to address a broad range of applications across defence, maritime security, hydrography, offshore energy, scientific research, port surveillance, inland waterways and disaster response. Sagar Defence is evolving as a full-stack autonomous systems company rather than a conventional platform manufacturer.

Integrated Engineering Capabilities

A key differentiator of the company is its vertically integrated operating model. Sagar Defence undertakes research & development, product design, printed circuit board (PCB) assembly, hardware and component sourcing, systems assembly, software development, software integration and development of control units entirely in-house. This end-to-end capability enables greater control over product development, intellectual property, system integration, quality assurance and customisation, while reducing dependence on external suppliers for mission-critical technologies.

The company's in-house hardware and software, the GENISYS autonomy stack, multi-domain system ownership and full-stack payload-integration capability position Sagar as one of the few companies in the Indian defence sector capable of full, end-to-end system development with limited external dependency.

The company recently obtained an industrial licence to manufacture explosives and ammunition, strengthening its position as an integrated defence technology and manufacturing company. It is one of the few companies in the Indian unmanned systems industry to obtain such a licence. Defence autonomous systems must undergo rigorous qualification, testing and validation before they can be procured. This process typically involves participation in programmes such as iDEX, followed by customer trials, field and sea evaluations, environmental and endurance testing, and formal acceptance and qualification, creating significant barriers for new entrants. This process requires extensive time, technical expertise and operational testing across multiple stages, and favours vendors with proven track records. Marine and defence-grade platforms, in particular, require longer validation cycles due to operational complexity and mission-critical performance requirements, including repeated prototyping, environmental testing, field trials, software validation and payload integration. Taken together, these requirements create high upfront capital requirements and a sustained research and development burden that function as meaningful structural barriers for new entrants. Supported by its JSS- and MIL-standard compliance and ISO/IEC 17025 testing capabilities, the

company has built experience, operational data and customer relationships over multiple years, creating significant barriers for new entrants to replicate quickly.

Technology Stack – GENISYS

The company's technology platform includes GENISYS (PAT US20240370040A1), a patented self-learning, platform-agnostic navigation and command-and-control system designed for land, air, surface and underwater autonomous platforms. The operational data gathered from deployments can enhance future system performance and strengthen its technological advantage.

The company's systems are built on GENISYS which enables integration and connectivity across multiple domains, making it one of the few companies globally to have achieved this.

The company has designed GENISYS as a licensable autonomy operating system that can be integrated into third-party vessels and vehicles. This creates potential opportunities for future revenue through licensing, retrofits, software upgrades and digital services across defence and commercial maritime sectors. Although the company does not currently generate licensing revenue, it believes GENISYS's retrofit-ready architecture can expand its long-term commercial potential beyond the platforms it manufactures.

The company operates in an industry supported by strong structural tailwinds, including rising adoption of autonomous systems, increasing defence modernisation, India's defence indigenisation initiatives, maritime security requirements, port modernisation, offshore energy activities, inland-waterway development and growing demand for autonomous surveillance, inspection and data collection solutions. These trends are expanding the addressable market for intelligent unmanned systems capable of operating in hazardous and remote environments while reducing operational risk and improving mission efficiency.

Indian defence procurement is increasingly favouring indigenous technologies through initiatives such as the Positive Indigenisation Lists and the Make in India program. As the company's systems are designed, developed, manufactured and supported entirely in India, they are naturally aligned with these policy priorities and are well positioned to benefit from the growing preference for domestically developed solutions.

Global export-control regimes such as ITAR increasingly limit access to sensitive defence technologies, technical data and critical system know-how from foreign players. As these restrictions tighten, government customers are placing greater emphasis on domestic suppliers that control the full technology stack, reinforcing Sagar as a trusted domestic capability creator. With the company's autonomy software, electronics and system-integration capabilities developed in-house in India, the company is well positioned to support programmes with limited foreign participation and aligns closely with India's Indigenously Designed, Developed and Manufactured (IDDM) objectives.

The company has achieved several technological milestones that underscore its indigenous engineering capabilities. The company is the pioneer of the autonomous marine systems segment in India, being the first company to successfully develop and deliver Autonomous Unmanned Surface Vehicles ("USV") in 2023 and India's first indigenous ship-launched tactical spotting drone in 2021.

It developed India's first indigenous ship-launched tactical spotting drone for naval reconnaissance in 2021 and Varuna, India's first indigenous passenger/human-carrying drone, launched in 2022. In the maritime domain, its autonomous surface vessel Matangi successfully completed a 1,500-km autonomous voyage from Mumbai to Thoothukudi in 2024 under the Sagarmala Parikrama initiative with support from the Indian Navy, demonstrating long-endurance autonomous navigation capabilities.

The company was also selected under iDEX DISC 7 / SPRINT for Challenge No. 21 titled "Autonomous Boat Swarms", issued by the Indian Navy. The challenge required an unmanned vessel capable of naval and security missions including littoral patrol, high-speed interdiction, coastal surveillance, local naval defence, constabulary operations and C4ISR, and the Government of India has awarded a contract to the company for development for autonomous boat swarms.

The company is among the earliest Indian companies to have developed an indigenous defence-oriented autonomous underwater vehicle (AUV), expanding its maritime leadership from the surface to the underwater environment in the year 2021.

Beyond platform development, the company possesses capabilities in mission software, strategic electronics, payload integration and post-deployment support, enabling participation across a larger portion of the autonomous systems value chain.

The company's maritime leadership across autonomous surface and sub-surface systems is complemented by aerial, land and cross-domain capabilities, allowing it to address requirements across the unmanned-systems spectrum from a single, owned technology base.

Roadmap to Future Opportunities

Sagar Defence differentiates itself through a vertically integrated business model encompassing platform design, manufacturing, payload integration, software development, testing, deployment and lifecycle support.

The company is also developing an Autonomous Maritime Shipbuilding and Systems Centre at Nellore SPSR, Juvvaladinne, Andhra Pradesh, envisaged as an integrated facility for R&D, series production, ocean testing and maintenance, repair and overhaul (MRO), and a first of its kind in India. It is the first dedicated unmanned maritime systems shipyards in India.

The proposed Autonomous Maritime Shipbuilding and Systems Centre at Juvvaladinne Fishing Harbour, Andhra Pradesh, is expected to function as an integrated build-test-validate-support ecosystem for autonomous maritime platforms. Unlike a conventional shipbuilding facility, the centre is intended to support manufacturing, waterfront trials, payload integration, customer acceptance testing, software upgrades, maintenance, repair and overhaul (MRO), operator training and regional support services. The availability of dedicated waterfront infrastructure, including jetty and slipway facilities, is expected to enhance deployment readiness and lifecycle support capabilities for autonomous maritime systems.

The company has also signed an MOU with the Government of Andhra Pradesh in May 2026, for the allotment of approximately 400 acres of land to set up a defence manufacturing facility. The proposed facility is intended to produce advanced defence systems for strategic and national security applications.

The company's technology credentials are further strengthened through its collaboration with Liquid Robotics (a Boeing company) for co-development and co-production of autonomous surface vessel technologies, including manufacturing, ocean testing, interoperability and MRO capabilities for the Wave Glider platform. While this collaboration primarily strengthens technological capability and market credibility rather than representing committed revenues, it enhances the company's positioning within the global autonomous maritime ecosystem.

Sagar Defence's long-term opportunity extends beyond platform sales, with potential to generate recurring revenues through software upgrades, MRO services, annual maintenance contracts, training, retrofit solutions, remote mission support, survey-as-a-service, data-as-a-service and other lifecycle support offerings.

The company's growth prospects are further supported by India's favourable policy environment. Rising defence capital expenditure continues to support indigenous procurement of unmanned systems, strategic electronics and naval technologies, while initiatives such as Sagarmala, Maritime India Vision 2030, inland-waterway development programmes and port modernisation are expected to strengthen demand for autonomous maritime solutions across defence and commercial applications.

Competitive Landscape

Competitive Landscape – Global

The global competitive landscape comprises a mix of diversified defence technology companies and specialised autonomous-system developers. Players such as Anduril Industries and Elbit Systems compete through integrated capabilities spanning AI, mission software, sensors and multi-domain platforms, while AeroVironment has established strength in unmanned aircraft and loitering munitions. In the maritime segment, Exail Technologies and Saronic Technologies are differentiated by their focus on autonomous navigation, naval robotics and unmanned surface platforms. Overall, competition is increasingly shifting from standalone hardware towards integrated, software-led autonomous mission systems.

Global Peers	Business Description
Anduril Industries	Anduril Industries is a U.S.-based defence technology company specializing in autonomous defence systems, artificial intelligence (AI), mission software and autonomous platforms across air, land, sea and undersea domains. The company develops integrated autonomous solutions for defence, border security, critical infrastructure protection and maritime surveillance.
Exail Technologies	Exail Technologies is a French defence and maritime technology company focused on autonomous navigation, robotics, positioning systems and mission-critical technologies. The company serves naval defence, offshore energy, hydrography, oceanographic research and critical infrastructure inspection markets.
Saronic Technologies	Saronic Technologies is a U.S.-based autonomous maritime defence company developing autonomous surface vessels (ASVs/USVs) for naval, intelligence, surveillance and reconnaissance (ISR) missions. The company focuses on AI-enabled maritime autonomy and rapid deployment of unmanned naval platforms.
AeroVironment, Inc.	AeroVironment is a leading U.S. defence technology company engaged in unmanned aircraft systems, loitering munitions, tactical missile systems and autonomous solutions for military and government customers worldwide.
Elbit Systems Ltd.	Elbit Systems is a global defence electronics and aerospace company providing integrated defence solutions across airborne, naval, land and electronic warfare domains. The company has extensive capabilities in unmanned systems, C4ISR, precision weapons and defence electronics.

Operational Parameter

Global Companies	Domain Presence & Product Offerings				Technology Stack	Presence of Multi-Domain Integrated Technology Stack	Autonomous Capabilities
	USV	UAV	UUV	UGV			
Anduril Industries, Inc	✓	✓	✓	✗	Own Technology - Yes Lattice OS – AI-enabled command-and-control platform supporting sensor fusion, mission autonomy and multi-domain vehicle coordination.	Yes (Technology is connected to multi-domains)	UAV- Fully autonomous. UUV- Fully Autonomous
Exail Technologies S.A	✓	✗	✓	✓	Own Technology - Yes Integrated autonomy platform with inertial navigation, mission planning, sonar imaging, sensor fusion and multi-domain command-and-control.	No (Technology is not connected to multi-domains)	USV – Hybrid (Fully autonomous, remotely controlled) UUV – Fully autonomous UGV- Remotely Operated
Saronic Technologies, Inc	✓	✗	✗	✗	Own Technology - Yes Echelon – Unified autonomy and command-and-control software stack enabling AI-driven swarm coordination and multi-vessel mission management.	No (Technology is not connected to multi-domains)	USV – Fully autonomous with human-on-the-loop supervision and remote mission control.
AeroVironment, Inc.	✗	✓	✓	✓	Own Technology - Yes Open autonomy platform enabling AI-driven mission execution, sensor integration, retrofit capability and edge-based target detection.	No (Technology is not connected to multi-domains)	UAV – Hybrid UUV- Hybrid UGV – Remotely operated
Elbit Systems Ltd.	✓	✓	✗	✓	Own Technology - Yes Integrated autonomy platform supporting autonomous navigation, electronic warfare, ISR, payload integration and C4I-enabled command-and-control across unmanned platforms.	No (Technology is not connected to multi-domains)	USV & UAV fully autonomous UGVs support both autonomous and tele-operated modes
Sagar Defence Engineering Limited	✓	✓	✓	✓	Own Technology - Yes GENISYS – AI-enabled autonomous command-and-control platform providing advanced autopilot, mission execution, swarm coordination, and remote operation for maritime, aerial, and underwater unmanned systems.	Yes (Technology is connected to multi-domains)	All products are fully autonomous

Source: Company Websites, Annual Reports, N/A- Not Available

Across the selected companies, revenue trends indicate continued business expansion, although the pace of growth varied across companies and over years. Among the global peers, Elbit Systems remained the largest by revenue and recorded a healthy revenue CAGR of 15.3% during CY23-CY25, while AeroVironment reported the highest revenue CAGR of 23.2%, supported by strong growth in CY24. Exail Technologies also demonstrated steady revenue expansion, registering a revenue CAGR of 21.8% over the same period.

Financial Benchmarking

1. Revenue from Operations

Revenue from Operations				
Global Players (USD Million)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	368.01	425.29	545.54	313.21
AeroVironment, Inc.	540.54	716.72	820.63	638.57
Elbit Systems Ltd.	5,974.74	6,827.87	7,938.63	4,475.90
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

2. Revenue Growth

Revenue Growth (%)				
Global Players (%)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	-	15.56%	28.27%	-
AeroVironment, Inc.	-	32.59%	14.50%	-
Elbit Systems Ltd.	-	14.28%	16.27%	-
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

3. EBITDA

EBITDA				
Global Players (USD Million)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	67.91	84.59	103.83	7.46
AeroVironment, Inc.	-79.01	103.2	82.85	56.14
Elbit Systems Ltd.	529.12	651.26	871.97	521.42
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

4. EBITDA Margin

Across the selected companies, EBITDA margins varied considerably, reflecting differences in business models, product mix and operating leverage. Among the global peers, Exail Technologies maintained relatively stable EBITDA margins of around 19%, while Elbit Systems reported a gradual improvement in margins over the period. AeroVironment's EBITDA margin improved from a negative level in CY23 to positive territory in CY24, before moderating in CY25.

EBITDA Margin (%)				
Global Players (%)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	18.45%	19.89%	19.03%	2.38%
AeroVironment, Inc.	-14.62%	14.40%	10.10%	8.79%
Elbit Systems Ltd.	8.86%	9.54%	10.98%	11.65%
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

5. Profit After Tax

Profit After Tax (PAT)				
Global Players (USD Million)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	15.57	-5.17	6.73	-99.00
AeroVironment, Inc.	-176.21	59.67	43.62	-84.47
Elbit Systems Ltd.	215.13	321.14	534.34	334.42
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

6. Profit After Tax Margin

PAT margins across the selected companies reflected varying levels of net profitability, influenced by operating performance, finance costs and tax incidence. Among the global peers, Elbit Systems reported a gradual improvement in PAT margin over the period, while Exail Technologies and AeroVironment experienced fluctuations, including negative margins in certain years before returning to profitability.

PAT Margin (%)				
Global Players (%)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	4.23%	-1.21%	1.23%	-31.61%
AeroVironment, Inc.	-32.60%	8.32%	5.32%	-13.23%
Elbit Systems Ltd.	3.60%	4.70%	6.73%	7.47%
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

7. ROCE

Return on Capital Employed (RoCE) across the selected companies exhibited varying trends, reflecting differences in capital efficiency and investment cycles. Among the global peers, Elbit Systems reported a gradual improvement in RoCE over the period, while Exail Technologies maintained relatively stable returns. AeroVironment's RoCE improved from a negative level in CY23 to positive territory in CY24 and CY25.

Return on Capital Employed (RoCE) [%]				
Global Players (%)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	5.91%	7.90%	6.61%	-0.91%
AeroVironment, Inc.	-25.45%	7.74%	4.41%	-1.74%
Elbit Systems Ltd.	7.41%	8.71%	10.48%	5.70%
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

8. Return on Net Worth (%)

Return on Net Worth (RoNW) across the selected companies reflected varying levels of shareholder returns, influenced by profitability and capital structure. Among the global peers, Elbit Systems reported a steady improvement in RoNW over the period, while AeroVironment improved from a negative return in CY23 to positive returns in CY24 and CY25. Exail Technologies recorded fluctuating returns, with RoNW turning negative in CY24 before recovering marginally in CY25.

Return on Net Worth (RoNW) [%]				
Global Players (%)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	6.37%	-2.22%	1.18%	-25.99%
AeroVironment, Inc.	-31.98%	7.25%	4.92%	-1.91%
Elbit Systems Ltd.	7.29%	9.79%	12.94%	7.58%
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

9. Net Fixed Asset Turnover

Net Fixed Asset Turnover (x)				
Global Players (x)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	N/A	N/A	N/A	N/A
AeroVironment, Inc.	N/A	N/A	N/A	N/A
Elbit Systems Ltd.	N/A	N/A	N/A	N/A
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

10. Cash Conversion Cycle

Cash Conversion Cycle (Days)				
Global Players (Days)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	98	121	65	125
AeroVironment, Inc.	142	117	100	69
Elbit Systems Ltd.	237	241	241	167
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

Cash Conversion Cycle (CCC) across the selected companies reflected differences in working capital management, project execution cycles and customer payment terms. Among the global peers, Exail Technologies reported the lowest cash conversion cycle in CY25 at 65 days, while AeroVironment improved its working capital efficiency by reducing its CCC from 142 days in CY23 to 100 days in CY25. Elbit Systems maintained a relatively higher but stable cash conversion cycle of around 240 days over the period.

11. Debt-to-Equity

Total debt-to-equity ratios across the selected companies reflect varying capital structures and financing strategies. Among the global peers, AeroVironment and Elbit Systems maintained relatively low leverage levels throughout the period, with debt-to-equity ratios declining further by CY25, while Exail Technologies reduced its leverage significantly from 1.51x in CY24 to 0.65x in CY25.

Total Debt to Equity				
Global Players (times)	**CY23**	**CY24**	**CY25**	**H1CY26**
Exail Technologies S.A.	1.40	1.51	0.65	1.06
AeroVironment, Inc.	0.24	0.03	0.03	0.16
Elbit Systems Ltd.	0.21	0.15	0.02	0.001
Saronic Technologies, Inc.	N/A	N/A	N/A	N/A
Anduril Industries, Inc.	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, Conversion rate: 1 EUR = 1.14 USD

Competitive Landscape – India

The Indian competitive landscape private players, Aereo, Garuda Aerospace, Dhaksha and Asteria serve defence and commercial drone applications, while Raphe and ZMotion focus on indigenous UAV design and manufacturing. Ana Drone, NewSpace and Aeroarc are developing tactical UAVs, swarm systems, loitering munitions and UGVs. Sagar Defence stands out through its presence across maritime, underwater, aerial and ground domains, supported by autonomy software, payload integration and lifecycle support.

Indian Private Players	Company Brief
Raphe mPhibr	The company develops UAV solutions and has in house R&D, composites, electronics, additive manufacturing, and precision manufacturing capabilities
Ana Drone	The company focuses on unmanned and autonomous defence systems, including aerial target systems, tactical UAVs, autonomous mission systems, and related technologies
Zmotion Autonomous Systems	Zmotion designs and manufactures indigenous fixed-wing and rotary-wing UAVs, supported by in-house flight-control, communication, composite-manufacturing and AI capabilities
Garuda Aerospace	Garuda manufactures drones, provides Drone-as-a-Service (DaaS), pilot training, and serves agriculture, infrastructure, defence, and industrial sectors
NewSpace Research and Technologies	The company develops next-generation unmanned aerospace systems and swarm technologies related defence and civilian applications
Asteria Aerospace	Asteria describes is a full-stack drone technology company offering drone hardware, software, aerial intelligence, analytics, and Drone-as-a-Service solutions.
Dhaksha Unmanned Systems	Dhaksha develops drones for defence, agriculture, and enterprise applications, including surveillance, logistics, fixed-wing VTOL, swarm, and agricultural drones
Aeroarc	Aeroarc develops autonomous UAVs, loitering munitions, heavy-lift aerial systems, UGVs, drone docks and precision-targeting systems for defence, security and logistics applications
Aereo	Aereo, formerly Aarav Unmanned Systems, provides integrated drone and geospatial-intelligence solutions combining UAV-based data acquisition, cloud platforms and AI-enabled analytics for mining, infrastructure, utilities and urban planning.

Operational Parameter for Private Players

Company Name	Domain Presence				Integrated systems	Latest Available Revenue (INR mn)
	USV	UAV	UUV	UGV		
Sagar Defence Engineering	✓	✓	✓	✓	Yes	2,545.88
Raphe mPhibr	✗	✓	✗	✗	No	2,675.70
Ana Drone	✗	✓	✗	✗	No	2,083.50
Zmotion Autonomous Systems	✗	✓	✗	✗	NA	1,317.40
Garuda Aerospace	✗	✓	✗	✗	No	1,248.00
NewSpace Research and Technologies	✗	✓	✗	✓	No	966.20
Asteria Aerospace	✗	✓	✗	✗	No	787.30
Dhaksha Unmanned Systems	✗	✓	✗	✗	No	475.10
Aeroarc	✗	✓	✗	✗	No	80.40
Aereo	✗	✓	✗	✗	No	26.10

Source: Company Websites, Industry Sources, Annual Report, Note: Sagar Defence Engineering revenue is as of FY26 and the rest the company's revenue is as of FY25 based on publicly available information. Both indicates Autonomous and semi-autonomous capabilities

Sagar Defence operates as a vertically integrated, multi-domain unmanned autonomous systems company. There is no company in India that is directly comparable and operates exclusively or primarily in its segment or that offers a comparable range of offerings across multiple domains and integration across these domains.

The peer listed companies identified in this report for the purposes of comparison, are technology-focused companies listed on recognised stock exchanges in India and having capabilities across defence electronics, sub-systems, single domain unmanned systems, maritime shipbuilding and precision engineering. These peers may operate in only select sub-segments of the broader defence, industrial commercial sector (such as shipbuilding, aviation, electronics, sub-systems or conventional defence manufacturing), and may have materially different business models, product portfolios, revenue profiles, customer bases, operating scales, and margin profiles.

Indian Listed Peers	Company Brief
Bharat Electronics Limited (BEL)	Bharat Electronics Limited (BEL) is an Indian defence public sector enterprise engaged in the design, development and manufacture of defence electronics, communication systems, radars, electronic warfare systems, naval systems and autonomous platforms for the Indian Armed Forces and government agencies.
Mazagon Dock Shipbuilders Limited	Mazagon Dock Shipbuilders Limited (MDL) is an Indian defence public sector shipyard engaged in the construction of warships, submarines and other naval vessels for the Indian Navy and Coast Guard. The company also undertakes submarine refits, upgrades and selected underwater technology programmes.
Data Patterns (India) Limited	Data Patterns (India) Limited is an Indian defence and aerospace technology company engaged in the design, development and manufacture of electronic systems, embedded solutions, avionics, radar subsystems and mission-critical defence equipment for defence and space applications.
Apollo Microsystems Limited	Apollo Microsystems Limited is an Indian defence and aerospace technology company engaged in the design, development and manufacture of electronic systems, embedded computing solutions, weapon control systems, communication equipment and mission-critical components for defence, space and homeland security applications.
ideaForge Technology Limited	IdeaForge Technology Limited is an Indian unmanned aircraft systems (UAS) company engaged in the design, development and manufacture of UAVs, ground control systems and related software solutions for defence, homeland security and mapping applications.

Indian Listed Peers	Company Brief
MTAR Technologies Limited	MTAR Technologies Limited is an Indian precision engineering company engaged in the manufacture of high-precision components, assemblies and systems for the nuclear, space, defence, clean energy and aerospace sectors.
Sagar Defence Engineering Limited	Sagar Defence Engineering Limited is an Indian deep-tech defence technology company engaged in the design, development and manufacture of autonomous mission systems across unmanned maritime, underwater, aerial and ground platforms, supported by strategic electronics, autonomy software, payload integration and lifecycle support services for defence and commercial applications.

Operational Parameter

Indian Companies	Domain Presence & Product Offerings				Technology Stack	Presence of Multi-Domain Integrated Technology Stack	Autonomous Capabilities
	USV	UAV	UUV	UGV			
Sagar Defence Engineering Limited	✓	✓	✓	✓	Own Technology - **Yes** GENISYS – AI-enabled autonomous command-and-control platform providing advanced autopilot, mission execution, swarm coordination, and remote operation for maritime, aerial, and underwater unmanned systems.	Yes (Technology is connected to multi-domains)	USV - Autonomous UAV - Autonomous UUV - Autonomous UGV - Autonomous
Bharat Electronics Limited	✓	✓	✓	✓	Own Technology – **Yes** Advanced autonomy platform supporting autonomous navigation, mission control and FMCW radar-based drone detection and tracking.	No (Technology is not connected to multi-domains)	Remotely Operated with AI-assisted Autonomous Navigation and Mission Autonomy
Mazagon Dock Shipyard Limited	✗	✗	✓	✗	Own Technology - **No**	No (Technology Not Available)	Swarm UUV - Autonomous
Data Patterns (India) Limited	✗	✗	✗	✗	Own Technology - **No**	No (Technology Not Available)	No
Apollo Microsystems Limited	✗	✓	✓	✓	Own Technology - **No**	No (Technology Not Available)	Yes
ideaForge Technology Limited	✗	✓	✗	✗	Own Technology - **Yes** Integrated UAV software suite supporting ground control, secure video streaming, GNSS-denied navigation, collision avoidance and AI-based target tracking	No (Technology is not connected to multi-domains)	UAV-Hybrid
MTAR Technologies	✗	✗	✗	✗	Own Technology - **No**	No (Technology Not Available)	No

Source: Company Websites, Annual Reports

Financial Benchmarking

12. Revenue from Operations

Among the Indian companies mentioned, Bharat Electronics and Mazagon Dock Shipbuilders reported the highest revenue in absolute terms, while Sagar Defence Engineering is fastest-growing in terms of revenue, with a revenue CAGR of 153.87% and over Fiscals 2024 to 2026, supported by strong year-on-year revenue growth in both FY25 and FY26. Apollo Microsystems and Data Patterns also reported healthy revenue CAGRs of approximately ~56% and ~33%, respectively, whereas MTAR Technologies recorded a revenue CAGR of 22.83%. In contrast, ideaForge's revenue declined in FY25 before recovering in FY26, resulting in a comparatively lower CAGR revenue over the period.

Revenue from Operations					
Indian Players (Rs. Million)	**FY24**	**FY25**	**FY26**	**H1FY27**	**CAGR (FY24-FY26)**
Sagar Defence Engineering Limited	395.01	1,038.77	2,545.88	2,222.41	153.87%
Data Patterns (India) Limited	5,198.00	7,083.50	9,247.70	2,493.00	33.38%
ideaForge Technology Limited	3,139.96	1,612.16	2,261.29	1,598.70	-15.14%
MTAR Technologies Limited	5,807.52	6,759.57	8,762.00	7,675.00	22.83%

Revenue from Operations					
Indian Players (Rs. Million)	**FY24**	**FY25**	**FY26**	**H1FY27**	**CAGR (FY24-FY26)**
Apollo Microsystems Limited	3,716.34	5,620.69	9,043.24	6,394.40	55.99%
Mazagon Dock Shipbuilders Limited	94,665.80	1,14,318.80	1,30,063.10	53,890.00	17.21%
Bharat Electronics Limited	2,02,682.40	2,37,687.50	2,76,101.10	1,28,747.00	16.71%

Source: Investor Presentations, N/A: Data Not Available / Disclosed

13. Revenue Growth (%)

Revenue Growth (%)				
Indian Players (%)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	-	162.97%	145.09%	N/A
Data Patterns (India) Limited	-	36.27%	30.55%	N/A
ideaForge Technology Limited	-	-48.66%	40.26%	N/A
MTAR Technologies Limited	-	16.39%	29.62%	N/A
Apollo Microsystems Limited	-	51.24%	60.89%	N/A
Mazagon Dock Shipbuilders Limited	-	20.76%	13.77%	N/A
Bharat Electronics Limited	-	17.27%	16.16%	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed

14. EBITDA

EBITDA					
Indian Players (Rs. Million)	**FY24**	**FY25**	**FY26**	**H1FY27**	**CAGR (FY24-FY26)**
Sagar Defence Engineering Limited	52.92	495.47	1,209.28	1,339.89	378.03%
Data Patterns (India) Limited	2,216.00	2,750.00	3,710.00	628.00	29.39%
ideaForge Technology Limited	859.00	-315.30	271.17	275.10	-43.81%
MTAR Technologies Limited	1,116.72	1,209.00	1,712.00	1,842.00	23.82%
Apollo Microsystems Limited	838.70	1,292.10	2,181.60	1,649.10	61.28%
Mazagon Dock Shipbuilders Limited	25,496.30	32,287.90	34,023.00	11,900.00	15.52%
Bharat Electronics Limited	49,980.00	67,680.00	82,440.00	N/A	28.43%

Source: Investor Presentations, N/A: Data Not Available / Disclosed

15. EBITDA Margin (%)

Among the Indian peers, Data Patterns consistently maintained one of the highest EBITDA margins, remaining above 38% across the period. Sagar Defence Engineering recorded the fastest EBITDA growth among the selected listed companies in India over Fiscal 2024 to Fiscal 2026, with EBITDA increasing from Rs. 52.92 million in Fiscal 2024 to Rs. 1,209.28 million in Fiscal 2026, while its EBITDA margin expanded significantly to 47.50% in Fiscal 2026, placing it among the highest within the peer group. Bharat Electronics and Apollo Microsystems also reported a gradual improvement in operating margins over the period, whereas ideaForge's EBITDA margin turned negative in FY25 before recovering to a positive level in FY26. MTAR Technologies and Mazagon Dock Shipbuilders maintained relatively stable EBITDA margins throughout the period.

EBITDA Margin (%)				
Indian Players (%)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	13.40%	47.70%	47.50%	60.29%
Data Patterns (India) Limited	42.63%	38.82%	40.12%	25.19%
ideaForge Technology Limited	27.36%	-19.56%	11.99%	17.20%
MTAR Technologies Limited	19.23%	17.89%	19.54%	24.00%
Apollo Microsystems Limited	22.57%	22.99%	24.12%	25.79%
Mazagon Dock Shipbuilders Limited	26.93%	28.24%	26.16%	22.08%
Bharat Electronics Limited	24.66%	28.47%	29.86%	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed

16. Profit After Tax

Profit After Tax (PAT)					
Indian Players (Rs. Million)	**FY24**	**FY25**	**FY26**	**H1FY27**	**CAGR (FY24-FY26)**

Sagar Defence Engineering Limited	-62.60	308.58	879.03	1,016.12	NA
Data Patterns (India) Limited	1,811.00	2,199.00	2,714.00	440.00	22.42%
ideaForge Technology Limited	452.70	-622.70	-170.30	38.70	NA
MTAR Technologies Limited	561.13	528.87	940.30	1,101.00	29.45%
Apollo Microsystems Limited	311.10	563.60	1,073.80	713.70	85.79%
Mazagon Dock Shipbuilders Limited	19,369.70	24,135.10	25,783.60	8,970.00	15.37%
Bharat Electronics Limited	39,852.40	53,226.80	60,622.60	25,949.00	23.34%

Source: Investor Presentations, N/A: Data Not Available / Disclosed

17. PAT Margin (%)

Among the Indian peers, Sagar Defence Engineering recorded a significant improvement in PAT margin, increasing from a negative margin in FY24 to 34.53% in FY26, the highest among the selected listed companies in India. Data Patterns consistently maintained PAT margins above 29% throughout the period, while Bharat Electronics and Mazagon Dock Shipbuilders reported stable PAT margins in the range of approximately 20%–22%. Apollo Microsystems witnessed gradual margin expansion, whereas ideaForge reported negative PAT margins in FY25 and FY26. MTAR Technologies maintained relatively stable PAT margins over the period.

PAT Margin (%)				
Indian Players (%)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	-15.85%	29.71%	34.53%	45.72%
Data Patterns (India) Limited	34.84%	31.04%	29.35%	17.65%
ideaForge Technology Limited	14.42%	-38.63%	-7.53%	2.40%
MTAR Technologies Limited	9.66%	7.82%	10.73%	14.35%
Apollo Microsystems Limited	8.37%	10.03%	11.87%	11.16%
Mazagon Dock Shipbuilders Limited	20.46%	21.11%	19.82%	16.65%
Bharat Electronics Limited	19.66%	22.39%	21.96%	20.16%

Source: Investor Presentations, N/A: Data Not Available / Disclosed

18. Return on Capital Employed (%)

Among the Indian peers, Sagar Defence Engineering recorded a significant improvement in RoCE, increasing from 6.88% in FY24 to 24.31% in FY26, representing the highest improvement among the selected listed defence-focused technology companies in India over the period. Data Patterns and Apollo Microsystems also demonstrated consistent improvement in capital efficiency, while MTAR Technologies witnessed a recovery in FY26 following a moderation in FY25.

Return on Capital Employed (RoCE) [%]				
Indian Players (%)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	6.88%	16.37%	24.31%	18.28%
Data Patterns (India) Limited	16.00%	18.00%	20.80%	N/A
ideaForge Technology Limited	-11.00%	-13.00%	-3.00%	N/A
MTAR Technologies Limited	10.60%	9.65%	17.20%	N/A
Apollo Microsystems Limited	13.00%	18.14%	18.23%	N/A
Mazagon Dock Shipbuilders Limited	44.28%	43.36%	N/A	N/A
Bharat Electronics Limited	36.44%	39.22%	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed

19. Return on Net Worth (%)

Among the Indian peers, Sagar Defence Engineering reported a substantial improvement in RoNW, increasing from a non-meaningful (NM) level in FY24 to 19.47% in FY26, representing the highest improvement among the selected listed defence-focused technology companies in India over the period. Data Patterns consistently maintained RoNW in the range of 15%–17%. Apollo Microsystems and MTAR Technologies also witnessed an improvement in shareholder returns over the period, whereas ideaForge reported negative RoNW in FY25 and FY26 following a positive return in FY24.

Return on Net Worth (RoNW) [%]				
Indian Players (%)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	NA*	11.52%	19.47%	15.59%
Data Patterns (India) Limited	15.00%	16.00%	16.70%	14.00%
ideaForge Technology Limited	9.00%	-10.00%	-3.00%	N/A
MTAR Technologies Limited	8.70%	7.70%	12.10%	N/A

Apollo Microsystems Limited	6.89%	10.00%	11.21%	N/A
Mazagon Dock Shipbuilders Limited	N/A	N/A	N/A	N/A
Bharat Electronics Limited	25.00%	26.85%	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed, * denotes Return on Net Worth is not applicable as Net Worth is negative

20. Net Fixed Asset Turnover Ratio (x)

Net Fixed Asset Turnover (x)				
Indian Players (x)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	7.52	7.17	6.72	3.92
Data Patterns (India) Limited	N/A	N/A	N/A	N/A
ideaForge Technology Limited	N/A	N/A	N/A	N/A
MTAR Technologies Limited	N/A	N/A	N/A	N/A
Apollo Microsystems Limited	N/A	N/A	N/A	N/A
Mazagon Dock Shipbuilders Limited	N/A	N/A	N/A	N/A
Bharat Electronics Limited	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed

21. Cash Conversion Cycle (Days)

Among the Indian peers, Sagar Defence Engineering recorded a significant improvement in working capital efficiency, reducing its cash conversion cycle from 216 days in FY24 to 96 days in FY26, the lowest among the selected listed defence-focused technology companies in India for which comparable data is available. Data Patterns also improved its cash conversion cycle over the period, although it remained comparatively higher, while MTAR Technologies reported a gradual reduction in its cash conversion cycle through FY25. Comparable data for the remaining Indian peers was not publicly available.

Cash Conversion Cycle (Days)				
Indian Players (Days)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	216	101	96	201
Data Patterns (India) Limited	432	428	365	374
ideaForge Technology Limited	N/A	N/A	N/A	N/A
MTAR Technologies Limited	252	229	NA	N/A
Apollo Microsystems Limited	N/A	N/A	N/A	N/A
Mazagon Dock Shipbuilders Limited	N/A	N/A	N/A	N/A
Bharat Electronics Limited	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed

22. Total Debt to Equity

Among the Indian peers, Sagar Defence Engineering maintained a low debt-to-equity ratio of 0.18x during FY25 and FY26, indicating a conservative leverage profile. MTAR Technologies also operated with relatively low leverage, although its debt-to-equity ratio increased in FY26. Apollo Microsystems reported comparatively higher leverage during FY24 and FY25, while comparable debt-to-equity data for the remaining Indian peers was not publicly available.

Total Debt to Equity				
Indian Players (times)	**FY24**	**FY25**	**FY26**	**H1FY27**
Sagar Defence Engineering Limited	-50.67	0.18	0.18	0.30
Data Patterns (India) Limited	N/A	N/A	N/A	0.00
ideaForge Technology Limited	N/A	N/A	N/A	N/A
MTAR Technologies Limited	0.28	0.24	0.45	N/A
Apollo Microsystems Limited	0.84	1.14	NA	N/A
Mazagon Dock Shipbuilders Limited	N/A	N/A	N/A	N/A
Bharat Electronics Limited	N/A	N/A	N/A	N/A

Source: Investor Presentations, N/A: Data Not Available / Disclosed

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 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.

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 all peers*
3. *EBITDA % is calculated as EBITDA divided by Revenue from Operations for all peers*
4. *PAT Margin is calculated as Profit for the year divided by Revenue from Operations for all peers*

Notes related to Sagar Defence

1. *Revenue from operations of our Company as appears in the Restated Consolidated Financial Statements*
2. *Revenue from operations - Growth (%) is calculated as percentage growth in Revenue from operations for the relevant Fiscal over Revenue from operations for the immediately preceding Fiscal.*
3. *EBITDA is calculated as profit for the year, plus tax expense, finance costs and depreciation and amortisation expense less other income.*
4. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations for the relevant Fiscal.*
5. *Profit after tax is profit for the year.*
6. *Profit after tax margin (%) is computed as profit for the year divided by Revenue from operations for the relevant Fiscal.*
7. *Return on Capital Employed (%) is computed as EBIT divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Other Intangible Assets, Intangible assets under development and Deferred tax assets plus Long Term and Short-Term Borrowing*
8. *Return on Net worth (%) is computed as profit for the year attributable to owners of the Company divided by Net Worth for the relevant Fiscal.*
9. *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Average Property, Plant and Equipment. Average Property, Plant and Equipment is calculated as sum of Property, Plant and Equipment and capital work in progress as of the current year / period plus Property, Plant and Equipment and capital work in progress as of the previous year / period divided by 2*
10. *Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold ("COGS") multiplied by no. of days in the period / year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period. Trade payable days is calculated as average trade payable divided by COGS multiplied by no. of days in the year*

Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current borrowings and Current borrowings and non-current and current lease liabilities.

OUR BUSINESS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Updated Draft Red Herring Prospectus - I, before making an investment in our Equity Shares. If any or some combination of the risks actually occur, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment.

Unless the context otherwise requires, references to 'we', 'us', 'our', or 'our Company' in this section refer to our Company on a consolidated basis. We operate in the Indian autonomous and unmanned systems industry, across the maritime surface, maritime sub-surface, aerial and land domains. Capitalised terms used but not defined in this section shall have the meanings ascribed to them in "Definitions and Abbreviations" on page 1.

This Updated Draft Red Herring Prospectus - I also contains forward-looking statements that involve known and unknown 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 Updated Draft Red Herring Prospectus - I. For details, see "Forward-Looking Statements" on page 20. Unless otherwise indicated or unless context requires otherwise, the financial information in this section has been derived from the Restated Financial Information. For further details, see "Restated Financial Information" on page 311. Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled, "Research Report on the Unmanned Systems Industry" ("**CAREEdge Report**") dated November 13, 2026 prepared by CARE Analytics and Advisory Private Limited (CAREEdge Research), a subsidiary of CARE Ratings Limited, which has been commissioned and exclusively paid for by us pursuant to an engagement letter dated June 12, 2026 and prepared exclusively in connection with the Offer. The CAREEdge Report includes certain excerpts from third-party sources cited therein. Unless otherwise indicated, references to a calendar year in the industry and market data are to the twelve-month period ending December 31 of the relevant year, and references to a fiscal year are to the twelve-month period ending March 31 of the relevant year. The CAREEdge Report will be available on our website from the date of this Updated Draft Red Herring Prospectus-I until the Bid/Offer Closing Date. For further information, see "Risk Factors – 61. Industry information included in this Updated Draft Red Herring Prospectus - I has been derived from the CAREEdge Report, and any reliance on information from the CAREEdge Report for making an investment decision in the Offer is subject to inherent risks" on page 52. Also see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 19 for additional details regarding the industry and market data used in this Updated Draft Red Herring Prospectus - I.*

OVERVIEW

We are a vertically integrated Indian deep-tech company that designs, develops, manufactures and supports multi-domain unmanned platforms across the maritime surface, maritime sub-surface, aerial and land domains *(Source: CAREEdge Report)*. Our platforms are physical vehicles and robotic systems capable of navigating their environment, executing complex missions and making operational decisions without real-time human intervention. They are driven by our proprietary AI-enabled autonomy software and serve sovereign and commercial applications across defence, scientific and industrial sectors.

We are the only company in India specializing in unmanned, integrated and multi-domain systems across the maritime surface, maritime sub-surface, aerial and land domains. *(Source: CAREEdge Report)* Our capabilities span the full value chain, covering in-house design, development, manufacture, integration, supply and lifetime support of these systems. We also develop indigenous advanced sensing solutions for mission-critical applications, including intelligence, surveillance and reconnaissance ("**ISR**"), maritime patrol, mine-countermeasure operations, anti-submarine and sub-surface operations, logistics and payload delivery, and coordinated multi-platform swarm operations.

We are the pioneer of the autonomous marine systems segment in India, being the first company to successfully develop and deliver autonomous Unmanned Surface Vehicles ("**USV**") in 2023 and India's first indigenous ship-launched tactical spotting drone in 2021 *(Source: CAREEdge Report)*. We also developed Varuna, India's first indigenous passenger/human-carrying drone in 2022 *(Source: CAREEdge Report)*. Our systems are built on a unified technology stack, GENISYS (PAT US20240370040A1) ("**GENISYS**"), which enables integration and connectivity across multiple domains, making us one of the few companies globally to have achieved this *(Source: CAREEdge Report)*.

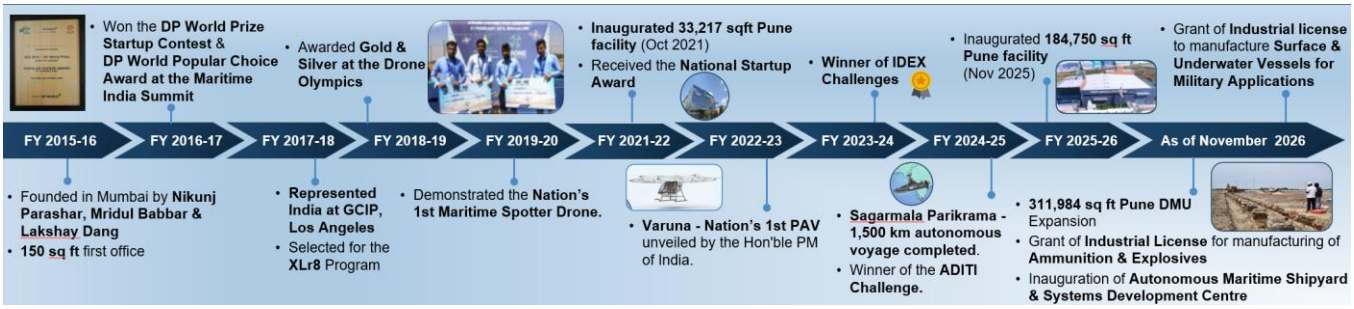
Our business is research-and-development led. We concentrate our investment in the technology disciplines that underpin autonomous systems, including autonomy software, embedded electronics, AI and machine learning, sensor fusion, navigation, communications and mission software, and we own the resulting intellectual property through our patent and trademark portfolio. This R&D foundation is supported by a vertically integrated manufacturing model through which we design, develop, manufacture, integrate and support our platforms in-house at our facilities in Pune, Maharashtra, giving us direct control over quality, configuration and platform performance across the full product lifecycle.

Amongst companies as identified in the section "*Basis for Offer Price*" on page 140, we are the fastest-growing in terms of revenue, with a revenue CAGR of 153.87% over Fiscals 2024 to 2026, and the highest EBITDA margin of 47.50% and PAT margin of 34.53% in Fiscal 2026 *(Source: CAREEdge Report)*. Our PAT journey reflects our rapid commercialisation over the

years. We recorded a net loss of ₹62.60 million in Fiscal 2024, turned profitable with a PAT of ₹308.58 million and a PAT margin of 29.71% in Fiscal 2025, and grew PAT to ₹879.03 million with a PAT margin of 34.53% in Fiscal 2026 and grew PAT to ₹ 1,016.12 million with a PAT margin of 45.72% for the six-month period ended September 30, 2026 . We attribute this performance to the growing acceptance of our platforms by our customers, the commercial leverage that comes from deploying a single owned autonomy stack across an expanding portfolio without a proportionate increase in development cost, and the operating leverage that our vertically integrated model generates as production volumes scale. Revenue from operations grew from ₹395.01 million in Fiscal 2024 to ₹2,545.88 million in Fiscal 2026, while EBITDA margin expanded from 13.40% to 47.50% over the same period, and revenue from operations and EBITDA margin were ₹2,222.41 million and 60.29%, respectively, for the six-month period ended September 30, 2026.

Since our incorporation in 2015, we have grown from a single-domain developer of unmanned maritime systems into a company that designs, develops and supports unmanned platforms across multiple domains (*Source: CAREEdge Report*). We began as an R&D-oriented engineering enterprise with a focus on indigenous technology development. From the outset we combined software engineering, embedded electronics, communications systems, mechanical engineering and systems integration within a single engineering framework, which gave us the foundational capabilities in autonomous navigation, mission planning, communication architectures, sensor integration and mission-level control on which our current portfolio is built. As those core technology disciplines matured, we progressively expanded into the design and development of complete unmanned platforms across the sea surface, underwater, aerial and land domains.

The infographic below illustrates our Company's journey over time

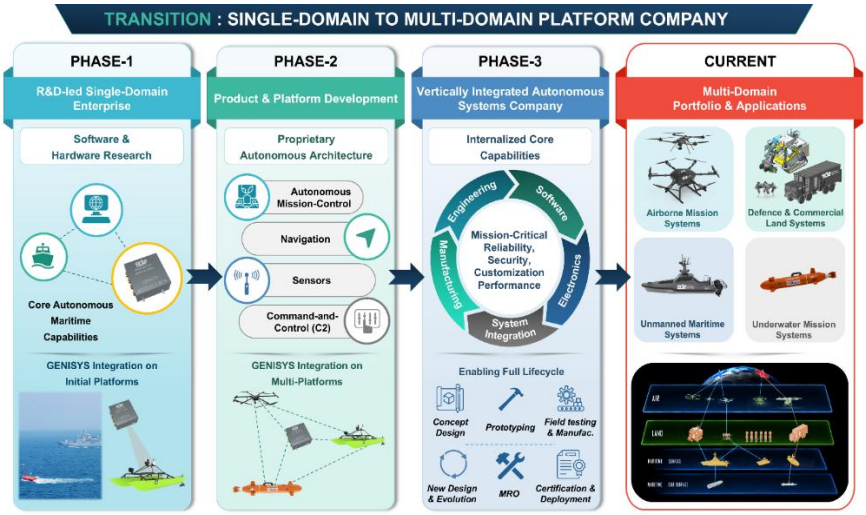


That progression produced our proprietary autonomous mission-control, navigation and command-and-control architecture, and it shifted our character as a company: from an R&D-led engineering enterprise, we moved to the end-to-end design, development and manufacture of complete unmanned systems, and then to the vertically integrated unmanned systems company we are today.

The mission-critical nature of our products requires reliability, customisation, security and field-level performance that cannot be easily sourced externally, which led us to internalise core capabilities across engineering, software, electronics, systems integration and manufacturing. Today our vertical integration brings hardware, software, electronics, autonomy algorithms, communication systems, sensor suites, mission payloads and command-and-control architecture within a single engineering and execution framework. This allows us to respond to specific customer requirements across the full product lifecycle, from concept design and prototyping through to manufacturing, field trials, qualification, deployment and upgrades.

Our capabilities have accordingly expanded well beyond unmanned maritime systems. Today our portfolio encompasses unmanned maritime systems, underwater mission systems, airborne mission systems, hazardous-material and ordnance robotics, strategic electronics and strategic payloads, serving defence, commercial, scientific, industrial and strategic-electronics applications across maritime, underwater, airborne and hazardous-environment contexts.

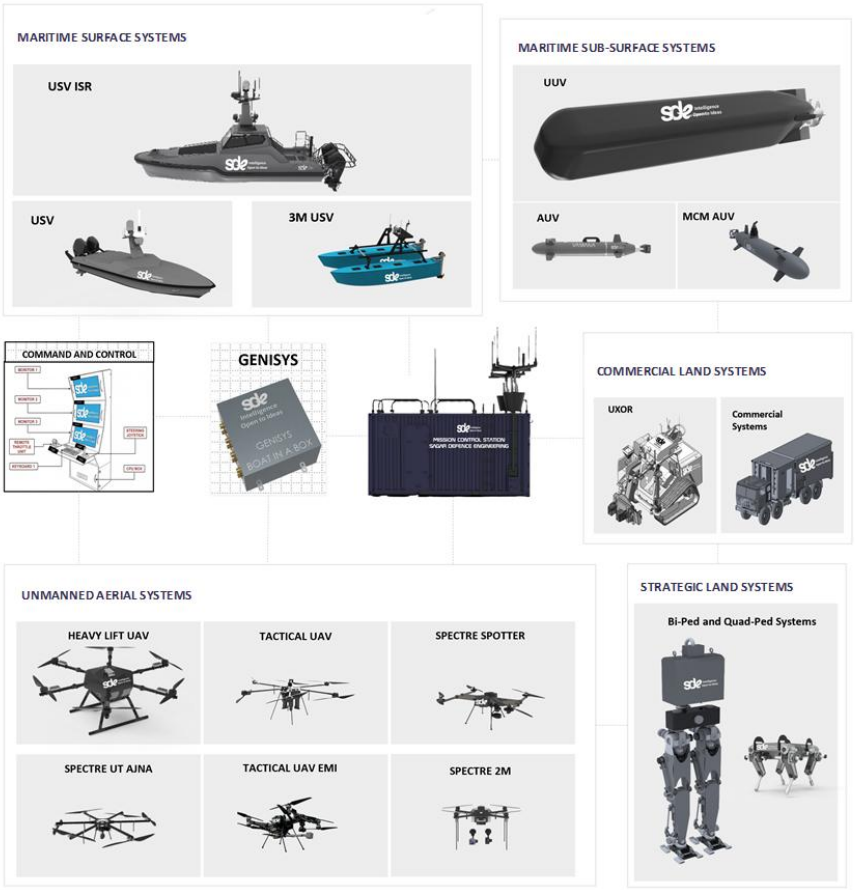
Transition from single-domain to multi-domain platform company



We offer a portfolio of unmanned platforms across four domains, each integrated with GENISYS, our proprietary autonomy and command-and-control software platform. Our domain-wise offering is summarised below:

Domain	Sub-Domain	Representative platforms	Principal mission use
Maritime	Maritime surface	USVISR, USV, 3M (3 meter) USV, USVMCM, USVASW	Patrol, intelligence, surveillance and reconnaissance ("**ISR**"), maritime domain awareness, cross-domain integration, mine countermeasures ("**MCM**"), anti-submarine warfare ("**ASW**")
	Maritime sub-surface	UUV, AUV, MCM AUV	Stealth, surveillance, mine countermeasures, anti-submarine warfare and payload delivery
	Maritime Aerial	Heavy Lift UAV, Spectre Spotter, Spectre UT Ajna, Tactical UAV EMI	Shipborne surveillance, coastal and maritime ISR, shipborne
Aviation	Land Based	Tactical UAV, Spectre 2M, Varuna HA, Spectre Tethered	Land logistics, multi mission payload deployment
Land	Ordnance Robotics	UXOR, Quadruped, Biped	Unmanned ground operations, ordnance handling and robotics

Our select product portfolio across four domains, each integrated with GENISYS



GENISYS is our self-learning autonomy and fully integrated command-and-control ("**C4**") software, designed to operate across our autonomous and unmanned systems and domains. It translates human mission intent into system-specific control execution and continuously improves through sensor feedback and operational data generated by each deployment. GENISYS performs three distinct roles:

- **Autonomy enabler**: it provides the navigation, decision-making and mission-execution intelligence of each system, enabling it to operate without real-time human intervention.
- **Scalability enabler**: a common software core is deployed across new systems and domains, shortening development cycles and reducing the incremental cost of expanding our portfolio.
- **Integration enabler**: it networks our systems for coordinated, cross-domain and swarm operations, with shared situational awareness and faster Observe-Orient-Decide-Act decision cycles ("**OODA**"), including in GPS-denied and contested environments.

GENISYS enables integration of autonomous platforms across domains



SATCOM (Satellite Communication) is integrated with our Company's GENISYS command-and-control system to enable beyond-line-of-sight and long-range communication between our Company's autonomous platforms and the command-and-control station. Through GENISYS, SATCOM facilitates transmission of command and control instructions, telemetry and mission-related data, enabling extended-range and remote operations. The use and integration of satellite communication also forms part of the technology covered under our Company's patent relating to GENISYS, further supporting its integrated command-and-control capabilities

Note: Image for representation purposes only

According to the CAREEdge Report, the global unmanned systems market was valued at US$37.4 billion in 2025 and is projected to reach US$70.3 billion by 2030, growing at a CAGR of 13.4% over calendar years 2025 to 2030. The Indian unmanned systems market increased from US$ 529.3 million in the financial year 2021 to US$ 1,289.8 million in financial year 2026, registering a CAGR of 19.5% during the period. India's unmanned systems market presents a total addressable opportunity of approximately US$ 18.4 billion over the next five years, spanning unmanned aerial, ground, surface and underwater platforms of which the unmanned aerial vehicle segment accounts for approximately US$14.9 billion, unmanned underwater vehicle segment accounts for approximately US$1.4 billion, unmanned surface vehicles accounts for approximately US$1.2 billion and the unmanned ground vehicle segment accounts for approximately US$0.9 billion (*Source: CAREEdge Report*).

According to the CAREEdge Report, globally defence procurement is increasingly shifting towards autonomous and software-driven systems, with software, sensors and decision-making capabilities emerging as key value drivers within next-generation defence technologies. We believe we are well-positioned to benefit from this transition in India. Our unmanned platforms are built around a single practical objective: keeping personnel away from hazardous operating environments, reducing fatigue in prolonged missions and enabling long-range operations over extended durations. This shapes how we design, develop, manufacture and support our platforms, and is reflected across our entire product portfolio.

Unmanned and autonomous systems are an identified priority for the Indian armed forces. The trend is also reflected in the India's defence planning framework, with the Technology Perspective Capability Roadmap, 2025 ("**TPCR-2025**") identifying unmanned surface, underwater and multi-domain systems as strategic capability priorities (*Source: CAREEdge Report*). The Indian Naval Maritime Security Strategy 2026 ("**INMSS-2026**"), emphasises the development of networked, data-centric and autonomous maritime capabilities (*Source: CAREEdge Report*). These developments, together with the government's long-term roadmap for defence indigenisation, are expanding the role of private sector participation beyond traditional manufacturing into high-value technology domains, creating opportunities for specialised defence companies across platforms, subsystems and autonomous mission systems (*Source: CAREEdge Report*).

Our combination of in-house hardware and software, the GENISYS autonomy stack, multi-domain system ownership and full-stack payload-integration capability positions us as one of the few companies in the Indian defence sector capable of full, end-to-end system development with limited external dependency *(Source: CAREEdge Report)*. We believe this sets us apart from players focused primarily on subsystems, components, single-domain products or manufacturing.

The procurement shift in India is accompanied by a policy framework that directly favours indigenous systems *(Source: CAREEdge Report)*. The Government of India's positive-indigenisation lists and Indigenous Design, Development and Manufacturing ("**IDDM**") objective, together with the broader Atmanirbhar Bharat initiative, increasingly restrict procurement of foreign-origin defence systems and give preference to systems that are designed, developed, manufactured and supported in India *(Source: CAREEdge Report)*. Our systems are built entirely in-house in India, with no reliance on foreign-controlled

autonomy software, electronics or integration technology, and they meet the IDDM criteria by design. As per the CAREEdge Report, global export-control regimes, including ITAR increasingly limit access to sensitive defence technologies, technical data and critical system know-how from foreign players. As these restrictions tighten, government customers are placing greater emphasis on domestic suppliers that control the full technology stack.

Our platforms have been deployed with, or evaluated by, departments and agencies of the Government of India, including under the Ministry of Defence, and several have been co-developed with our customers through structured trial-and-feedback cycles. We were selected under iDEX DISC 7 / SPRINT for Challenge No. 21, titled "Autonomous Boat Swarms", issued by the Indian Navy, which required an unmanned vessel capable of undertaking naval and security missions including littoral patrol, high-speed interdiction, coastal surveillance, local naval defence, constabulary operations and C4ISR. The Government of India has subsequently awarded us a contract for the development of autonomous boat swarms *(Source: CAREEdge Report)*.

Our unmanned surface vessel also participated in Sagarmala Parikrama, flagged off during Swavlamban 2024, conducting an autonomous passage of approximately 1,500 kilometres from Mumbai to Thoothukudi. The passage demonstrates the capability of unmanned surface vessels to support extended-range maritime operations in real-world coastal environments.

We have established collaborations with leading global technology companies, including with Liquid Robotics, a Boeing company, for the co-development and co-production of autonomous surface vessels in India. This will include manufacturing, system interoperability, ocean testing and the development of MRO capabilities in Asia.

Customer acceptance is the primary driver of our order book (defined as total value of confirmed customer orders yet to be fulfilled at the end of relevant year) which was ₹8,900.50 million as at September 30, 2026. According to the CAREEdge Report, procurement of unmanned platforms by defence agencies follows a rigorous, multi-stage qualification process involving development programmes, user trials, operational evaluations, third-party validation and formal qualification before procurement. Given the extensive time, technical expertise, operational testing and validation required across multiple stages, the qualification process serves as an important differentiator for companies with proven capabilities and established track records *(Source: CAREEdge Report)*. Our platforms have cleared this pathway across multiple customers and mission categories, including obtaining a contract for our autonomous boat swarms and demonstrating long-range operational capability through Sagarmala Parikrama 2024. The resulting repeat orders from customers who have qualified and deployed our platforms form the foundation of our order book, provide forward revenue visibility and, we believe, explain the significant increase in our revenues across Fiscals 2024 to Fiscal 2026 and the six month period ended September 30, 2026.

We are an R&D- and engineering-led company that also manufactures, rather than a manufacturing-led business that also does engineering. Our manufacturing footprint exists to convert our research and designs into deployable, mission-ready platforms, and it gives us direct control over quality and configuration, shorter iteration cycles and protection of our proprietary know-how and intellectual property.

Our R&D draws on dedicated engineering and software-integration laboratories, AI/ML edge-computing and prototyping capability, simulation and data-management infrastructure, and in-house testing and validation facilities, which allow us to move from concept and design through prototyping, integration and trials to qualification within a single environment. Our investment spans the technology disciplines most relevant to multi-domain autonomous systems: autonomy, embedded systems, AI and machine learning, sensor fusion, navigation, communications, mission software, propulsion, energy systems, payload integration, diagnostics, platform monitoring, human-machine interfaces and multi-platform operations.

Our facilities are organised around engineering, software, electronics and integration as much as around production. We currently operate two manufacturing and integration facilities, Plant I and Plant II, at Chakan, Pune, Maharashtra, with an aggregate built-up area of approximately 217,968.29 sq. ft. Plant I houses our mechanical manufacturing, machining, fabrication, additive manufacturing and electronics integration capabilities. Plant II, houses our mechanical manufacturing, machining, fabrication, additive manufacturing and electronics manufacturing capabilities. Engineering support, software development, production planning, quality assurance and programme maintenance resources are shared across both facilities. We are developing Plant III at Chakan with a proposed built-up area of approximately 311,984 sq. ft. These facilities comprise software, electronics and integration laboratories alongside manufacturing areas and testing infrastructure. We are also developing an Autonomous Maritime Shipyard and Systems Development Centre at Nellore SPSR, Juvvaladinne, Andhra Pradesh, envisaged as a facility for R&D, series production, ocean testing and maintenance, repair and overhaul ("**MRO**"), and a first of its kind in India (*Source: CAREEdge Repor*t). Separately, a memorandum of understanding has been entered into with the Government of Andhra Pradesh, for the proposed allotment of approximately 400 acres of land for the development of a dedicated defence manufacturing facility focused on producing advanced defence systems for strategic and national security applications *(Source: CAREEdge Report)*. This is subject to confirmation of status, definitive documentation, approvals and applicable conditions.

We provide lifecycle support for the platforms we deliver, including operator and maintainer training, installation and commissioning, field support, spares and MRO, and we intend to grow these services into a recurring revenue stream, as described under "- *Our Strategies - Build recurring revenue through MRO and lifecycle-support services*" below on page 251. Our industrial licence for the manufacture of arms and explosives supports integration of a broader range of mission-specific payloads into our platforms, positioning us to offer more capable, mission-ready systems to strategic and government customers, on a phased and compliant basis as further described under " - *Our Strategies - Expand multi-domain and cross-domain system capabilities and grow strategic and commercial system sales through dual-use technology, long-endurance vessels and retrofit-led opportunities*" below on page 250.

We are a founder-led and engineering-driven organisation. Our Founder and Chairman and Managing Director, Nikunj Parashar, has led the Company since its incorporation in 2015, building it from an indigenous maritime-technology start-up into a vertically integrated deep-tech platform company and defining our technology roadmap along the way. He is supported by a senior team with considerable tenure: the substantial majority have been with the Company for between eight and ten years, including our Non Executive Directors, Mridul Babbar, and Manoj Kanhaiyalal Agrawal. Our growth has been supported by a range of institutional investors, including Maharashtra Defence and Aerospace Venture Fund (through IDBI Trustee Company Limited), ONGC Start-up Fund, SVADHA India Emerging Opportunities Scheme 1 and Skegen Asset Management LLP. The scope of the business has been expanded in a measured manner, with each business line built on the same technology foundation of autonomy, unmanned systems, systems integration, maritime engineering, surveillance and mission-grade manufacturing. Our strategies build on that foundation and are directed at scaling our platform and technology business across domestic and international markets, growing lifecycle and MRO services and developing our licensed strategic manufacturing capability.

Since 2015 we have built a consistent record of recognition across maritime, defence, aerospace, electronics and deep-tech innovation. Our early awards included the MIS-DP World Prize, Directorate General of Shipping Udyamitha Jyothi – MSME Maritime Excellence award, the Most Promising MSME award by IESA, and selection to represent India at global innovation platforms. As our business scaled, we received NASSCOM's Most Innovative MSME recognition, the National Startup Award by the Government of India in the Robotics sector, selection to the NASSCOM League of 10 Top Hyper-Growth Startups, and the International Sagar/Samudra Manthan Technology Provider of the Year award. More recently, we have received recognition at Aero India, DefConnect, the Maritime Excellence Awards, Gridcon and the Dubai Airshow, and were awarded the 'Jury Award for rural centric innovation' at National Intellectual Property (IP) Awards 2024 by the Office of the Controller General of Patents, Designs & Trademarks, Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry . Our Founder, Chairman and Managing Director was recognised as the Industry Crusader of the Year at INMEX 2025 and received the BML Munjal Award for exemplary leadership in 2026. We hold the DPIIT Deep Tech Startup certificate issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

The table below sets forth details of our key operating and financial metrics as at / for the six month period ended September 30, 2026 and the years ended March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	Unit	As at / Six months ended September 30, 2026[#]	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Financial Measures					
Revenue from Operations[(1)]	(₹ million)	2,222.41	2,545.88	1,038.77	395.01
Revenue from operations – Growth (%) [(2)]	(%)	NA[#]	145.09	162.97	NA
EBITDA [(3)]	(₹ million)	1,339.89	1,209.28	495.47	52.92
EBITDA Margin [(4)]	(%)	60.29	47.50	47.70	13.40
PAT [(5)]	(₹ million)	1,016.12	879.03	308.58	(62.60)
PAT Margin [(6)]	(%)	45.72	34.53	29.71	(15.85)
RoCE [(7)]	(%)	18.28***	24.31	16.37	6.88
RoNW [(8)]	(%)	15.59***	19.47	11.52	NA[16]
Net Fixed Asset Turnover [(9)]	(Times)	3.92***	6.72	7.17	7.52
Cash Conversion Cycle (days) [(10)]	(Days)	201	96	101	216
Total Debt / Equity [(11)]	(Times)	0.30	0.18	0.18	(50.67)
Operational Measures					
Revenue Breakdown (%)[(12)]					
- Products	(%)	97.74	99.10	95.67	96.44
- Services	(%)	2.26	0.90	1.20	1.14
- Others	(%)	0.00	0.00	3.13	2.43
Order book[(13)]	(₹ million)	8,900.50	11,078.00	NA**	NA**
Number of Patents[(14)]	(Number)	13*	12*	10*	2
Investment in R&D[(15)]	(₹ million)	70.29	244.15	73.87	78.32

[#]Not annualised

* *This includes 2 patents registered in the European Patent ("**EP**") jurisdictions (which are validated in Netherlands, Luxembourg, Finland, Denmark, Germany, UK, France, Switzerland, Sweden, Ireland, Czech Republic, and Iceland)*

** *NA has been reported for FY2024 and FY2025, as orders received during these periods were primarily short-term in nature and were executed within the same financial year.*

*** *Not annualised*

[#] *NA because comparable data for FY23 and H1FY26 is not available*

Notes:

1. *Revenue from operations of our Company as appears in the Restated Financial Information.*
2. *Revenue from operations - Growth (%) is calculated as percentage growth in Revenue from operations for the relevant period/ year over Revenue from operations for the immediately preceding period/ year.*
3. *EBITDA is calculated as profit for the period/ year, plus tax expense, finance costs and depreciation and amortisation expense less other income.*
4. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations for the relevant period/ year.*
5. *Profit after tax is profit for the period/ year.*

6. *Profit after tax margin (%) is computed as profit for the period/ year divided by Revenue from operations for the relevant period/ year.*
7. *Return on Capital Employed (%) is computed as EBIT divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Goodwill, Other Intangible Assets, Intangible assets under development and Deferred tax assets plus Long Term and Short-Term Borrowing.*
8. *Return on Net worth (%) is computed as profit for the period/ year attributable to owners of our Company divided by Net Worth for the relevant period/ year.*
9. *Net Tangible Fixed Asset Turnover is calculated as Revenue from Operations divided by Average Property, Plant and Equipment. Average Property, Plant and Equipment is calculated as sum of Property, Plant and Equipment and capital work in progress as of the current period/ year plus Property, Plant and Equipment and capital work in progress as of the previous period/ year divided by 2*
10. *Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold ("COGS") multiplied by no. of days in the period/ year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period/ year. Trade payable days is calculated as average trade payable divided by COGS multiplied by no. of days in the period/ year.*
11. *Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current and Current borrowings and non-current and current lease liabilities.*
12. *Revenue breakdown (%) is calculated as revenue from product / service / others divided by total revenue from operations.*
13. *Order book is the balance amount remaining to be executed and delivered of aggregate value of written contracts / purchase orders our Company received. It only includes firm contracts / purchase orders received from customers with confirmed order values and delivery schedules, and does not include memoranda of understanding, letters of intent, expressions of interest, order with unapproved changes in technical specification or other non-binding or conditional arrangements.*
14. *Number of Patents is the total number of patents granted at the end of relevant period/ year.*
15. *Investment in R&D is the development cost incurred by our Company towards R&D projects for the relevant period/ year.*
16. *Return on Net Worth is not applicable as Net Worth is negative.*

OUR COMPETITIVE STRENGTHS

IP-led, full-stack deep-technology company with end-to-end in-house capabilities

We are an intellectual-property-led deep-technology company with in-house capabilities across the maritime surface, maritime sub-surface, aerial and land domains. Our unmanned systems, and the technologies embedded in them, are designed, developed and manufactured entirely in-house across hardware, embedded systems, algorithms, software, electronics and autonomy engineering, which allows us to operate as an original equipment manufacturer rather than as a sub-system supplier or assembly integrator. Research and development is at the core of how we build and protect value, and our intellectual-property portfolio is a direct output of that research.

Our engineering teams work across mechanical, electronics, embedded-systems, software, avionics and energy disciplines. We file patents and trademarks in the same fields in which we concentrate our R&D: electronics, embedded systems and algorithms, avionics and automated systems, energy, structures and processes and design. Because our intellectual property comes from our own research rather than being licensed in, we own the underlying technology and can build on it across successive product generations.

As of the date of this Updated Draft Red Herring Prospectus - I, we had filed 80 designs, patents, trademarks, of which 35 have been granted registration, spanning electronics, embedded systems and algorithms, avionics and automation, energy, structures, processes and design, and we pursue intellectual-property protection across key international jurisdictions, including the United States, the European Union (the European patents have been validated and maintained across 12 European jurisdictions, namely Germany, Denmark, Finland, France, Ireland, Luxembourg, the Netherlands, Sweden, the Czech Republic, the United Kingdom, Switzerland and Iceland), Australia and Japan.

Our R&D is supported by dedicated engineering and software-integration laboratories, AI/ML edge-computing and prototyping capability, simulation and data-management infrastructure, and in-house testing and validation. This infrastructure allows us to take a concept from design through prototyping, integration and trials to qualification within a single environment, without dependence on external test facilities or partners.

Our approach to product architecture, modular design, embedded electronics, software and systems integration is driven by the goal of maintaining control over performance, reliability, customisation and lifecycle support, rather than reducing cost by outsourcing. We believe the combination of sustained in-house research, full-stack engineering and an owned intellectual-property portfolio deepens the technical barriers to entry into our segments and distinguishes us from sub-system suppliers and assembly-led players.

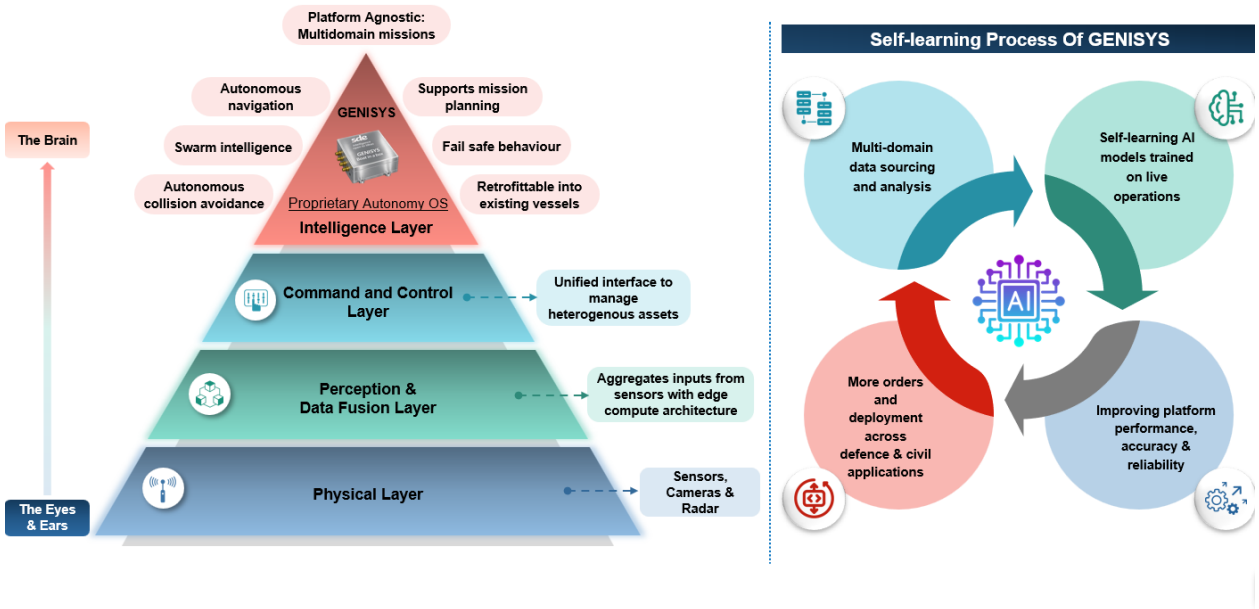
Proprietary multi domain autonomy stack and owned intellectual property portfolio with significant barriers to entry

GENISYS is our most significant proprietary asset, a self-learning autonomous operating and command-and-control system that serves as the common technology core across all our unmanned systems and domains. It translates a human operator's mission intent into the specific control actions each system performs and improves continuously from the sensor feedback and operational data that each mission generates. The architecture and applications of GENISYS are protected by our patent portfolio.

GENISYS combines command-and-control, autopilot algorithms, heading, speed and position control and predictive safe-height control, sensor-data fusion and compact, processor-based execution within a single integrated autonomy architecture. It enables autonomous navigation, mission planning, coordinated multi-platform operations including swarm intelligence, and fail-safe behaviour. Our unmanned systems have been built on GENISYS since our inception in 2015, with capability upgraded through software across successive product generations rather than through hardware redesign.

GENISYS performs three roles across our business: as an ***autonomy enabler***, it provides the navigation, decision-making and mission-execution intelligence of each system; as a ***scalability enabler***, it allows a common software core to be deployed across new systems and domains, shortening our development cycles; and as an ***integration enabler***, it networks our systems for coordinated, cross-domain and swarm operations, with shared situational awareness and faster Observe-Orient-Decide-Act decision cycles, including in GPS-denied and contested environments.

GENISYS autonomy and command-and-control module



Being platform-agnostic, GENISYS can be retrofitted onto existing third-party vessels and vehicles and ported across domains, enabling us to extend into additional system categories and adjacent segments without re-engineering our core technology.

GENISYS is a patented self-learning, platform-agnostic navigation and command-and-control system designed for land, air, surface and underwater autonomous platforms. The operational data gathered from deployments can enhance future system performance and strengthen its technological advantage *(Source: CAREEdge Report)*.

GENISYS has also been designed as a licensable autonomy operating system for vessels, vehicles and systems that we do not manufacture. Subject to customer adoption, technical feasibility, contractual arrangements and applicable approvals, this opens potential revenue from licensing, retrofitting, software upgrades and digital services across defence, coast-guard, offshore, port, survey and commercial maritime customers. We do not currently generate licensing revenue, but we believe the licensable, retrofit-ready architecture extends the long-term commercial reach of GENISYS beyond our own manufactured platforms.

Pioneer of the autonomous marine systems segment in India and the only Indian company specialising in multi-domain unmanned and integrated systems

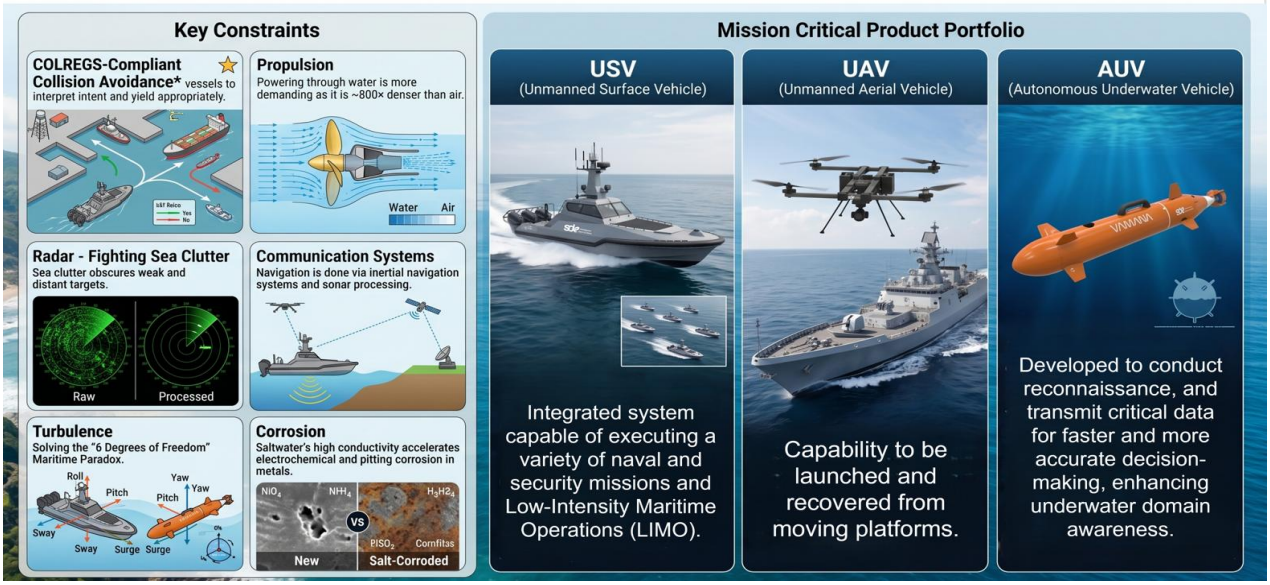
Global defence procurement is increasingly shifting towards autonomous and software-driven systems, with software, sensors and decision-making capabilities emerging as key value driver within next-generation defence technologies (*Source: CAREEdge Report*). In India, this trend is also reflected in India's defence planning framework, with the Technology Perspective and Capability Roadmap ("**TPCR 2025**") identifying unmanned surface, underwater and multi-domain systems as strategic capability priorities, while the Indian Naval Maritime Security Strategy ("**INMSS**") 2026 emphasises the development of networked, data-centric and autonomous maritime capabilities (*Source: CAREEdge Report*). We focus on developing the software, intelligence and autonomous technologies that enable these next-generation systems.

We are the only company in India specialising in unmanned, integrated and multi-domain systems across the maritime surface, maritime sub-surface, aerial and land domains *(Source: CAREEdge Report)* and a pioneer of the autonomous marine systems segment in India, being the first company to successfully develop and deliver autonomous USV in 2023 *(Source: CAREEdge Report)*. In the aerial domain, we developed Varuna, India's first indigenous passenger/human-carrying drone, launched in 2022, further demonstrating our capability to pioneer first-of-kind platforms across domains *(Source: CAREEdge Report)*.

Our maritime leadership across surface and sub-surface systems is complemented by aerial, land and cross-domain capabilities, allowing us to address requirements across the unmanned-systems spectrum from a single, owned technology base (*Source: CAREEdge Report*). Our full-stack, in-house capabilities and ownership of the GENISYS autonomy stack place us among the few companies in the Indian unmanned systems industry capable of full, end-to-end system development with limited external dependency, and distinguish us from peers focused on subsystems, components, single-domain products or manufacturing (*Source: CAREEdge Report*). In the sub-surface domain, we are among the earliest Indian companies to have developed an indigenous defence-oriented AUV in 2021 *(Source: CAREEdge Report)*, thereby expanding our offerings.

Our systems are engineered for the most demanding operating environments across each domain. Our aerial systems operate with six degrees of freedom; our sub-surface systems withstand torpedo-grade pressures; our maritime systems navigate in GPS-denied environments and are designed with deliberative and responsive collision-avoidance capability; and our land systems traverse challenging terrain. The range of environments across which our systems operate, and the engineering required to make them reliable in each, supports a broad set of mission use cases: ISR, maritime patrol and domain awareness, mine-countermeasure and anti-submarine operations, sub-surface surveillance and payload delivery, survey and inspection, and coordinated swarm operations.

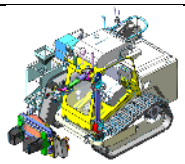
The following infographic illustrates the extreme operating environments for which our systems are engineered:



Our selection under iDEX DISC 7 / SPRINT for Challenge No. 21, titled "Autonomous Boat Swarms", issued by the Indian Navy, is illustrative of the trust that India's defence establishment has placed in our platforms. The challenge required an unmanned vessel capable of naval and security missions including littoral patrol, high-speed interdiction, coastal surveillance, local naval defence, constabulary operations and C4ISR, and the Government of India has awarded a contract to us for development of autonomous boat swarms *(Source: CAREEdge Report)*. Our unmanned surface vessel also completed Sagarmala Parikrama, an autonomous passage of approximately 1,500 kilometres from Mumbai to Thoothukudi flagged off during Swavlamban 2024, demonstrating long-range autonomous maritime capability in real-world coastal conditions. We were also the first to develop India's indigenous ship-launched tactical spotting drone, adding a further domain capability to our multi-platform portfolio *(Source: CAREEdge Report)*.

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Our domain-wise product depth is set out below:

Maritime surface		
 ***Unmanned surface vessels for intelligence, surveillance and reconnaissance***	 ***Multi-mission surface vessel***	 ***Survey / environmental USV***
Maritime sub-surface		
 ***Autonomous underwater vehicle***	 ***Underwater mission vehicle***	
Aerial land and marine		
 ***Tactical UAV***	 ***Marine spotter drone***	 ***Logistic drone Varuna***
Land system		
 ***UXOR***	 ***Swivel control nozzle - robotic nozzle for land system***	
Subsystems		
 ***Radio Communication Modem***	 ***LASER Controller***	
 ***ESM POD - aerial land sub-system***	 ***EO/IR Payload***	

Note: The product list is indicative and does not represent an exhaustive list of the products we offer across domains.

Fully indigenous, India-owned deep-tech company with direct policy tailwinds, reinforced by qualification and export-control barriers to entry

Indian defence procurement is increasingly favouring indigenous technologies through initiatives such as the Positive Indigenisation Lists and the Make in India program. As our Company's systems are designed, developed, manufactured and supported entirely in India, they are naturally aligned with these policy priorities and are well positioned to benefit from the growing preference for domestically developed solutions *(Source: CAREEdge Report)*.

Global export-control regimes such as ITAR increasingly limit access to sensitive defence technologies, technical data and critical system know-how. As these restrictions tighten, government customers are placing greater emphasis on domestic suppliers that control the full technology stack. With our autonomy software, electronics and system-integration capabilities developed in-house in India, our Company is well positioned to support programmes with limited foreign participation and aligns closely with India's Buy Indigenously Designed, Developed and Manufactured (IDDM) objectives *(Source: CAREEdge Report)*.

Defence autonomous systems must undergo rigorous qualification, testing and validation before they can be procured. This process typically involves participation in programmes such as Innovations for Defence Excellence ("**iDEX**"), followed by customer trials, field and sea evaluations, environmental and endurance testing, and formal acceptance and qualification,

creating significant barriers for new entrants. This process requires extensive time, technical expertise and operational testing across multiple stages, and favours vendors with proven track records. Marine and defence-grade platforms, in particular, require longer validation cycles due to operational complexity and mission-critical performance requirements, including repeated prototyping, environmental testing, field trials, software validation and payload integration. Taken together, these requirements create high upfront capital requirements and a sustained research and development burden that function as meaningful structural barriers for new entrants *(Source: CAREEdge Report)*. Our systems have cleared this pathway across multiple customers and domains, including obtaining a contract for our autonomous boat swarms, and each qualification deepens our customer relationships and raises the bar for others.

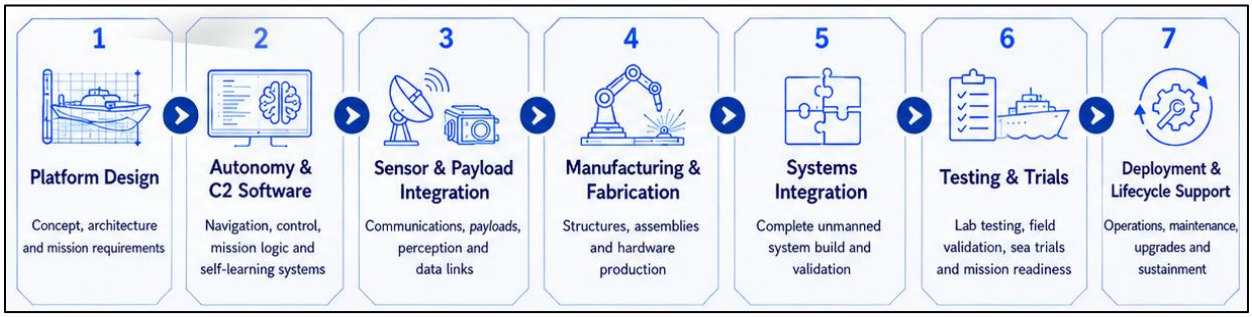
Our position is further reinforced by supply-chain resilience and progressive localisation. We source from a broad, diversified and vendor-agnostic base of domestic *and* international suppliers, reducing dependence on any single or foreign-controlled supplier, while retaining control over design, integration, testing and final delivery in-house.

We also operate under licences issued by the Government of India that allow us to participate in parts of the regulated defence-manufacturing ecosystem that are closed to most private players. Our industrial licence authorises the manufacture of explosives and ammunition, and permits the manufacture of unmanned aerial vehicles and related defence systems, and we are one of the few companies in the Indian unmanned systems industry to hold such a license *(Source: CAREEdge Report)*. This licence gives us the capability to integrate a broader range of mission-specific payloads into our systems. We have also been granted the licence for manufacture of vessels of war surface and underwater by Government of India.

Vertically integrated, end-to-end capabilities across design, engineering, manufacturing, systems integration and lifecycle support

We own the autonomy software that runs our systems and we also build the systems themselves. Our vertical integration covers the entire lifecycle: design, manufacturing and integration, testing and lifecycle support, the substantial majority of which is carried out in-house at our facilities at Chakan (Phase 2), Pune, Maharashtra.

The following infographic illustrates our vertically integrated value chain, from design through to lifecycle support:



Our in-house capabilities accordingly span precision machining and fabrication (including CNC and 5-axis machining, turning, welding and mould-making), additive manufacturing and rapid prototyping, composite processing, printed-circuit-board and electronics assembly, embedded-systems and software development, mechanical and electronic systems integration, and functional, environmental and trial-based testing. We manufacture or integrate critical elements ourselves including hulls, carbon-fibre airframes, battery-management systems and printed-circuit-board assemblies rather than relying on external suppliers for our core subsystems.

Vertical integration is a deliberate choice about what we make and what we buy. We make in-house the elements critical to performance, differentiation and intellectual-property protection: our autonomy software, electronics, embedded systems and critical structures such as hulls, carbon-fibre airframes, battery-management systems and printed-circuit-board assemblies. For other materials and bought-out components, we source from a broad and diversified base of domestic and international suppliers while retaining control over design, engineering, integration, testing and final delivery. This approach reduces our dependence on any single supplier, supports higher in-company and in-country value addition, and is particularly relevant for strategic and government programmes where localisation, supply-chain resilience and control over sensitive technologies matter. Third-party work is carried out under our supervision and quality framework, with final integration, inspection and validation performed by us.

Having design, manufacturing, electronics, software, integration and testing within a single framework shortens our development and iteration cycles, allows us to respond to customer- and mission-specific requirements without external dependency, and keeps quality, configuration and field performance under our direct control throughout a system's operational lifecycle. These capabilities take years to build and are not easily replicated by sub-system suppliers or assembly-led players.

Our manufacturing, integration, testing and validation processes are supported by quality, environmental, occupational-health-and-safety, testing-laboratory and software-lifecycle management systems, including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO/IEC 17025:2017 and ISO/IEC/IEEE 12207, and our quality-assurance processes run from incoming-material and in-process inspection through system-level validation, user trials and customer acceptance testing. We intend to further strengthen this integrated model through our proposed Autonomous Maritime Shipyard and Systems Development Centre in Andhra Pradesh.

Sovereign and global validation, customer acceptance, and partnerships with international technology companies

Our systems have been deployed with, or evaluated by, departments and agencies of the Government of India, including under the Ministry of Defence, across the full product lifecycle from development and qualification through to operational deployment, lifecycle support and MRO. In a sector where procurement follows only after extended trials and qualification, this acceptance is hard-won: it demonstrates the operational performance and reliability of our systems in real-world, demanding conditions.

This acceptance has translated into contracted demand. Our order book, which represents the total value of confirmed customer orders yet to be fulfilled at the end of relevant year, stood at ₹8,900.50 million as at September 30, 2026, and reflects repeat orders from customers who have qualified and deployed our systems, providing forward revenue visibility.

Our technology is further validated globally through our partnerships with leading international technology companies which includes our collaboration with Liquid Robotics, a Boeing company, for the co-development and co-production of autonomous surface vessels in India.

Our in-house testing, validation and lifecycle-support capabilities span functional, environmental, ground, field, flight and sea-trial testing, supported by our ISO/IEC 17025 testing competence and JSS- and MIL-standard compliance, and complemented by operator and maintainer training, field support and MRO. These capabilities allow us to support our systems across their operational lifecycle and to maintain direct engagement with customers after delivery.

Experienced, founder-led management and engineering team

We are a founder-led and engineering-driven organisation, and the continuity and domain depth of our leadership team is itself a competitive advantage. Our Founder and Chairman and Managing Director, Nikunj Parashar, has led the Company since its incorporation in 2015, a tenure of over 11 years, and brings prior experience across the maritime and shipping industry, including at Paramount Shipping, Eurasia Ship Management, the Shipping Corporation of India, Maersk Line and Wallem Ship Management. He is supported by a long-tenured senior team, the substantial majority of whom have been with the Company for between approximately eight and ten years, including our Non-Executive Directors, Mridul Babbar (with the Company since 2016) and Manoj Kanhaiyalal Agrawal (since 2016, previously with Accent Enterprises LLP); our Chief Technical Officer for Software and Integration, Lakshay Dang (since 2016); our Plant Director, Ankit Kumar (since 2018); our Chief Technical Officer Electronics, Saurabh Avinash Patil (since 2018); and our Vice President, Business Development, Amit Singla (since 2018).

The standing of our leadership team is reflected in the recognition it has received. Among other honours, our Founder and Chairman Managing Director has been recognised as the Industry Crusader of the Year at the Maritime Excellence Awards by the Ministry of Shipping and the Directorate General of Shipping (INMEX 2025), as the International Samudra Manthan Technology Provider of the Year, and with the National Startup Award in the Robotics sector and the NSG Counter-IED Innovator Award, and most recently with the BML Munjal Award for exemplary leadership in 2026. Members of our engineering leadership have been recognised with the National Intellectual Property Award and at national defence and technology forums including Aero India and the Deftronics Awards, and our team includes personnel with international technical recognition, including NASA-recognised talent.

This experienced leadership sits at the head of an engineering-led culture and a deep technical talent base that drive our in-house development model and product roadmap. As at September 30, 2026, we employed 442 personnel, which includes 382 employees in the operational R&D and manufacturing department representing 86.43% of total workforce and our employee attrition rate was 11.31% in six month period ended September 30, 2026. We believe our ability to attract and retain specialised engineering talent across autonomy, software, electronics, embedded systems, mechanical and systems-integration disciplines, and the low attrition of that talent, is a key and difficult-to-replicate element of our competitive position.

OUR STRATEGIES

Our growth strategies are directed at scaling what we have built rather than entering new areas. They are aligned with the objective that underpins our business: keeping personnel away from hazardous operating environments, reducing fatigue during prolonged missions and enabling long-range autonomous operations over extended durations, as well as with each of the competitive strengths described above. Our growth strategies were adopted by our Board pursuant to a resolution dated November 12, 2026.

Continue to advance GENISYS and our AI / ML capabilities, and develop software-led revenue streams

GENISYS has been the core of our systems since our inception in 2015, and our patent filings have grown alongside it. We intend to deepen its artificial intelligence and machine learning capabilities across adaptive decision-making, swarm intelligence, navigation and multi-domain coordination, while preserving its platform-agnostic architecture.

We also intend to continue enhancing GENISYS as the common autonomy and command-and-control software core across our systems and domains, supporting software-led capability upgrades, cross-platform integration and the efficient extension of our technology into new systems and adjacent applications.

In addition, we are evaluating the development of GENISYS as a retrofit-ready autonomy module for integration across third-party vessels, vehicles and platforms and, over time, the potential to license it for assets we do not manufacture.

We do not currently generate licensing revenue, but the licensable architecture provides the foundation for potential future software-led revenue streams, including licensing, retrofitting, software upgrades and related digital services, subject to customer adoption, technical feasibility, contractual arrangements and applicable approvals.

Scale manufacturing and operationalise India's first dedicated autonomous maritime shipyard

We currently operate Plant I and Plant II at Chakan, Pune, Maharashtra. We have held a Bhoomi Poojan (ground-breaking ceremony) for Plant III at Chakan, with a proposed built-up area of approximately 311,984 sq. ft., to expand our manufacturing and integration capacity to meet growing demand across our product domains. We have also held a ground-breaking ceremony for our proposed autonomous maritime shipyard and systems development centre ("**Autonomous Maritime Shipyard and Systems Development Centre**") in Andhra Pradesh. The Autonomous Maritime Shipyard and Systems Development Centre will comprise of a 22-acre development which is proposed to be our primary manufacturing and technology campus forming our long-term production facility ("**Manufacturing and Technology Campus**"). Separately, it will also comprise of an adjacent, although distinct and complementary 7.58 acre-waterfront development which is under development by our Company to establish the essential marine infrastructure required for vessel handling, testing, launching, recovery, and operational support ("**Waterfront Development**"). The proposed Autonomous Maritime Shipyard and Systems Development Centre is located at Juvvaladinne Fishing Harbour, Nellore, Andhra Pradesh on land held under a lease from the Andhra Pradesh Maritime Board for an initial term of 30 years, with an option to renew for a further 30 years. We intend to develop and operationalise that Autonomous Maritime Shipyard and Systems Development Centre for research and development, series production, ocean testing and MRO, and to expand and modernise our Chakan facilities to meet growing demand across our product domains. The estimated project cost for the setting up of the Manufacturing and Technology Campus is ₹7,247.80 million which is proposed to be funded out of the Net Proceeds of the Offer. Construction of the Waterfront Development, which will establish the core marine infrastructure required for vessel handling, testing, launching, recovery and operational support, has already commenced, while development of the Manufacturing and Technology Campus is planned subsequently. When operational, the Autonomous Maritime Shipyard and Systems Development Centre is expected to support unmanned vessel manufacturing, payload and sensor integration, sea trials, endurance testing, training and deployment readiness, and it is the first dedicated unmanned maritime systems shipyard in India *(Source: CAREEdge Report)*.Separately, we have entered into a memorandum of understanding with the Government of Andhra Pradesh for the proposed allotment of approximately 400 acres for a dedicated defence manufacturing facility focused on advanced strategic and national security systems.





Waterfront Development of the Autonomous Maritime Shipyard and Systems Development Centre under construction

For further information, see "*Objects of the Offer – Details of the Objects - Funding of capital expenditure to be incurred for setting up of the Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh*" on page 119.

Expand multi-domain and cross-domain system capabilities and grow strategic and commercial system sales through dual-use technology, long-endurance vessels and retrofit-led opportunities

We operate across the maritime surface, sub-surface, aerial and land domains, have cross-domain robotic platforms including our bi-ped system in development, and supply drone-based solutions for power-grid and transmission-infrastructure applications. We intend to continue developing cross-domain systems, including next-generation bi-ped and quad-ped robotic platforms, with a focus on interoperability and swarm operations, and to grow sales across strategic markets including defence, homeland security, coast guard and government agencies, and commercial markets including ports, offshore energy, shipping, logistics, survey, inspection and environmental monitoring.

We also intend to grow sales of long-endurance and renewable-energy-enabled unmanned vessels for persistent surveillance, offshore monitoring, oceanographic missions and long-duration maritime logistics, and to expand our retrofit offering, upgrading existing vessels, patrol craft, inspection vessels and offshore assets with autonomy, remote operation, C4 and sensor integration. This combined approach across strategic and commercial markets is intended to broaden our revenue base across platform sales, software upgrades, retrofits, MRO, training and spares.

Build recurring revenue through MRO and lifecycle-support services

We currently provide training, spares, maintenance, repair and overhaul, and lifecycle-support services for the systems we deliver, supported by our engineering, software-development, production, quality-assurance and field-support teams. We own the design, system architecture and integration know-how for our products, which positions us to provide the full range of lifecycle services across our deployed and future fleet, including through the maintenance, repair and overhaul capabilities planned at the proposed Andhra Pradesh facility. Because our platforms are proprietary and mission-critical, customers have strong operational, technical and safety incentives to utilise our lifecycle-support services, positioning us as a natural MRO partner as our installed base expands.

The table below sets forth our revenue generated from sale of services during the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from sale of services (which includes MRO and life cycle services) (₹ million)	50.27	22.82	12.48	4.50
Revenue from operations (₹ million)	2, 222.41	2,545.88	1,038.77	395.01
Revenue from sale of services as a percentage of revenue from operations (%)	2.26	0.90	1.20	1.14

On May 9, 2026, our Company acquired 100.00% of the equity share capital of Sagar Ship Repairs Private Limited, which subsequently entered into a business transfer agreement for the transfer of the maintenance, repair and overhaul business of Sagar Ship Repairs and Marine Services. This acquisition brings in a specialised team with expertise in ship repair, marine services and MRO operations, complementing our existing field-support capabilities. Our ability to grow this revenue stream will depend on the continued expansion of our installed base, customer adoption of our MRO services, the successful integration of the acquired team, and the development of MRO infrastructure at our proposed Andhra Pradesh facility.

Expand our payload-integration and mission-systems capability

We hold an industrial license issued by the Department for Promotion of Industry and Internal Trade, for the manufacture of arms and explosives, which enables us to integrate a broader range of mission-specific payloads into our unmanned systems. We intend to develop and supply systems with more complex mission-payload configurations, in a phased and compliant manner subject to applicable laws, licence conditions, regulatory approvals and safety, storage, handling, transport, security and end-use requirements. We believe this capability complements our in-house design, engineering and systems-integration model and may enhance our ability to configure mission-ready systems for a wider range of operational requirements and customer use cases. This broadens the range of mission-ready integrated systems we can offer to government and strategic customers.

Expand our international footprint and export franchise

We have entered into a collaboration with Liquid Robotics, a Boeing company, in relation to autonomous surface vessel systems, and have already received a work order from Liquid Robotics, reflecting our ability to engage with global autonomous-maritime technology companies. We intend to pursue export opportunities in international markets, including Southeast Asia and the wider Indo-Pacific, and to develop a regional-hub role for unmanned surface vessel production, sustainment and export, subject to applicable export-control approvals and end-use requirements. We currently derive predominantly domestic revenue and intend to grow our international franchise over time. While revenue from operations outside India has remained minimal to date, and such revenue during the six month period ended September 30, 2026 and Fiscal 2026 was derived from services rather than sales of goods, we believe that as we continue to scale our platform, manufacturing and execution capabilities and partner-led market access, the scope for exports may increase over time, subject to applicable export-control approvals, customer requirements and market conditions.

The table below sets forth our revenue from operations outside India during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations outside India (₹ million)[(1)]	18.20	13.70	-	-
Revenue from operations (₹ million)	2,222.41	2,545.88	1,038.77	395.01

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations outside India as a percentage of revenue from operations (%)	0.82	0.54	-	-

Note:

(1) Revenue from operations outside India in Fiscal 2026 was attributable to services income and not to sales of goods.

Pursue selective strategic acquisitions and continue investing in engineering talent

We intend to evaluate selective acquisitions, investments and partnerships that complement our technology stack, product portfolio, manufacturing capability or market access, subject to availability, valuation and approvals. In evaluating potential targets, we apply a framework that considers sectoral presence and operating experience in the markets in which we operate or wish to expand into, strategic compatibility or synergy with our existing businesses, operating benefits at stages of the manufacturing and testing process, and the potential to strengthen our market share in existing markets or establish our presence in new markets, including additional geographies. We also intend to continue investing in engineering talent to support our in-house development model, including across autonomy, software, electronics, embedded systems, mechanical engineering and systems integration, and to strengthen the leadership continuity and cross-functional execution capabilities that support our product-development roadmap and lifecycle-support functions. Our investment in EndureAir Systems Private Limited, an unmanned-aerial-systems company, is illustrative of this approach, strengthening our aerial capabilities and creating operational overlap with our autonomy, manufacturing and lifecycle-support functions. The acquisition of the maintenance, repair and overhaul business through Sagar Ship Repairs Private Limited is a further example, bringing in a specialised team with domain expertise in ship repair and marine services and supporting our strategy to build a recurring services revenue stream.

For further information, see "*Objects of the Offer – Details of the Objects - Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes – a. Funding inorganic growth through unidentified acquisitions and other strategic initiatives.*" on page 133.

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DESCRIPTION OF OUR BUSINESS

Our Organizational Structure

As on the date of this Updated Draft Red Herring Prospectus - I, our Company has one subsidiary, namely Sagar Ship Repairs Private Limited. Furthermore, as on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have a holding company or any associates or joint ventures. For details in relation to Sagar Ship Repairs Private Limited, see "*History and Certain Corporate Matters - Our Subsidiary, Associates and Joint Ventures - Sagar Ship Repairs Private Limited*" on page 286.

Our products and solutions

We are a vertically integrated deep-tech company that designs, develops, manufactures and supports unmanned platforms across four domains: maritime surface, maritime sub-surface, aerial and land. Our platforms are built on GENISYS (PAT US20240370040A1), our proprietary autonomy and command-and-control software platform, and address a wide range of applications spanning government, strategic, commercial, scientific and industrial use cases. Our product portfolio is organised into the following categories: (i) unmanned maritime (surface) systems; (ii) underwater (sub-surface) mission systems; (iii) airborne mission systems; (iv) hazardous-material and ordnance robotics; (v) strategic electronics; and (vi) strategic payloads. We also provide maintenance, repair and overhaul ("**MRO**") and lifecycle-support services for our platforms, including retrofitting and refits of deployed systems.

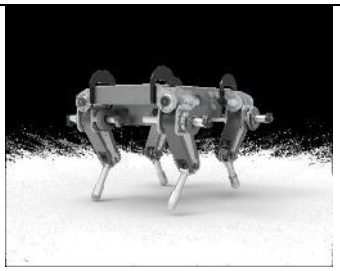
Product	Description	Stage
Defence unmanned maritime (surface) systems		
MCMV	Unmanned surface vessel for mine-countermeasure operations, surveillance, reconnaissance and maritime security.	*Under development*
CAUSV	Catamaran-based unmanned surface vessel with a twin-hull design for stable operations.	In production
USV	Unmanned surface vessel for patrolling coastal waters, harbours and sea routes without putting operators at risk.	In production
Autonomous Surface Vehicle (ASV)	Unmanned surface vessel for carrying and delivering payloads such as sensors, communication equipment and supplies.	In production
ABCD (Acoustic Beach Check Device)	Unmanned surface vessel for rapid depth surveys of beaches and inner-harbour areas.	In production
Commercial and scientific unmanned maritime (surface) systems		
Trashfin ASV	Eco-friendly unmanned surface vessel for removing floating waste from rivers, lakes, harbours and coastal waters.	In production
3MUSV	Unmanned surface vessel for inspection, monitoring, security patrols and environmental data collection around offshore assets.	In production
KUSV	Unmanned surface vessel for bathymetry and hydrographic survey in shallow, coastal, riverine and harbour waters.	In production
Defence underwater (sub-surface) mission systems		
Vamana Mother	Unmanned underwater vehicle supporting intelligence, surveillance and reconnaissance below the surface.	In production
Vamana Locator	Unmanned underwater vehicle for locating underwater threats and payload-delivery missions.	In production
Vamana D	Unmanned underwater vehicle providing a reliable platform for payload-delivery missions.	In production
Commercial underwater (sub-surface) mission systems		
AUV C	Unmanned underwater vehicle for commercial survey, inspection and monitoring operations.	In production
Airborne mission systems		
Spectre	Intelligent, portable VTOL unmanned aerial vehicle for mission-critical applications.	In production
Spotter	Unmanned aerial vehicle that can be launched and recovered from moving platforms, including ships and vehicles.	In production
Spectre 2M	Enhanced Spectre variant with upgraded avionics and payload capacity for a range of missions.	In production

Product	Description	Stage
Spectre UT	Tethered unmanned aerial vehicle for sustained operations.	In production
UT1	Tethered unmanned aerial vehicle for sustained heavy-lift operations.	In production
T1	Tethered unmanned aerial vehicle for continuous operations.	In production
SLTMC	Ship-launched unmanned aerial vehicle for use from naval ships, patrol vessels and offshore platforms.	In production
RF Analyzer Drone	Unmanned aerial system to detect, monitor and analyse radio-frequency signals from the air.	In production
Swarm Drone	Tethered unmanned aerial system for aerial surveillance and swarm operations.	In production
Radiation Detection Drone	Unmanned aerial system to detect, measure and map radiation levels from a safe distance.	In production
UT2	Tethered unmanned aerial vehicle for sustained heavy-lift operations.	In production
HLUAV Varuna	Heavy-lift unmanned aerial vehicle for carrying large payloads in difficult and high-altitude areas.	In production
T2	Tethered unmanned aerial vehicle for continuous heavy-lift operations.	In production
Hazardous-material and ordnance robotics		
UXOR	Remotely operated robot to safely handle and neutralise unexploded ordnance.	In production
Quadruped	Four-legged robotic platform to support troops and field teams in difficult terrain.	In production
Biped	Two-legged robotic system designed to operate in human-like environments.	In production
Strategic electronics		
Quantum Communication Payload	Modular UAV payload supporting secure optical (quantum) data transmission.	In production
LASER Controllers	Precision electronic system to control laser sources for secure data transmission.	In production
RADAR Reflector	Payload providing a clear radar target for sea trials, weapon alignment and sensor calibration.	In production
TSM POD	Pod that integrates with a UAV to deploy multiple payloads from a safe distance.	In production
Divyadrishti	360-degree day and thermal all-round situational-awareness payload.	In production
DOOAF	Direction-of-own-artillery-firing system for tactical and defensive operations.	In production
EOIR POD	Lightweight, multi-sensor stabilised electro-optical / infrared high-definition payload.	In production

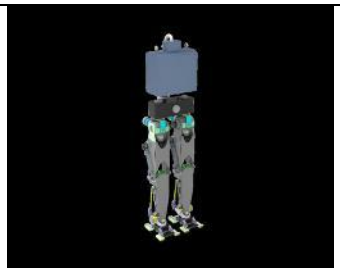
Illustrative images of our platforms and systems



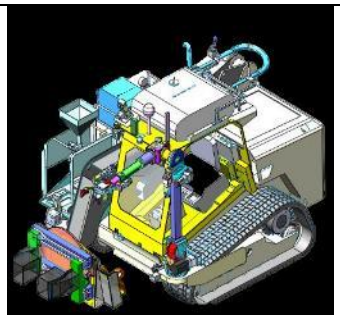
Multi-rotor / heavy-lift UAV



Quadruped robotic platform



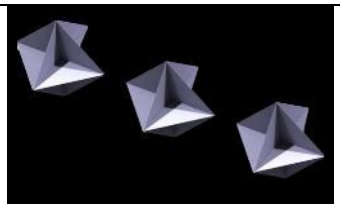
Biped robotic platform



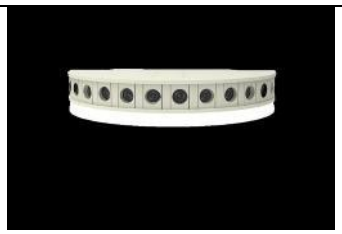
Ordnance-handling robot (UXOR)



EO / IR gimbal payload



Radar reflector payloads



360-degree situational-awareness payload

Our technology: "GENISYS"

GENISYS is our proprietary, self-learning autonomous operating and command-and-control system, and operates as the common technology core across our platforms. It provides autonomous navigation, mission planning, sensor fusion, swarm coordination and fail-safe behaviour, and is designed to be platform-agnostic, enabling deployment across our domains and the retrofitting of our technology onto existing vessels and vehicles. The architecture and applications of GENISYS are protected by our patent portfolio, as described under "*Intellectual Property*" below, and our competitive positioning in relation to GENISYS is described under "- *Our Competitive Strengths- Proprietary multi domain autonomy stack and owned intellectual property portfolio with significant barriers to entry*" on page 244.

Our manufacturing facilities

We carry out our design, manufacturing, assembly, integration and testing at our two facilities at Chakan (Phase 2), Pune, Maharashtra. At these facilities we machine and fabricate mechanical parts, build and assemble electronics, develop our software, integrate complete systems, and test and validate them before delivery. Our in-house capabilities include precision machining and fabrication, additive manufacturing, printed-circuit-board and electronics assembly, embedded-systems and software development, systems integration, and functional, environmental, field, flight and sea-trial testing.

Plant I is primarily utilised for manufacturing and integration activities relating to the aviation domain. Plant II, being a larger facility, is primarily utilised for the maritime and land domains, including products requiring larger manufacturing and integration space. However, both facilities have similar production capabilities and manufacturing infrastructure, which enables us to interchange manufacturing operations between Plant I and Plant II depending on operational requirements, product size, capacity availability and production schedules.

Facility	Address	Key capabilities / operational role
Plant I	Plot No. PAP-V-13, Chakan Industrial Area, Phase-II, MIDC, Chakan, Pune, Khed 410 501 Maharashtra, India	Primarily utilised for manufacturing and integration activities relating to the aviation domain; mechanical manufacturing, machining, fabrication, additive manufacturing, electronics integration
Plant II	PAP-V-10, Vasuli Village, MIDC Area, Chakan Phase 2, Chakan, Pune – 410501	Primarily utilised for the maritime and land domains, including products requiring larger manufacturing and integration space; mechanical manufacturing, machining, fabrication, additive manufacturing, electronics manufacturing
Shared resources	Plant I and Plant II, collectively	Engineering support, software development, production planning, quality assurance, programme maintenance

The photographs below illustrate our manufacturing and integration facilities at Chakan, Pune, including the shop floors and the in-house electronic design and integration laboratory:



Plant 1, Chakan, Pune, Maharashtra, India



Manufacturing and machining shop floor Plant 1



Plant 2, Chakan, Pune, Maharashtra, India



Manufacturing and Machining Shop floor Plant 2





In-house electronic design and integration laboratory

Manufacturing Process

Our manufacturing and systems integration process typically involves the following stages:

Engineering Finalisation and Production Planning

Based on customer requirements, technical specifications and internal design inputs, our engineering and programme teams finalise the applicable design configuration, bill of material, drawings, subsystem requirements, software requirements, firmware requirements, test protocols and production plan. Since our products may be customised for specific customer or mission requirements, engineering finalisation is an important part of the manufacturing cycle.

Procurement and Vendor Coordination

We procure raw materials, bought-out components, electronic components, machined parts, fabricated parts, communication modules, sensors, propulsion components, batteries, cables, connectors and other programme-specific items from domestic and international suppliers, as applicable. Certain components may be sourced from approved or qualified vendors based on customer requirements, technical specifications, availability and quality considerations. Our manufacturing operations require a range of materials, components and sub-systems, including metals, composites, polymers, machined parts, fabricated parts, moulded parts, 3D printed parts, electronic components, printed circuit boards, batteries, cables, connectors, sensors, communication modules, propulsion components, embedded controllers, computing modules, navigation systems, tooling items and other programme-specific inputs.

We procure such materials and components from domestic and international suppliers based on product specifications, customer requirements, quality standards, availability, cost considerations and delivery schedules. Certain critical components may have

limited sources of supply or long lead times. We therefore seek to maintain vendor relationships, alternate sourcing arrangements, inventory planning and procurement controls to support timely execution of customer orders.

Where required, we also engage third-party vendors, job workers or specialist service providers for certain machining, fabrication, surface treatment, environmental testing, certification, calibration or other specialised activities. Such outsourced activities are carried out under our supervision or quality-control framework, and the final integration, inspection and validation of the relevant system is undertaken by our Company.

Incoming Inspection

Materials and components received from suppliers are inspected for quantity, specification, quality, documentation, traceability and conformity with the purchase order or technical requirement. Non-conforming materials are segregated and handled in accordance with our quality procedures.

Mechanical Manufacturing, Machining and Fabrication

Required mechanical components, structures, fixtures, housings, mounts, brackets, moulds and custom parts are manufactured or modified through machining, CNC machining, 5-axis machining, turning, routing, cutting, fabrication, welding, additive manufacturing, mould-making or vendor-supported processes, depending on product requirements.

Additive Manufacturing and Prototyping

Additive manufacturing equipment is used for prototype development, design validation, low-volume component manufacturing, tooling support, jig and fixture preparation and form-fit checks. This enables our engineering and production teams to reduce development time and support customised product configurations.

The photographs below illustrate selected additive manufacturing equipment at our Additive Printing Lab at Plant 1, Chakan:

Additive Printing Lab Factory 1	
	
Formlabs Fuse 1+ 30W – 3-Axis Selective Laser Sintering (SLS) Nylon Powder 3D Printer.	*Formlabs Fuse Sift – Automated Powder Management and Part Cleaning Station for Fuse Series SLS Printers*
	
Formlabs Form 3 SLA / LFS Resin 3D Printing 3-Axis	*Formlabs Fuse Sift – Powder Recovery, Depowdering, and Powder Mixing Station for Fuse Series SLS 3D Printers.*

Mechanical Systems Integration

Mechanical systems integration is a key part of our manufacturing model. Our integration activities include the assembly and integration of machined parts, fabricated structures, 3D printed parts, moulded parts, brackets, payload mounts, enclosures, frames, housings, support structures, fasteners, cables, electronics mounting arrangements and other mechanical sub-assemblies into complete systems.

Our Company undertakes mechanical systems integration by combining manufactured components, bought-out mechanical items, electronic modules, wiring harnesses, sensors, payloads, power systems, communication systems, software and firmware elements into integrated products. The process involves mechanical fitment, alignment, fastening, torque application, drilling,

tapping, bracket mounting, enclosure assembly, payload mounting, dimensional checks, surface checks, weight checks and final system-level mechanical validation.

Our mechanical integration process is closely linked with our design, engineering, software development, electronics, quality assurance and production teams. Since our products may be customised for specific customer or mission requirements, the mechanical integration process may vary by product configuration, payload requirement, structural requirement, environmental requirement, customer specification and testing protocol.

Moulding, Tooling and Composite-Related Processing

Injection moulding die, moulds, VaRTM systems, industrial oven and related tooling infrastructure are used for mould-making, tooling development, composite-related processing and programme-specific mechanical component preparation. The photographs below highlight selected equipment used in our moulding and composite processing operations:

	
Fibreglass Chopper Spray System	*Airless Spray Paint Machine – High-Pressure Coating and Paint Application System for Industrial Surface Finishing*
	
Vacuum Pump – Industrial Vacuum Generation System for Manufacturing, Testing, and Process Applications	*VARTM (Vacuum Assisted Resin Transfer Moulding) System (Composite Manufacturing Equipment)*

Embedded system design and Integration

The photograph below shows our Electronic Embedded Design and System Integration Laboratory:

Electronic Embedded Design and System Integration Lab	
	

We undertake software and firmware integration for embedded controllers, electronic modules, control systems, communication modules, sensor-interface systems, payload-interface systems and other electronic subsystems used in our products. This includes software loading, configuration, subsystem-level checks, interface validation, debugging, and integration testing and system-level verification. Electronic systems integration is a key part of our manufacturing model. Our integration activities include assembly and integration of electronic modules, wiring harnesses, battery assemblies, power systems, control electronics, communication electronics, payload interfaces, embedded systems and test interfaces into complete systems.

Our Company undertakes electronic systems integration by combining mechanical assemblies, electronic modules, wiring harnesses, battery systems, embedded controllers, sensors, communication modules, payload interfaces and software or firmware elements into integrated systems. The process involves inspection of incoming electronic components, PCB assembly or preparation, soldering and rework, cable and harness preparation, battery and power-system integration, subsystem testing, electronic validation, environmental screening where required, and final system-level testing.

Our electronics integration process is closely linked with our design, software development, engineering, quality assurance and production teams. Since our products are technology-intensive and may be customised for specific customer or mission requirements, the electronics integration process may vary by product configuration, customer specification, payload requirement, communication architecture and testing protocol.

Electronics Manufacturing and Assembly

Electronic components and assemblies are processed through our electronics manufacturing and assembly infrastructure. This may include PCB assembly, solder paste printing, pick-and-place operations, reflow soldering, vapour-phase soldering, soldering, desoldering, rework, wiring, cabling, battery-related assembly and electronic subsystem preparation.

The photographs below highlight selected equipment in our Electronics Manufacturing, Testing and Validation ("**EMS**") Laboratory at Plant 2:

Factory 2 Electronic Manufacturing, testing and Validation (EMS) Lab	
	
Panasonic NM-EJP2B Screen Printer	*PARMI SigmaX - Solder Paste Inspection Machine*
	
Asscon VP2100 *Vapor Phase Solder Machine*	*Parmi Xceed - Automatic Optical Inspection* *and SPEA 4050 S2 Flying Probe Tester*

Software Development, Design and Simulation

Our Company has established software development, design, simulation and systems integration infrastructure to support our flexible manufacturing and systems integration model. This infrastructure is used across multiple strategic product categories, including Airborne Mission Systems, Autonomous Aerial Resupply Systems, Unmanned Maritime Systems, Underwater Mission Systems, Hazardous Material and Ordnance Robotics, Strategic Electronics, Strategic Payloads and Other Strategic Defence Systems.

Our software development and design infrastructure supports embedded software development, firmware loading and integration, mission software development, command-and-control interface development, sensor-interface integration, payload-interface integration, communication-interface integration, simulation, design validation, AI / ML model development, data processing, system configuration, software testing and final system-level integration.

Our software development and systems integration processes are supported by our software life-cycle process compliance certificate relating to ISO/IEC/IEEE 12207, which supports software development, software integration, configuration management, validation, verification and software life-cycle process discipline for our unmanned vehicles and systems. This is relevant to our product categories because our systems require integration of mechanical assemblies, electronic modules,

embedded controllers, communication systems, sensors, payloads, software, firmware and mission-control interfaces into complete mission-ready systems.

Since our products are technology-intensive and may be customised for specific customer or mission requirements, software development and systems design form an important part of our manufacturing and integration cycle. Mechanical assemblies, electronic modules, embedded controllers, sensors, payloads, communication systems and power systems are integrated with software and firmware elements to deliver complete mission-ready systems.

Our software and design teams work closely with our mechanical engineering, electronics engineering, production, quality assurance and testing teams. This enables us to address software-hardware integration, embedded systems performance, payload compatibility, communication interfaces, mission configuration, simulation-based validation and customer-specific operational requirements during the design, manufacturing, integration and validation stages.

We use information-technology systems to support our engineering, design, manufacturing, quality, supply-chain and business functions, and maintain information-security measures appropriate to our defence and strategic operations. Our computer systems and software-development infrastructure, which support AI / ML model development, simulation, edge computing, design engineering and programme execution, are set out below:

System / infrastructure	Primary use
Desk workstation	Software development, design engineering, documentation, configuration, testing support and project execution
Military-grade portable laptop	Field-deployment support, customer demonstrations, ruggedised testing support and programme execution
Portable laptop	Engineering support, software development, field support, documentation and project management
Simulator station	Simulation, mission validation, operator-training support, software testing and system-level validation
Network-attached server	Data storage, project documentation, design files, software builds, testing records and engineering data management
Interactive projector system	Design and programme reviews, training, customer demonstrations and internal technical discussions
Printer and scanner	Documentation, inspection records, production records, engineering drawings and administrative support
Bar-code printer	Inventory tracking, component identification, production traceability and stores management
Embedded small-form-factor computers	Embedded computing, edge processing, payload integration, system integration and testing support
Neural-computing stick	AI / ML inference testing, edge-computing validation and prototype development
Data centres	Centralised computing, data storage, software-development support, simulation support and engineering data management
High-end workstation for machine / deep learning	AI / ML model development, data processing, simulation, algorithm development and advanced computing workloads

The photographs below show our software integration laboratory and software research-and-development team:



Software Integration Lab



Software R&D team members

Sub-Assembly

Mechanical sub-assemblies, electronics modules, wiring harnesses, payload mounts, control units, battery assemblies, power modules, embedded computing units and other subsystem assemblies are prepared and inspected before system-level integration.

System Integration

Mechanical, electronic, embedded, software, communication, navigation, propulsion, power and payload subsystems are integrated into the final product configuration. This stage is critical to our manufacturing model and involves cross-functional coordination between engineering, software development, production, quality and testing teams.

Functional Testing and Validation

The integrated system is tested for functional performance, subsystem communication, control response, power stability, sensor performance, payload operation, software or firmware behaviour, communication links and safety functions. Depending on the system, testing may include ground tests, simulator tests, field tests, flight tests, sea trials, endurance tests, environmental tests or mission-simulation tests.

Mechanical Inspection and Validation

The photographs below highlight selected mechanical inspection and validation equipment used at our facilities:

	
DOLPHITECH DC2+ for Composite and NDT tests	*Metaflow vibrating test suitable 50 kg*
	
Non-Contact Metrology and Dimensional Inspection System for Reverse Engineering and Quality Control	*Vacuum Leak Detector – Non-Destructive Testing (NDT) Equipment for Leak Detection and Integrity Verification of Sealed Components.*

Our mechanical testing and validation infrastructure is used to support dimensional verification, surface inspection, weight verification, material and process validation, vibration-related checks, non-destructive inspection support and design validation. The availability of scanning equipment, surface testing equipment, weighing equipment, vibration testing equipment, viscometer, non-destructive inspection support equipment and design software enables us to validate mechanical parts, tools, fixtures, moulds, assemblies and system-level mechanical integration before final assembly, customer demonstration, dispatch or deployment.

Electronics Testing and Validation

Electronic assemblies and integrated electronics are tested using power supplies, oscilloscopes, spectrum analyzer, programmable electronic load, multimeters, probes, flying probe tester, environmental chamber and system-level test bench. This testing supports verification of electrical continuity, voltage, current, signal response, PCB functionality, environmental reliability and system-level electronic performance.

Software and System-Level Validation

Software, firmware, embedded systems, mission configurations, operator interfaces, communication interfaces and payload interfaces are tested as part of system-level validation. This may include simulator-based testing, software-hardware interface testing, communication checks, mission workflow validation, control response verification, data processing validation and customer-specific configuration testing.

Final Inspection and Customer Acceptance

The final product is inspected against the applicable quality checklist, technical specification, test protocol and customer requirement. Where required, customer inspection, demonstration, user trial, acceptance testing or third-party inspection is conducted before dispatch or deployment.

Packing, Dispatch and Support

Products are packed based on their configuration, sensitivity, mode of transport and customer requirements. We may also provide installation, training, maintenance, repair, overhaul, field support, spares, software configuration support and lifecycle support, depending on the terms of the relevant customer order.

Installed Capacity, Actual production and Capacity utilization

Our Company operates two manufacturing plants, each of which functions as a multi-purpose manufacturing and engineering shop floor comprising shared fabrication, machining, assembly, integration, testing and engineering areas. Our Company's manufacturing facilities are not organised as dedicated product-specific production lines. Instead, our Company deploys common machinery, personnel, floor space and engineering resources across a range of products and programmes depending on order requirements, product mix and operational priorities.

Our Company manufactures a range of products and systems, including aerial, maritime, underwater and other engineered products and solutions. These products are not homogeneous and may vary materially across orders in terms of design, dimensions, configuration, number and nature of components, bill of materials, semiconductor and electronics content, motherboard and chip integration, assembly effort, process routing, testing requirements, engineering inputs, floor area usage, resource consumption and overall manufacturing complexity. The production effort and horsepower consumption associated with one product or system may therefore differ from that associated with another product or system.

Installed capacity for each manufacturing line is determined based on the sanctioned connected load for the relevant plant, expressed in horsepower ("**hp**") per month, as reflected in the monthly electricity bills of Maharashtra State Electricity Board. The hp for each plant represents the total electrical power capacity sanctioned for such manufacturing facility. Given that our Company's manufacturing facilities operate as multi-purpose shop floors with shared infrastructure, common machinery and non-dedicated production lines, product-wise installed capacity and capacity utilisation is not separately determinable. Accordingly, hp has been adopted as the basis for measuring and reporting installed capacity. Total installed capacity for each fiscal year is calculated by annualising the monthly rated hp capacity of each manufacturing line based on the number of months such line was operational during the relevant fiscal year.

Utilised capacity refers to the actual production capacity consumed during the relevant period, measured in hp. Our Company's operating model is research-and-development-led and a portion of its installed hp capacity is deployed towards research and development activities, including platform development, prototype development, testing and validation. The sanctioned hp load excludes general utility consumption (including air conditioning, ventilation, lighting and other non-production equipment) and capacity deployed towards research and development activities. Such non-production consumption has been excluded on a reasonable basis in arriving at the utilised production capacity, as separately determined by the chartered engineer. The utilised capacity in hp is then converted into equivalent production units based on standard production norms and the product mix manufactured during the relevant fiscal year to determine the available capacity in units. Actual production represents the total units manufactured during the year. Accordingly, while installed capacity is expressed in hp, actual production and capacity utilisation are expressed in units.

For the purposes of our Company's production reporting, the composition of a unit is not standardised across products and may vary depending on the nature of the product, customer specifications, the structure of the order and the basis on which the relevant product or system is manufactured, integrated and delivered. Accordingly, a unit may represent one complete system, platform, vessel, pack, set, assembly, container-based solution or integrated delivery and, in certain cases, multiple individual items may collectively constitute one unit for production purposes.

As a result, the unit of measurement used for actual production does not necessarily correspond to the number of individual items sold or otherwise recorded on an item-wise basis. For example, multiple products, components or sub-systems supplied together as part of a single customer solution, package, set or integrated system may be regarded as one unit for production purposes, even though the underlying number of individual items comprised in such delivery may be higher. Conversely, a single large or technically complex product may itself constitute one unit notwithstanding that the manufacturing effort, hp consumption, shop floor occupation, engineering involvement and testing intensity associated with such product may be materially greater than those associated with smaller or less complex items.

The hp consumption and equivalent unit output associated with a unit may also change materially from year to year. Accordingly, the units reflected in the six-month period ended September 30, 2026 and the Fiscal 2026, Fiscal 2025 and Fiscal 2024 are not necessarily directly comparable as homogeneous units of output. Changes in size, complexity, configuration, packaging, system integration, component profile and resource intensity may result in materially different levels of hp consumption and capacity utilisation per unit across periods. As a result, period-on-period comparisons of actual production or capacity utilisation should be read in the context of the prevailing product mix and order-specific production requirements during the relevant period. Also see "*Risk Factors – 63. The installed capacity, actual production and capacity utilisation figures for our manufacturing facilities are presented on the basis of a non-standardised operational unit methodology and are not directly comparable across*

periods. Investors should not place undue reliance on these figures or on period-on-period comparisons of capacity utilisation" on page 53, with regards to calculation methodology.

In addition, both plants use shared and, in certain cases, substantially similar categories of machinery and equipment, including Computer Numerical Control machines and other fabrication, machining and assembly equipment. Accordingly, machine count, equipment count, plant-level output or isolated process-level throughput, viewed independently, may not provide a complete or directly comparable measure of our Company's overall manufacturing capacity or operational utilisation. In view of the above, installed capacity has been presented in hp on a manufacturing-line-wise basis based on the sanctioned connected load as reflected in the monthly electricity bills of Maharashtra State Electricity Board. The sanctioned hp load excludes general utility consumption and capacity deployed towards research and development activities, which have been excluded on a reasonable basis as separately determined by the chartered engineer. Actual production has been presented in equivalent units based on the conversion of utilised hp capacity using standard production norms and the product mix during the relevant period. Capacity utilisation has been computed as the ratio of actual production to available capacity (in units), expressed as a percentage. Installed capacity is expressed in hp while actual production and capacity utilisation are expressed in units, as actual output is measured by reference to completed products, systems or deliveries. Such installed capacity, utilised capacity, actual production and capacity utilisation figures should be read as indicative operational measures only and not as precise measures of standardised product-wise, item-wise or homogeneous unit output.

The key assumptions and methodology underlying the installed capacity, utilised capacity, actual production and capacity utilisation data set out in the table below are described in the notes and methodology sections following the table.

Particulars	Six months period ended September 30, 2026	Fiscal 2024	Fiscal 2025	Fiscal 2026
Installed Capacity – hp (Note 3, 4)				
PAP V13 (Plant I) – per annum	241.26	482.52	482.52	482.52
PAP V10 (Plant II) – per annum	965.16	–	643.44	1,930.32
Total Installed Capacity – per annum	1,206.42	**482.52**	**1,125.96**	**2,412.84**
Utilised Capacity – hp (Note 5, 6)				
PAP V13	237.09	444.14	526.76	475.25
PAP V10 (from December 2024)	705.90	–	257.47	1,144.69
Total Utilised Capacity – per annum	942.99	**444.14**	**784.23**	**1,619.94**
Actual Production – per annum (Note 7, 9, 10)	199	332	168	66
Available Capacity (in Units) (Note 6)	254.59	361	241	98
Utilisation Percentage (Note 12, 13)	**78.16%**	**92.05%**	**69.65%**	**67.14%**

As certified by Praveen Subramanya, independent chartered engineer, pursuant to his certificate dated November 11, 2026.

Notes:

1. Our Company operates two manufacturing plants, each of which functions as a multi-purpose manufacturing and engineering shop floor with shared fabrication, machining, assembly, integration, testing and engineering infrastructure.

2. Our Company's manufacturing operations are not organized on a dedicated product-line basis. Machinery, personnel, floor area and related operational resources are deployed across multiple products and programmes depending on manufacturing requirements.

3. Installed capacity is determined based on the sanctioned connected load for each plant, expressed in hp per month, as reflected in the monthly electricity bills of Maharashtra State Electricity Board for such plant. Product-wise installed capacity and capacity utilisation is not separately determinable given the multi-purpose nature of our Company's manufacturing facilities, shared infrastructure and non-dedicated production lines. Accordingly, hp has been adopted as the basis for measuring installed capacity.

4. Total installed capacity for the six-month period ended September 30, 2026 and each fiscal year is calculated by annualising the monthly rated hp capacity of each manufacturing line based on the number of months such line was operational during the relevant period. While PAP V13 (Plant I) was operational during the six-month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, PAP V10 (Plant II) commenced operations in December 2024. Accordingly, the installed capacity for PAP V10 (Plant II) for Fiscal 2025 has been annualised based on four months of operations (December 2024 to March 2025). For Fiscal 2026, the installed capacity for PAP V10 (Plant II) has been annualised for the full twelve-month period. Over-utilisation in PAP V13 in Fiscal 2025 was on account of special business requirements.

5. Utilised capacity refers to the actual production capacity consumed during the year, measured in hp. The sanctioned hp load excludes general utility consumption (such as air conditioning, ventilation, lighting and other non-production equipment) and capacity deployed towards research and development activities. Such non-production consumption has been excluded on a reasonable basis in arriving at the utilised production capacity, as separately determined by the chartered engineer.

6. The utilised capacity in hp is converted into equivalent production units based on standard production norms and the product mix manufactured during the relevant fiscal year to determine the available capacity in units.

7. Actual production represents the total units manufactured during the year. While installed capacity is expressed in hp, actual production and capacity utilisation are expressed in units, as actual output is measured by reference to the number of products, systems or deliveries completed during the relevant period. The composition of a unit is not standardised and may vary depending on product type, customer specifications, order structure and delivery configuration.

8. Our Company manufactures a range of products and systems that are not homogeneous and may vary materially across orders in terms of size, design, dimensions, configuration, number and nature of components, bill of materials, electronics and semiconductor content, motherboard and chip integration, assembly effort, process flow, testing requirements, engineering input, floor space utilisation and production complexity.

9. A unit may, depending on the relevant order, represent one complete product, system, vessel, platform, assembly, set, pack, container-based solution or integrated customer delivery.
10. In certain cases, multiple individual items, products, sub-systems or components supplied together as part of a single package, set, swarm, integrated solution or customer delivery may collectively constitute one unit for production purposes.
11. Accordingly, the unit basis used for actual production does not necessarily correspond to the number of individual items sold or otherwise reflected in item-wise sales records and should not be interpreted as a count of homogeneous products, parts or individual saleable items.
12. The effective hp capacity consumed per unit may vary materially depending on the nature of the product and order, including its dimensions, component count, electronics content, engineering effort, degree of integration, level of customisation, testing intensity, quality control requirements, manual intervention, automation level and shop floor scheduling.
13. Each of the six months ended September 30, 2026 and Fiscal 2026, Fiscal 2025 and Fiscal 2024 may have different effective capacity depending on the products manufactured, orders fulfilled and manufacturing priorities during such period. Considering the diverse nature of the products manufactured on the same machines and assembly lines, units reported across the six months ended September 30, 2026 and Fiscal 2026, Fiscal 2025 and Fiscal 2024 are not necessarily directly comparable as homogeneous units of output. Period-on-period changes in actual production or capacity utilisation should be read in the context of changes in product mix and order-specific manufacturing requirements.
14. Both plants use shared and, in certain cases, substantially similar categories of machinery and equipment, including Computer Numerical Control machines and other fabrication, machining, assembly and integration equipment. Accordingly, direct comparisons based solely on machine count, process-level output or plant-level output may be incomplete or misleading.
15. Installed capacity and utilised capacity are presented on a manufacturing-line-wise basis, while actual production and capacity utilisation are presented on an overall basis, as overall production is influenced by common infrastructure, product allocation, shared machinery, process routing and operational scheduling across our Company's manufacturing facilities.
16. Such installed capacity, utilised capacity, actual production and capacity utilisation figures should be read as indicative operational measures only and not as precise measures of standardised product-wise, item-wise or like-for-like unit output.

For risks pertaining to possible under-utilization of our manufacturing capacities see "*Risk Factors – 20. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded and proposed manufacturing capacities could have an adverse effect on our business, prospects, financial performance and cash flows.*" on page 33.

Testing, validation and training

Testing and validation

Testing and validation are an integral part of our manufacturing and systems-integration model. Because our platforms are mission-critical and are typically customised for specific customer or mission requirements, each system is subjected to functional, subsystem and system-level testing before customer acceptance, deployment or dispatch. Depending on the platform and requirement, our testing may include functional, subsystem, endurance and environmental testing, and ground, field, flight and sea-trial testing, together with mission-simulation testing. For maritime platforms, we operate an in-house water-testing facility for launch, recovery and in-water validation. Our testing and validation processes are supported by our ISO/IEC 17025:2017 testing-laboratory competence and by our JSS- and MIL-standard compliance certificates.

The photographs below illustrate our in-house water-testing facility for maritime platform launch, recovery and in-water validation, and our electronics and integration test laboratory:



In-house water-testing facility

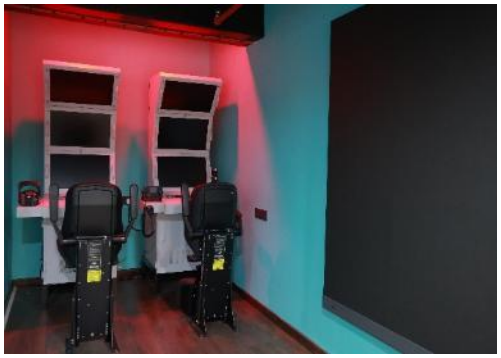


Electronics and integration / test laboratory

Training and lifecycle support

In addition to manufacturing, systems integration and testing, we provide training and lifecycle-support services to our customers in connection with the platforms we deliver. Given the mission-critical and technology-intensive nature of our systems, our training and support may include operator and maintainer training, installation and commissioning support, field deployment support, customer demonstrations, troubleshooting, software and firmware configuration support, the supply of spares, and maintenance, repair and overhaul services, in each case depending on the terms of the relevant customer order.

Our training overview and support infrastructure






Training overview and delivery model

Our training and support activities are supported by our engineering, software-development, production, quality-assurance and field-support teams, and by our field-deployment equipment (including military-grade portable systems used for customer demonstrations, testing, training and troubleshooting), enabling us to support our platforms through their operational lifecycle. Our training and support capability is an integral part of our customer-delivery model. It is designed to enable safe, mission-ready and lifecycle use of our unmanned platforms across operational environments.

We provide operator-level, maintainer-level and mission-level training to customer personnel across our portfolio, including all types of drones, USVs and UXOR systems. Our training is delivered through a structured combination of simulator-based training at our facility, OEM training prior to deployment of new equipment, and subsequent on-site training at customer locations.

Pre-deployment and OEM training

As the OEM for our platforms and systems, we provide direct training to customer personnel before deployment of new equipment. This includes system familiarisation, operational-readiness checks, configuration procedures, safety protocols, mission planning, platform handling, maintenance requirements, troubleshooting and documentation.

We also provide train-the-trainer programmes, under which initial batches of master instructors, operators and technicians are trained directly by us. This enables customers to build internal capability for onward training, refresher instruction and first-line operational support. Our training programmes typically commence with classroom and simulator-led familiarisation at our facility. During this stage, trainees are introduced to the relevant platform, command-and-control interfaces, mission-planning workflows, payload configuration, safety protocols, standard operating procedures, emergency procedures and maintenance requirements.

Simulator-based training

We utilise simulator-based and tactical training modules to replicate complex operational scenarios without risking live assets or operational platforms. These scenarios may include adverse environmental conditions, mission deviations, degraded communication links, electronic-warfare-type interference scenarios, equipment faults, machinery malfunctions and emergency recovery situations. This simulator-led training allows customer personnel to develop confidence in mission execution, fault response, decision-making and contingency handling before field deployment. It also allows trainees to repeatedly practise operating procedures, emergency responses and mission workflows in a controlled environment.

On-site and field training

Following facility-based training, we provide practical, field-oriented and on-site training at the customer's location, operating area or deployment site. During this phase, trainees are guided through supervised operational scenarios, platform deployment, launch and recovery, live mission execution, troubleshooting and post-mission review. These on-site sessions are tailored to the customer's operating environment, security protocols, mission profile and platform configuration. They intend to ensure that customer personnel are able to apply their training in the actual conditions in which the relevant platform is expected to operate.

Training by level: operator, maintainer and mission

Our operator-level training includes platform familiarisation, pre-deployment checks, launch and recovery procedures, remote operation, autonomous-mode supervision, command-and-control system usage, payload handling, safety protocols, emergency handling and standard operating procedures for mission execution.

Our maintainer-level training includes preventive maintenance, routine inspection, battery and power-system handling, payload installation and removal, fault identification, basic troubleshooting, software and firmware update processes, spares management and documentation of maintenance activities.

Our mission-level training includes mission planning, route and waypoint planning, payload selection, mission-profile configuration, communication checks, risk assessment, operational-readiness checks, mission execution, post-mission review and, where applicable, data-handling workflows.

Depending on customer requirements, mission-level training may support use cases such as surveillance, reconnaissance, survey, inspection, maritime security and other customer-specific applications.

Specialist technical and maintenance training

We also provide specialised technical and maintenance training for designated technical personnel. This covers repair, diagnostics, component-level inspection, system health monitoring, fault isolation, overhauls, calibration, software diagnostics and lifecycle maintenance practices to support high operational availability of deployed systems.

Our training and support activities are supported by our engineering, software-development, production, quality-assurance and field-support teams. They are also supported by our field-deployment equipment, including portable and military-grade systems used for customer demonstrations, testing, training and troubleshooting in the field.

Training may be delivered to end-users, nominated operators, maintenance personnel, mission planners, master instructors, programme managers, technical evaluators and field-support teams.

Quality assurance and certifications

We are committed to maintaining quality across all stages of our manufacturing and systems-integration cycle. Our quality process begins with vendor selection and incoming-material inspection and continues through in-process inspection, subsystem testing, system-integration checks, functional testing, pre-dispatch inspection and customer-acceptance support. Our quality-assurance team works with our engineering, software-development, production, procurement and programme teams to ensure that materials, components, sub-assemblies, software configurations and final systems conform to applicable drawings, technical specifications, customer requirements and internal quality plans, and we maintain inspection, test, software-configuration, calibration, non-conformance and corrective-action records.

Our quality, environmental, occupational-health-and-safety, testing-laboratory and software-lifecycle management systems are supported by the following key certifications, and we additionally hold a suite of JSS- and MIL-standard compliance certificates relating to defence and strategic testing, reliability, maintainability, safety and environmental requirements:

Certification	Scope
ISO 9001:2015	Quality management: manufacturing of unmanned vehicles and systems (aerial, surface, underwater, ground)
ISO 14001:2015	Environmental management: manufacturing of unmanned vehicles and systems (aerial, surface, underwater, ground)
ISO 45001:2018	Occupational health and safety management: manufacturing of unmanned vehicles and systems (aerial, surface, underwater, ground)
ISO/IEC 17025:2017	Competence of testing and calibration laboratories: manufacturing of unmanned vehicles and systems (aerial, surface, underwater, ground)
ISO/IEC/IEEE 12207	Systems and software engineering - software life-cycle processes: manufacturing of unmanned vehicles and systems (aerial, surface, underwater, ground)
Manufacturer Capability Certificate	Manufacturer of unmanned vehicles, control systems (aerial, marine surface, underwater, ground)
JSS / MIL-standard compliance	Suite of compliance certificates

Furthermore, our Company has entered into a memorandum of understanding with a globally recognized assurance and certification organization to collaborate on the certification, assurance, and regulatory acceptance of autonomous and remotely operated maritime systems.

Health, safety and environment

We are subject to environmental, health-and-safety and explosives laws and maintain environmental and occupational-health-and-safety management systems certified to ISO 14001:2015 and ISO 45001:2018.

Intellectual property

Our technology is protected by a patent-backed portfolio across our unmanned, autonomous and defence-technology systems, the core of which is GENISYS, our proprietary autonomous operating and command-and-control system.

As of the date of this Updated Draft Red Herring Prospectus - I, we had filed 81 designs, patents and trademarks, of which 35 have been granted registration across multiple jurisdictions. Further, our Company has filed 35 applications for registration of

design in India. We routinely enter into license agreements with governmental organizations for licensed use of technologies in order to develop some of our products in the ordinary course of our business.

Our intellectual-property position by jurisdiction is summarised below:

Jurisdiction	Patent / intellectual-property portfolio position
United States	2 granted patents, 1 patent application pending registration
Japan	3 granted patents
Australia	3 granted patents
Europe*	3 granted patents
Canada	3 patent applications pending registration
India	3 granted patents, 3 patent applications pending registration
India	13 granted designs, 22 design applications pending registration
India	8 registered trademarks, 17 pending trademark applications

**The European patents have been validated and maintained across 12 European jurisdictions, namely Germany, Denmark, Finland, France, Ireland, Luxembourg, the Netherlands, Sweden, the Czech Republic, the United Kingdom, Switzerland and Iceland. Another European Patent has been validated and maintained across 18 European jurisdictions, Austria, Belgium, Bulgaria, Germany, Denmark, Estonia, Finland. France, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Portugal, Romania, Sweden, Slovenia.*

Our granted European patents have been validated and maintained across 12 European jurisdictions, namely Germany, Denmark, Finland, France, Ireland, Luxembourg, the Netherlands, Sweden, the Czech Republic, the United Kingdom, Switzerland and Iceland. Another European Patent has been validated and maintained across 18 European jurisdictions, Austria, Belgium, Bulgaria, Germany, Denmark, Estonia, Finland. France, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Portugal, Romania, Sweden, Slovenia. In India, our portfolio also includes registered designs and trademarks, with further design and trademark applications pending. We have been recognised at the National Intellectual Property Awards 2024 and have been issued a Deep Tech Startup certificate in 2026 by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

Raw materials and suppliers

Our manufacturing requires a range of raw materials, bought-out components and sub-systems, sourced from domestic and international suppliers, certain of which are approved or qualified vendors based on customer and technical requirements. Certain critical components may have limited sources of supply or long lead times, and we maintain vendor relationships, alternate-sourcing arrangements, inventory planning and procurement controls to support timely execution of customer orders.

The table below sets forth our supplier concentration for the six month period ended September 30, 2026 and the Fiscals 2026, 2025, 2024:

Particulars	Six month period ended September 30, 2026		Fiscal					
			2026		2025		2024	
	Purchases from suppliers (₹ million)	% of total incurred expenses	Purchases from suppliers (₹ million)	% of total incurred expenses	Purchases from suppliers (₹ million)	% of total incurred expenses	Purchases from suppliers (₹ million)	% of total incurred expenses
Top Supplier[(1)]	125.64	10.09	230.24	14.81	9.19	1.34	11.52	2.20
Top five Suppliers[(1)]	426.19	34.24	624.77	40.19	31.19	4.55	39.64	7.55
Top 10 Suppliers[(1)]	561.59	45.12	748.81	48.17	52.03	7.60	66.07	12.59

Note:
[(1)] The names of our top, top 5 and 10 suppliers are commercially sensitive and accordingly their names are not disclosed in this Updated Draft Red Herring Prospectus - I.

Also see "*Risk Factors – 16. We source certain components, sub-systems and materials from outside India. Any disruption or delay in the supply of raw materials or increase in the cost of such materials could materially and adversely affect our operations and profitability."* on page 31.

The principal categories of our materials and components are set out below:

Category	Examples	Principal sourcing
Structural metals and alloys	Metals and alloys for machined and fabricated structures, housings and mounts	Domestic and international
Composites and polymers	Carbon-fibre and fibreglass composites, polymers and moulded parts	Domestic and international
Machined, fabricated, moulded and 3D-printed parts	Custom parts produced in-house or by job-workers under our supervision	In-house / domestic
Electronic components and printed circuit boards	Electronic components and printed circuit boards	Domestic and international

Batteries and power systems	Batteries and power modules	Domestic and international
Cables and connectors	Cables, connectors and wiring harnesses	Domestic and international
Sensors	Mission and navigation sensors	Domestic and international
Communication modules	Communication and data-link modules	Domestic and international
Propulsion components	Propulsion components	Domestic and international
Embedded controllers, computing and navigation modules	Embedded controllers, computing modules and navigation systems	Domestic and international

Out of the principal categories of our materials and components tabulated above, electronic components, printed circuit boards, sensors and power systems and communication modules are considered as critical (programable) components.

During the six months period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, our raw materials and components have been sourced from within India, across 26 states and union territories[1], including Maharashtra, Uttar Pradesh; and from outside India, majorly from countries including United States, the United Kingdom, Japan, Germany and France. Furthermore, we do not source critical (programable) components for our platforms from any country sharing land border with India.

We are focused on increasing indigenisation in our procurement and manufacturing processes by identifying and onboarding domestic suppliers for raw materials, components and sub-systems, where feasible and consistent with technical and customer requirements. This supports our efforts to reduce reliance on imports and is aligned with the Government of India's policy emphasis on self-reliance and domestic manufacturing, including under *Atmanirbhar Bharat*.

The table below sets forth our imports of raw materials and capital goods on a cost, insurance and freight basis as a percentage of total sale of goods for the six month period ended September 30, 2026 and the Fiscals 2026, 2025, 2024:

Particulars	Six month period ended September 30, 2026		Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	% of Total Sale of Goods	Amount (₹ million)	% of Total Sale of Goods	Amount (₹ million)	% of Total Sale of Goods	Amount (₹ million)	% of Total Sale of Goods
Raw materials[(1)]	479.91	22.09	457.87	18.15	97.33	9.79	145.62	38.23

Note:

(1) Primarily imported from countries such as United States, United Kingdom, Japan, Germany and France.

Delivery and Transportation

We do not own vehicles for the transportation of raw materials or finished platforms and rely on third-party logistics and transportation service providers for these purposes. Depending on the terms agreed with each customer, deliveries are made on either an ex-factory or a cost, insurance and freight basis, and accordingly we may bear freight and logistics costs directly in respect of certain customer orders as well as in respect of inbound raw material movements. We do not have long-term contractual arrangements with our transportation providers, and there can be no assurance that their services will remain available, reliable or competitively priced.

Our transportation expenses for the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024 are set out below:

Particulars (₹ million unless stated)	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Transportation expenses	5.26	6.35	2.79	4.72
As a percentage of total expenses (%)	0.52	0.41	0.38	0.97
As a percentage of revenue from operations (%)	0.24	0.25	0.27	1.19

For further information, see "*Risk Factors – 58. We depend on third-party logistics and transportation providers for the delivery of raw materials and finished platforms, and any disruption, damage or increase in costs could adversely affect our business, financial condition and results of operations*" on page 51.

Our customers

Our customers comprise various departments and agencies of the Government of India, government-controlled entities and research organisations, together with commercial, industrial and scientific customers.

[1] *Extracted from our GST records*

The table below sets forth our customer concentration for six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Customer concentration	Six month period ended September 30, 2026		Fiscal 2026		Fiscal 2025		Fiscal 2024	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
Revenue from largest customer – Government of India[(1)]	1,900.81	85.53	2,465.23	96.83	966.57	93.05	327.05	82.80
Revenue from top five customers[(2)]	2,222.36	99.98	2,543.23	99.89	1,002.39	96.50	374.10	94.71
Revenue from top 10 customers[(2)]	2,222.40	99.98	2,545.28	99.98	1,012.56	97.48	378.98	95.94

Notes:

(1) Includes various departments of Government of India.

(2) Due to confidentiality requirements applicable to defence and government procurement contracts, the names of our top 10 customers are not disclosed in this Updated Draft Red Herring Prospectus – I.

For further information**,** see **"***Risk Factors – 1. We derive almost all of our revenue from our top customer, i.e., the Government of India. Our top customer contributed ₹1,900.81 million, ₹2,465.23 million, ₹966.57 million and ₹327.05 million, representing 85.53%, 96.83%, 93.05% and 82.80% of our revenue from operations, in the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, respectively. The loss of, or a reduction, delay or cancellation in orders from our customers could materially and adversely affect our business, results of operations, cash flows and financial condition*." on page 21.

Sales and marketing

We market our products and services through direct engagement with government, strategic and commercial customers, including through participation in tenders, trials, qualification and evaluation programmes, defence-innovation initiatives (including iDEX), demonstrations, and industry exhibitions and events. Our business-development efforts are supported by our technology demonstrations, references and partnerships.

The table below sets forth our business promotion and event management expenses during the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024:

Particulars	Six months period ended September 30, 2026		Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	Percentage of Total Expenses (%)	Amount	Percentage of Total Expenses (%)	Amount	Percentage of Total Expenses (%)	Amount	Percentage of Total Expenses (%)
Business promotion expenses	0.83	0.08	2.52	0.16	4.11	0.56	0.73	0.15
Event expenses	2.55	0.25	15.51	1.00	1.96	0.27	0.27	0.06

Competition

The autonomous and unmanned systems industry in India is witnessing increasing participation from multiple categories of competitors, including defence public sector undertakings, large private defence manufacturers, defence-focused technology companies, global OEMs with established capabilities in unmanned platforms, and a growing number of defence-tech start-ups. According to the CAREEdge Report, rising competition may intensify pricing pressure, reduce market share opportunities and increase the need for sustained innovation and strategic partnerships. Furthermore, according to CAREEdge Report, competition is increasingly shifting from standalone hardware towards integrated, software-led autonomous mission systems, increasing the importance of autonomy software, interoperability, cybersecurity and lifecycle support.

Further, government procurement processes for defence platforms may not always favour private-sector participants, and defence public sector undertakings and ordnance establishments may receive preferential treatment or allocation in certain procurement categories.

For further information, see "*Risk Factors – 74. We face competition from established defence public sector enterprises, large private defence manufacturers, global OEMs, deep-tech start-ups and new entrants in the autonomous and unmanned systems industry, and increasing competitive intensity may adversely affect our market position, pricing and profitability.*" and "*Risk*

Factors – 81. We do not have a directly comparable listed peer in India, and the peer companies identified in this Updated Draft Red Herring Prospectus - I may not be meaningful comparators for evaluating our business or valuation" on pages 56 and 58, respectively.

Our employees

Our people are the foundation of our in-house development model, and our engineering-led culture is a defining characteristic of the organisation. We are a founder-led and engineering-driven company: our Promoters have built and sustained a deep technical talent base since 2015, and the substantial majority of our senior engineering and management team have been with us for between eight and ten years. This continuity of leadership and technical depth enables us to maintain a coherent technology roadmap across successive product generations and to execute complex, multi-domain programmes without reliance on external capability. Our workforce is organised around research and development, software engineering, embedded electronics, mechanical engineering, systems integration, manufacturing, quality assurance and field support. Our attrition rate was 11.31% in the six month period ended September 30, 2026. and 13.03%, 7.75% and 14.13% in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, which we attribute to our engineering culture, the nature and complexity of the work, and our investment in talent development. We actively invest in developing and retaining specialised engineering talent across autonomy, software, embedded systems, electronics, mechanical engineering and systems-integration disciplines. Our in-house training and development activities include on-the-job technical development through programme execution and platform development cycles, cross-functional exposure across engineering, software, electronics and manufacturing, mentoring from our long-tenured senior engineering team and recognition at national technical forums. Our team includes individuals with international technical recognition, including NASA-recognised talent and recipients of the Jury Award for rural centric innovation' at National Intellectual Property (IP) Awards 2024 and the Deftronics Award. We recruit from engineering institutions across India, with a particular focus on candidates with backgrounds in robotics, autonomous systems, embedded systems, software, electronics and aerospace. As we scale our operations, we intend to continue investing in engineering talent to support our expanded manufacturing and research-and-development capacity.

As at September 30, 2026, we had 442 permanent employees. The department-wise breakdown is set forth in the table below:

Department	Number of Employees
Operational, research and development and manufacturing	382
Human resources and marketing	30
Accounts	20
Management	10
Total	**442**

In addition to our permanent employees, we engage contract labour through independent contractors for certain ancillary and non-core functions which are outside our manufacturing facilities. Such personnel are typically hired locally at the relevant location for the limited duration of the concerned activity, and are not engaged for our manufacturing, integration or testing operations, which are undertaken by our permanent employees.

Corporate social responsibility

We have constituted a Corporate Social Responsibility Committee and adopted a Corporate Social Responsibility policy in accordance with Section 135 of the Companies Act, 2013 and the rules thereunder. No amount was required to be spent on corporate social responsibility during Fiscal 2024 and Fiscal 2025. During Fiscal 2026, the amount required to be spent on corporate social responsibility was utilised towards education and the PM CARES Fund.

The table below sets forth our corporate social responsibility expenses during six months period ended September 30, 2026 and Fiscals 2026, 2025 and 2024:

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Corporate social responsibility expenditure (₹ million)	5.34	3.38	-	-
Total expenses (₹ million)	1,008.96	1,546.27	733.69	484.66
Corporate social responsibility expenditure as a percentage of total expenses (%)	0.53	0.22	-	-

Insurance

We maintain insurance coverage in respect of our assets, inventory, manufacturing operations and, depending on the applicable delivery terms, portable products.

The table set forth below are details of the amount and percentage of coverage of insurance vis-à-vis our total net value of assets as at the following dates:

As of	Net value of assets (₹ million)	Insurance Coverage (₹ million)	Percentage of insurance coverage to net value of assets (%)
September 30, 2026	452.19	688.80	152.33%
March 31, 2026	446.26	688.80	154.35%
March 31, 2025	216.05	351.50	162.68%
March 31, 2024	73.55	321.50	437.21%

For further information, see "*Risk Factors – 62. Our insurance policies may not be sufficient to cover all losses or liabilities arising from our operations, and any uninsured or underinsured loss could materially affect our results, cash flows and financial condition.*" on page 53.

Information technology

We use information-technology systems to support our engineering, design, manufacturing, quality, supply-chain and business functions, and maintain information-security measures appropriate to our defence and strategic operations. Our software infrastructure supports development and integration of mission software, command-and-control interfaces, operator interfaces, payload-control interfaces, communication interfaces and system configuration tools. These software elements enable our products to operate as integrated mission-ready systems.

Photographs of selected IT and server infrastructure are set out below:



Non-classified high-end independent server system for Data processing and Simulation, with power backup



Non-classified high-end independent server system for Data processing and Simulation for Mechanical systems, with power backup

Our high-end workstations, neural computing sticks, embedded SFF computers and data centre infrastructure support AI / ML model development, data processing, edge-computing validation, algorithm testing and prototype development. These capabilities may be used for autonomous systems, sensor integration, payload processing, mission analytics and other programme-specific requirements.

Simulation and Validation: Our simulator stations are used for simulation, mission validation, system behaviour testing, operator training support, software verification and pre-deployment checks. Simulation allows us to validate certain system functions, mission workflows, operator interfaces and integration behaviour before field trials or customer demonstrations.

Design and Engineering Support: Our desk workstations, portable laptops, servers, network attached storage and data centres support design engineering, software development, documentation, configuration control, data storage, production support, test record management and customer programme execution.

Properties

The details of all our properties are as mentioned below:

Sr. No.	Address of the property	Usage of the property	Status of ownership	Nature of arrangement	Tenure of the arrangement	Counterparty to the arrangement	Whether counterparty is a related party[$] (Yes / No)
1.	101, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra, India	Registered Office	Not owned by our Company	Leave and license agreement	60 months from June 1, 2026, till May 31, 2031	Deepak Bhailal Desai	No
2.	102, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra, India		Not owned by our Company	Leave and license agreement	60 months from June 1, 2026, till May 31, 2031	Pragna Deepak Desai	No
3.	103, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra, India		Not owned by our Company	Leave and license agreement	60 months from August 1, 2026, till July 31, 2031	Nilesh Kanhaiyalal Agrawal	Yes
4.	104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra, India		Not owned by our Company	Leave and license agreement	60 months from August 1, 2026, till July 31, 2031	Monika Nilesh Agrawal	No
5.	Plot No. PAP-V-13, Chakan Industrial Area, Phase-II, MIDC, Chakan, Pune, Khed 410 501 Maharashtra, India[*]	Corporate Office and Plant I	Not owned by our Company	Memorandum of understanding, read with amendment to the memorandum of understanding	10 years from November 1, 2024, till October 31, 2034	Ramkamalprasad Tribhuwan Singh	Yes
6.	Plot No. PAP-V-10, Chakan Industrial Area, Phase-II, MIDC, Chakan, Pune, Khed 410 501	Plant II	Not owned by our Company	Letter of intent	From October 1, 2024. The period of sub-lease will be 10 years from the commencement of sub-lease	Ramkamalprasad Tribhuwan Singh	Yes

Sr. No.	Address of the property	Usage of the property	Status of ownership	Nature of arrangement	Tenure of the arrangement	Counterparty to the arrangement	Whether counterparty is a related party[$] (Yes / No)
7.	Maharashtra, India[*]	Plant III (proposed)	Not owned by our Company	Memorandum of understanding	10 years from the commencement of sub-lease	Ramkamalprasad Tribhuwan Singh	Yes
8.	WeWork Eldeco Centre, Malviya Nagar, Eldeco centre, Block A, Shivalik Colony, Malviya Nagar, Delhi, 110 017	Administrative office	Not owned by our Company	WeWork corporate membership agreement	12 months from December 22, 2025, till December 22, 2026	WeWork India Management Limited	No
9.	Survey No. 1194-1203 and 1209 Juvvaladinne Village, Bogole Mandal, SPSR, Nellore District, Andhra Pradesh, 524 001[^]	Proposed Autonomous Maritime Shipyard and Systems Development Centre	Not owned by our Company	Lease deed	30 years from March 5, 2026, extendable for another 30 years as per the lease deed	Andhra Pradesh Maritime Board	No

** For details, see, "Risk Factors – 5. Our Corporate Office and existing manufacturing operations are concentrated at two facilities (Plant I and Plant II) in Chakan, Pune, Maharashtra, India, situated over land parcels ("**Land**" or "**Premises**"), which are leased by MIDC to a related party, who is also a shareholder and member of our Promoter Group ("**Lessee**"). Any failure to occupy, enter into sub-lease deeds in a timely manner or at all and undertake manufacturing operations could materially and adversely affect our business, financial condition, cashflows, results of operations and future business prospects" on page* 25.

^ For details, see, "Risk Factors – 14. Our Registered Office and the proposed Autonomous Maritime Shipyard and Systems Development Centre is situated on leasehold premises. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected." on page 30.

[$] As defined under Section 2(76) of the Companies Act, 2013.

Awards and accreditations

We have been recognised at the National Intellectual Property Awards 2024 and have been issued a Deep Tech Startup certificate by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. Some of our key awards and recognition during the last three Fiscals as follows:

Month	Fiscal	Accolade / Recognition
June	2026	Awarded 'BML Munjal Award' in the Emerging Stars category at the 18th edition of the BML Munjal Awards, 2026 for 'Business Excellence through Learning & Development'
November	2025	Winner of the "Accelerating the Autonomous Robotics Revolution" Challenge under VISTA Track at Dubai Airshow 2025.
September	2025	Recognised as the Industry Crusader of the Year at the Maritime Excellence Awards by The Shipping Ministry of India and The Directorate General of Shipping at INMEX 2025.
September	2025	Conferred with the Udyamita Jyoti MSME Maritime Excellence Award by the Directorate General of Shipping.
March	2025	Our Company was honoured with the National Award for Rural-Centric Invention at the National Intellectual Property Awards.
March	2025	Recognised as a winner among innovative technical solution at Startup Pavilion of GRIDCON - 2025 organised by PowerGrid Corporation of India Limited
February	2025	Successfully indigenized the Autonomous Weaponized Boat Swarm for Indian Navy at Aero India 2025
October	2024	Received recognition at DefConnect 4.0, organised by Innovations for Defence Excellence - Defence Innovation Organisation (iDEX - DIO), under the Department of Defence Production as an ADITI 1.0 Challenge Winner.
February	2024	Awarded the 'Founder's Innovation Award 2023-2024' by The Company of Master Mariners of India

Month	Fiscal	Accolade / Recognition
February	2024	MCCIA Annual Award 2023-24: Recognised by the Mahratta Chamber of Commerce, Industries and Agriculture for the "Award for MSMEs in Defence Production" at the 76th MCCIA Annual Awards on January 19, 2024.
November	2023	Awarded the "Excellence in Maritime Technology Award" at the largest global conference on technology, Technology in Maritime 2023.
August	2023	Recognized by the Defence Research and Development Organization (DRDO), Defence Laboratory Jodhpur at TechCon 2023.

For details of the awards and accreditations received by us, see "*History and Certain Corporate Matters – Key awards, accreditations and recognitions*" on page 281.

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain key sector-specific laws, regulations and policies in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publicly available legislations, rules, regulations, guidelines and circulars notified by regulatory agencies, including the judicial, regulatory, and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For further details in relation to our material approvals, see, "Government and Other Approvals" on page 436.

a. Key industry specific laws

Industries (Development and Regulation) Act, 1951, as amended ("I(D&R) Act") and Registration and Licensing of Industrial Undertakings Rules, 1952 ("Industrial Licensing Rules")

The I(D&R) 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, including among others, all types of electronic aerospace and defence equipment. The I(D&R) Act is administered by the Ministry of Commerce and Industry through the Department for Promotion of Industry and Internal Trade of India ("**DPIIT**"). The main objective of the I(D&R) Act is to provide for the development and regulation of certain industries. The DPIIT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

The Industrial Licensing Rules provide the rules for granting registration certificates and licenses to industrial undertakings.

The Bharatiya Vayuyan Adhiniyam, 2024 ("Bharatiya Vayuyan Adhiniyam") and the Drone Rules, 2021, as amended ("Drone Rules")

Bharatiya Vayuyan Adhiniyam is enacted to provide for the regulation and control of the design, manufacture, maintenance, possession, use, operation, sale, export and import of aircraft and for matters connected therewith or incidental thereto, repealing and replacing the Aircraft Act, 1934. The central government is empowered to make rules covering, inter alia, the regulation of registration and marking of aircraft, licensing of persons employed in the operation and maintenance of aircraft, airworthiness and safety of aircraft operations, and investigation of accidents and incidents. Three statutory organisations are constituted under the Bharatiya Vayuyan Adhiniyam under the superintendence of the central government: the directorate general of civil aviation, responsible for safety oversight and regulatory functions; the bureau of civil aviation security, responsible for civil aviation security oversight; and the aircraft accidents investigation bureau, responsible for the investigation of aircraft accidents and incidents. Contraventions of the Bharatiya Vayuyan Adhiniyam may attract imprisonment of up to two years, fines of up to rupees one crore, or both, with provision also for adjudication of monetary penalties by adjudicating officers.

The Drone Rules define a 'drone' as an unmanned aircraft system and it applies to: (i) all persons owning or possessing, or engaged in leasing, operating, transferring or maintaining an unmanned aircraft system in India; (ii) all unmanned aircraft systems that are registered in India; and (iii) all unmanned aircraft systems that are being operated for the time being, in or over India. The central government published the Certification Scheme for Unmanned Aircraft Systems on January 26, 2022. The Drone Rules provide detailed provisions *inter alia* on: (i) classification of unmanned aircraft systems; (ii) certification of unmanned aircraft systems; (iii) registration of unmanned aircraft systems; (iv) operation of unmanned aircraft systems; (v) remote pilot certificates; and (vi) unmanned aircraft system traffic management. The Drone Rules authorise the DGCA or an officer authorised by the central government, or the state government to levy a penalty of up to rupees one lakh, for a contravention of the Drone Rules.

The Consumer Protection Act, 2019 ("Consumer Protection Act")

The Consumer Protection Act is enacted to protect the interests of consumers and to establish authorities for the timely and effective administration and settlement of consumer disputes. It seeks, *inter alia*, to also provide for the formation and functioning of the Consumer Protection Councils at the national, state, and district levels, the establishment of Consumer Disputes Redressal Commissions at these levels, mediation of consumer disputes, product liability actions, and penalties for manufacturing, storing, selling, distributing, or importing adulterated and spurious goods. The Consumer Protection Act provides consumers with a mechanism to file complaints against manufacturers, sellers, or service providers in cases of unfair contracts, unfair or restrictive trade practices, defective or hazardous goods sold in violation of safety standards, deficient services, and unlawful pricing. It imposes product liability on the product manufacturers, product service providers, and product sellers for compensation in cases of harm caused by defective products or deficient services. The Act establishes a three-tier consumer dispute grievance redressal system at the district, state, and national levels. Non-compliance with redressal commission orders may attract penal consequences. The Consumer Protection Act also establishes the Central Consumer Protection Authority to regulate consumer rights violations, unfair trade practices, and misleading advertisements that are prejudicial to public and consumer interests.

b. Key environmental legislations

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986, Plastic Waste Management Rules, 2016, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Public Liability Insurance Act, 1991, and the respective rules and regulations thereunder. We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to prevent, control, and abate and prevent pollution. In order to achieve these objectives, pollution control boards, which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The pollution control boards are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power including that of search, seizure and investigation. Certain industries are required to obtain consent orders from the pollution control boards, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

c. Industrial and Labour Laws

Our establishments and business operations in various states across India are required to be registered under the applicable local shops and establishments legislations in those states. Such legislation regulates the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provides for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, in each state, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to the local shops and establishments legislation, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include legislations such as Minimum Wages Act, 1948, Payment of Bonus Act, 1965, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and The Right of Persons with Disabilities Act, 2016.

Further, in order to rationalize and reform labour laws in India, the Government of India, through Gazette notifications dated November 21, 2025, has implemented four labour codes in a phased manner, namely:

(a) The Occupational Safety, Health and Working Conditions Code, 2020 subsumes certain legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code provides for, among other things, standards for health, safety and working conditions for employees of establishments.

(b) The Industrial Relations Code, 2020 subsumes three legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. It aims to consolidate and amend laws in relation to trade unions and conditionalities associated with employment and retrenchment of employment in industrial undertakings.

(c) The Code on Wages, 2019 subsumes four separate legislations, 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 aims at strengthening worker's rights and promoting uniformity in wage-related compliances for employers.

(d) The Code on Social Security, 2020 subsumes several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972. This code seeks to extend social security coverage to all employees and workers in organized and unorganized sector.

Pursuant to the notification of the four labour codes, the Government of India, on May 8, 2026, has notified the Occupational Safety, Health and Working Conditions (Central) Rules, 2026, Industrial Relations (Central) Rules, 2026, Code on Wages (Central) Rules, 2026, and Social Security (Central) Rules, 2026, to provide, among other things, the procedures for enforcement of the labour codes.

d. Intellectual Property Laws

The Patents Act, 1970, as amended ("Patent Act")

The Patent Act governs India's patent regime and aligns with the World Trade Organization ("**WTO**") Agreement on Trade-Related Aspects of Intellectual Property Rights. It defines an invention as a new product or process involving an inventive step and capable of industrial application. A patent is an intellectual property right granted by the controller of patents for a limited period, allowing the patentee to exclude others from making, using, offering for sale selling, or importing the patented product or process or a product obtained directly by that process without consent, in exchange for enabling full disclosure of the invention.

The Designs Act, 2000 ("Design Act")

The Design Act consolidates and amends laws relating to design protection. A design refers to the shape, configuration, pattern, ornamentation, or composition of lines or colours applied to an article in a two-or three-dimensional form or in both forms by an industrial process. To be registered, a design must be new or original, not previously published in any country, and not contrary to public order or morality, on the application of any person claiming to be the proprietor of such design. A registered design is valid for 10 years, extendable for another five years, after which it enters the public domain.

The Trademarks Act, 1999, as amended ("Trademarks Act") and the Trademarks Rules, 2017

The Trademarks Act provides statutory protection for trademarks in India and prevents fraudulent use. The Trademarks Act permits any person claiming to be the proprietor of a trade mark to apply for registration in respect of particular goods or services, provided the mark is either in use or proposed to be used by the applicant. A registered trademark is valid for 10 years unless cancelled and can be renewed; if not renewed, it lapses and must be restored. The Act prohibits deceptively similar trademarks and prescribes penalties for infringement. The Trademark (Amendment) Act, 2010 enables simultaneous protection of trademarks in India and other countries. The Trademarks Rules, 2017 further regulate assignment, transmission, statement of use, well-known trademarks, and opposition proceedings.

e. Foreign investment and trade laws

Foreign investment in India is governed by the provisions of FEMA Rules along with the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade ("**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 regulates the mode of payment and reporting requirements for investments in India by a person resident outside India. The DPIIT on October 29, 2020, has issued the consolidated Foreign Direct Investment Policy of 2020 (effective October 15, 2020), which lays down certain guidelines and conditions for foreign direct investment in various sectors. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 484.

f. Data protection laws

The Information Technology Act, 2000, as amended (the "IT Act") and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 as amended ("IT Security Rules")

The IT Act aims to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents including sensitive personal data such as medical records and history. The IT Security Rules enlists directions for the disclosure, collection, and transfer of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate or person who on behalf of the body corporate receives, possesses, stores, deals, collects or handles information to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Digital Personal Data Protection Act, 2023 as amended ("Data Protection Act") and Digital Personal Data Protection Rules, 2025 as amended ("DPDP Rules")

The Data Protection Act received the assent of the President of India on August 11, 2023. The Data Protection Act provides for collection and processing of digital personal data by persons, including companies. According to the Data Protection Act, companies collecting and dealing in high volumes of personal data will be defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Act, such as building reasonable security safeguards to prevent personal data breach, appointing data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal and an independent data auditor to evaluate compliance with the Data Protection Act. The Central Government is required

to establish the Data Protection Board of India ("**DPB**"). Key functions of the DPB 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 data principals.

The Ministry of Electronics and Information Technology has recently notified the Digital Personal Data Protection Rules, 2025 ("**DPDP Rules**") under the Data Protection Act on November 13, 2025. The DPDP Rules aim to regulate, among other things, the processing of personal data in India, ensuring individuals privacy rights are protected. They apply to all entities that process digital personal data, both within India and abroad. The DPDP Rules detail the various implementation aspects of the Data Protection Act, such as, *inter alia*, the specific notice by the data fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, service etc., applicability of minimum security safeguards, intimation of personal data breach, providing details about availing of their rights by the individuals and processing of personal data of child or of person with disability. While such substantive obligations will be implemented in a phased manner over 18 months from the date of notification, a limited set of governance and institutional provisions such as setting up the data protection board, appointment and service conditions of the chairperson and other members of the board, functioning of board as digital office, procedure to appeal to appellate tribunal among others have been brought into effect immediately.

g. Tax laws

In addition to the laws described above, *inter alia*, the following tax legislations also apply to the operations of our Company:

- Income-tax Act, 2025 and the Income-tax Rules, 2026;
- Customs Act, 1962;
- Central Goods and Service Tax Act, 2017, the Central Goods and Services Tax Rules, 2017 and various state-wise legislations enacted to govern state-wise goods and services tax;
- The Integrated Goods and Service Tax Act, 2017 and the Integrated Goods and Services Tax (IGST) Rules, 2017;
- State-wise professional tax legislations; and
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

h. Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act, 2013 and rules framed thereunder, the Arbitration and Conciliation Act, 1996, the Contract Act, 1872, Sale of Goods Act, 1930, Micro, Small, and Medium Enterprise Development Act, 2002, Foreign Trade (Development and Regulation) Act, 1992 and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Sagar Defence Engineering Private Limited', as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 16, 2015, issued by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a public limited company pursuant to a board resolution dated June 19, 2026 and a special resolution passed by our Shareholders in an extra-ordinary general meeting on June 23, 2026 and consequently the name of our Company was changed to 'Sagar Defence Engineering Limited', and a fresh certificate of incorporation dated July 6, 2026 was issued by the Registrar of Companies, Central Processing Centre.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change of registered office	Details of change in the registered office	Reasons for change in the registered office
May 20, 2016	The registered office of our Company was shifted from 20/21, Ground Floor, Mira Datar Gully, 772, Powder Bunder Road, Mazagaon, Darukhana, Mumbai – 400010, Maharashtra to 101/104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai 400 066, Maharashtra.	Administrative purposes

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

"1. To carry on the business of designing, manufacturing, integrating, testing, operating, exporting, importing, buying, selling, acting as manufacturer for designing, manufacturing, purchase and sale of and to deal in unmanned marine vehicles, capital equipment, plant and machinery for defence, oil & gas industries, inland waterways, scientific and commercial industries; unmanned marine surface vehicles, autonomous underwater vehicles, unmanned underwater vehicles, radio controlled target boats, anti-submarine targets, anti-submarine warfare decoys, torpedo decoys, midget submarines, unmanned marine patrol vehicles, manned and unmanned submersibles, high density batteries, boats and offshore and inshore petrol vessels; accessories, assemblies, sub-assemblies, instruments, tools, components, devices and gadgets of engineering and non-engineering types including inland waterways and scientific research and development sector, and defence equipment.

2. To turnkey install, manufacture and refit unmanned command controls hardware, software to refine the existing marine boats into unmanned marine vehicles.

3. To engage in the business of engineering, contracting and constructions including the design, manufacture, construction, erection, alteration, repair, testing and trials of unmanned marine vehicles, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices.

4. To enter either alone or jointly with any other companies for the designing, manufacturing, integrating, testing, operating, repairing, maintaining, exporting, importing, buying, selling, in unmanned marine surface vehicles, autonomous underwater vehicles, anti-submarine warfare decoys unmanned underwater vehicles, midget submarines, manned and unmanned submersibles, high density batteries, boats and offshore and inshore petrol vessels, capital equipment, plant and machinery of every description.

5. To engage in the business of engineering, contracting and constructions including the design, manufacture, construction, erection, alteration, repair, testing and trials of unmanned aerial vehicles, unmanned aircraft system, also referred to as drones and remotely piloted aircraft, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices of any micro, mini and above for defence, oil & gas industries, inland airways, scientific and commercial industries.

6. To carry on business of dealing in mining equipment, fire fighting system for mining, heavy vehicle for the mining, heavy vehicle (truck) supplier, special equipment for Mining, Robotic equipment for mining, Electronics system for mining, Software application for coal mines, heavy electrical system for mining other ancillary mining equipment and providing on ground services for mining."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on by us.

Amendments to our Memorandum of Association since the incorporation of our Company

The amendments to our Memorandum of Association since the incorporation of our Company are set out below:

Date of shareholders' resolution	Details of the amendments
November 21, 2016	Clause V of the Memorandum of Association was amended to reflect an increase in authorised share capital from ₹100,000 divided into 10,000 equity Shares of face value of ₹10 each to ₹ 1,000,000 divided into 100,000 equity shares of face value of ₹10 each.
December 2, 2017	Clause III (A) of the Main Objects of the Memorandum of Association was amended to insert the following objects clause: "*5. To engage in the business of engineering, contracting and constructions including the design, manufacture, construction, erection, alteration, repair, testing and trials of unmanned aerial vehicles, unmanned aircraft system, also referred to as drones and remotely piloted aircraft, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices of any micro, mini and above for defence, oil & gas industries, inland airways, scientific and commercial industries.*"
April 20, 2019	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital from ₹ 1,000,000 divided into 100,000 equity shares of face value of ₹10 each to ₹1,500,000 divided into 125,000 equity shares of face value of ₹10 each and 25,000 preference shares of face value of ₹10 each.
October 3, 2020	Clause III (A) of the Memorandum of Association of our Company was amended to reflect the insertion of the following clause, inserted after clause III (A) (5): "*6. To carry on business of dealing in mining equipment, fire fighting system for mining, heavy vehicle for the mining, heavy vehicle (truck) supplier, special equipment for Mining, Robotic equipment for mining, Electronics system for mining, Software application for coal mines, heavy electrical system for mining other ancillary mining equipment and providing on ground services for mining.*"
July 9, 2021	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital from ₹1,500,000 divided into 125,000 equity shares of face value of ₹10 each and 25,000 preference shares of face value of ₹10 each to ₹85,000,000 divided into 225,000 equity shares of face value of ₹10 each, 25,000 compulsorily convertible preference shares of face value of ₹10 each and 825,000 optionally convertible preference shares of face value of ₹100 each.
December 21, 2022	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital from ₹85,000,000 divided into 225,000 equity shares of face value of ₹10 each, 25,000 compulsorily convertible preference shares of face value of ₹10 each and 825,000 optionally convertible preference shares of face value of ₹100 each to ₹125,000,000 divided into 225,000 equity shares of face value of ₹10 each, 25,000 compulsorily convertible preference shares of face value of ₹10 each and 1,225,000 optionally convertible preference shares of face value of ₹100 each.
December 27, 2024	Clause V of the Memorandum of Association was amended to reflect an increase and reclassification of the authorised share capital from ₹125,000,000 divided into 225,000 equity shares of face value of ₹10 each, 25,000 compulsorily convertible preference shares of face value of ₹10 each and 1,225,000 optionally convertible preference shares of face value of ₹100 each to ₹125,100,000 divided into 225,000 equity shares of face value of ₹10 each, 35,000 preference shares of face value of ₹10 each and 1,225,000 preference shares of face value of ₹100 each.
March 27, 2026	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital from ₹125,100,000.00 divided into 225,000 equity shares of face value of ₹10 each, 35,000 preference shares of face value of ₹10 each and 1,225,000 preference shares of face value of ₹100 each to ₹125,200,000.00 divided into 225,000 equity shares of face value of ₹10 each, 45,000 preference shares of face value of ₹10 each and 1,225,000 preference shares of face value of ₹100 each.
March 30, 2026	Clause V of the Memorandum of Association was amended to reflect a reclassification of the authorised share capital from ₹125,200,000 divided into 225,000 equity shares of face value of ₹10 each, 45,000 preference shares of face value of ₹10 each and 1,225,000 preference shares of face value of ₹100 each to ₹125,200,000 divided into 12,475,000 equity shares of face value of ₹10 each and 45,000 preference shares of face value of ₹10 each.
June 23, 2026	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from 'Sagar Defence Engineering Private Limited' to 'Sagar Defence Engineering Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.
	Clause V of the Memorandum of Association was amended to reflect an increase of the authorised share capital from ₹125,200,000 divided into 12,475,000 equity shares of face value of ₹10 each and 45,000 preference shares of face value of ₹10 each to ₹4,500,000,000 divided into 449,955,000 Equity Shares of face value of ₹10 each and 45,000 preference shares of face value of ₹10 each.
July 11, 2026	Clause V of the Memorandum of Association was amended to reflect the sub-division of the authorised equity share capital from ₹4,500,000,000 divided into 449,955,000 Equity Shares of face value of ₹10 each and 45,000 preference shares of face value of ₹10 each to ₹4,500,000,000 divided into 2,249,775,000 equity shares of face value of ₹2 each and 45,000 preference shares of face value of ₹10 each.

Major events in the history of our Company

The table below sets forth the key events in the history of our Company:

Calendar year	Event / milestone
2018	Selected as one of the top six startups at the Magnetic Maharashtra: Convergence 2018 Start up Awards
2020	Presented our unmanned surface vehicle "VAHANA" at the DEFEXPO20 India, organized by the Ministry of Defence
2021	Set up a manufacturing and R&D facility at Chakan, Pune
2022	Unveiled "Varuna", India's first indigenous pilotless passenger drone, at the "Swavlamban" seminar organized by the Naval Innovation and Indigenisation Organisation in New Delhi
2024	Granted a patent for our self-learning command and control module for navigation
	Our unmanned surface vessel participated in Sagarmala Parikrama, flagged off during Swavlamban 2024, conducted an autonomous passage of approximately 1,500 kilometers from Mumbai to Tuticorin (Source: CAREEdge Report)
2025	Collaboration with Liquid Robotics, a Boeing company, for the co-development and co-production of autonomous surface vessels in India
	Successfully indigenized the Autonomous Weaponized Boat Swarm for Indian Navy at Aero India 2025
	Certificate of partnership as technology partner of Centre for Development of Advanced Computing (C-DAC), Ministry of Electronics and Information Technology to produce, promote and commercialize acoustic gunshot detection system -vehicle mount version in India
2026	Ground-breaking ceremony for our proposed Autonomous Maritime Shipyard and Systems Development Centre in Andhra Pradesh, as a first of its kind in India (Source: CAREEdge Report)
	Signed a memorandum of understanding with the Government of Andhra Pradesh for the proposed allotment of approximately 400 acres for a dedicated defence manufacturing facility focused on advanced strategic and national security systems

Key awards, accreditations and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Particulars
2026	Entered into a Memorandum of Understanding with a globally recognized assurance and certification organization to collaborate on the certification, assurance, and regulatory acceptance of autonomous and remotely operated maritime systems
2026	Awarded 'BML Munjal Award' in the Emerging Stars category at the 18th edition of the BML Munjal Awards, 2026 for 'Business Excellence through Learning & Development'
2025	Recognised as a winner among innovative technical solution at Startup Pavilion of GRIDCON - 2025 organised by PowerGrid Corporation of India Limited
2024	Awarded 'Jury Award for rural centric innovation' at National Intellectual Property (IP) Awards 2024 by the Office of the Controller General of Patents, Designs & Trademarks, Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry
	Award for MSMEs in Defence Production (instituted by Brig. S. B. Ghorpade) by the Mahratta Chamber of Commerce, Industries and Agriculture
2022	Awarded 'IETE Corporate Award for Performance in Electronic Components – 2022 (MSME Category)' at the 65th Institution of Electronics and Telecommunication Engineer Convention held at Hyderabad
2021	Awarded 'Technology Provider of the Year' award at the 8th International Samudra Manthan Awards
2019	Awarded 'Certificate of Recognition for Most Innovative Startup of 2019' by Government of Maharashtra
2018	Awarded 'Best Electronics Manufacturing Company in Aerospace & Defence – MSME (Indian Company)' at India Electronics and Semiconductor Association Spacetronics Deftronics Awards
2017	Awarded 'Most Promising Startup in Aerospace & Defence' award at Deftronics Awards 2017
2017	Winner of Technology Accelerator Award at XLr8 Andhra Pradesh Technology Business Accelerator (Joint initiative of Andhra Pradesh Government, Federation of Indian Chambers of Commerce and Industry & IC2 Institute at University of Texas, Austin USA)
2016	Winner of 'MIS 2016 - DP World Prize" at Startup Contest by DP World

Time and cost over-runs in setting up projects by our Company

As of the date of this Updated Draft Red Herring Prospectus - I, there have been no time and cost over-runs in respect of our business operations, except in the ordinary course of business.

For applicable risks pertaining to time and cost overruns pertaining to our proposed Autonomous Maritime Shipyard and Systems Development Centre in Andhra Pradesh see, "*Risk Factors – 3. We propose to establish the Manufacturing and Technology Campus in Andhra Pradesh, India. The setting up of the Manufacturing and Technology Campus is proposed to be funded by Net Proceeds, with an estimated project cost of ₹7,247.80 million. The construction of the Manufacturing and Technology Campus has not yet commenced as on date of this Updated Draft Red Herring Prospectus - I. We also do not have prior experience operating a coastal facility. The project is subject to construction, regulatory approvals, execution, time and cost-overrun risks*" and "*Risk Factors – 13. We propose to establish the Waterfront Development in Andhra Pradesh, India. We do not have prior experience operating a coastal waterfront facility. The project is also subject to construction, execution, time and cost-overrun risks.*" on pages 23 and 29 respectively.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

As of the date of this Updated Draft Red Herring Prospectus - I, there have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Significant financial or strategic partners

As of the date of this Updated Draft Red Herring Prospectus - I, our Company does not have any significant financial or strategic partners.

Capacity/facility creation, launch of key products or services, entry into new geographies or exit from existing markets

For details of capacity/ facility creation, key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "- *Major events in the history of our Company*" on pages 237 and 280, respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Except as disclosed below, our Company has not made any material acquisitions or divestments or slump sale of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Updated Draft Red Herring Prospectus - I:

Acquisition of certain shareholding in Endureair Systems Private Limited ("Endureair")

Pursuant to the share purchase agreement dated December 5, 2025 ("**SPA**"), entered into by and amongst our Company (the "**Purchaser**") and Dr. Abhishek, Mendu Rama Krishna and Chirag Jain (collectively, the "**Sellers**") the Purchaser agreed to purchase 435 equity shares of face value of ₹10 each of Endureair Systems Private Limited from the Sellers (comprising 145 equity shares from each of the three Sellers) representing 1.65% of the equity share capital (on fully diluted basis) of Endureair, at the time of the investment, for an aggregate consideration of ₹30.11 million aggregating to in accordance with the terms and conditions as provided in the SPA. No valuation report was obtained for this transaction. The fair value of shareholding acquired by our Company is ₹30.11 million. For further details, see "*Restated Financial Information - Note 40 – Fair value measurements*" on page 371.

None of the Promoters or the Directors are related to Endureair or the Sellers.

Acquisition of 100.00% shareholding in Sagar Ship Repairs Private Limited

Our Company acquired the 100.00% shareholding of Sagar Ship Repairs Private Limited, by way of acquisition of 10,000 equity shares of face value of ₹10 each, for an aggregate consideration of ₹0.10 million from Ramkamalprasad Tribhuwan Singh, who is the father of Nikunj Parashar, one of our Promoters and Chairman and Managing Director. The acquisition of shares was undertaken on May 9, 2026, the date on which Sagar Ship Repairs Private Limited filed its declaration of commencement of business with the RoC. No valuation report was obtained for this transaction.

Acquisition of maintenance, repair and overhaul business

Further, pursuant to this acquisition, our Subsidiary has also entered into a business transfer agreement dated May 10, 2026 ("**BTA**") with Sagar Ship Repairs and Marine Services for transfer of business of maintenance, repair and overhaul services, *including but not limited to*, scheduled and unscheduled maintenance, component overhaul, structural repair, corrosion treatment, dry-docking ancillary support services, and related engineering services for vessels and maritime assets ("**Business**"). Pursuant to the BTA, our Subsidiary acquired the Business as a going concern on a slump sale basis as of the effective date, i.e. May 10, 2026. Ramkamalprasad Tribhuwan Singh is the sole proprietor of Sagar Ship Repairs and Marine Services, who is the father of Nikunj Parashar, one of our Promoters and Chairman and Managing Director. The consideration of ₹750.00 million, which is payable within a reasonable period of time as mutually agreed between the parties to the BTA, was determined based on valuation report dated May 13, 2026, issued by Priyal K Sanghvi & Associates, Chartered Accountants in accordance with the methodology set out in the report which is yet to be paid. The acquisition was completed on an arm's length basis and done at fair valuation.

Agreements with Key Managerial Personnel, Directors, Senior Management, Promoters or any other employee

As on the date of this Updated Draft Red Herring Prospectus - I, there are no agreements entered into by the Key Managerial Personnel or Senior Management or Directors or Promoters 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.

Shareholders' agreements and other agreements

Except as disclosed below, there are no other agreements / arrangements entered into by our Company or inter-se agreements or deeds of assignment or acquisition agreements or agreements of a like nature that our Company is aware or clauses / covenants applicable to our Company which are material and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer:

Share Subscription cum Shareholders' Agreement dated March 26, 2026 (the "SSSHA"), as amended by the waiver cum amendment agreement dated July 8, 2026 ("Waiver cum Amendment Agreement"), entered into amongst our Company, our Promoters, Ramkamalprasad Tribhuwan Singh, Nilesh K. Agrawal, Rajesh Kanhaiyalal Agrawal, Amish Deepak Desai and Ankit Deepak Desai ("Existing Shareholders"), ONGC Start-Up Fund, Focus Marine Group, Focus Marine Partners and Essel Omega Trust ("Existing Investors"), SVADHA India Emerging Opportunities Scheme 1 (through Investment Manager Skegen Asset Management LLP), Skegen Asset Management LLP, RCC Nutra Fill Private Limited ("SVADHA Investors") and BSR Infratech India Limited ("Identified Investor"), India SME Growth Fund-Series 2, Shakti Finvest Partners, NS Trading and Investments LLP and Ramachandra Kollareddy (along with Identified Investor, referred to as" New Investors", along with Existing Investors and SVADHA Investors, referred to as "Investors", along with our Company, our Promoters and the Existing Shareholders referred to as "SSSHA Parties").

The SSSHA *inter alia*, records the understanding in relation to the rights and obligations of the respective Parties as shareholders of our Company, including setting out the framework for the operations and management of our Company.

Pursuant to the SSSHA, the Parties have, *inter alia*, to the following rights and obligations:

(a) *Board representation*: Our Promoters have the right to represent 3 directors on our Board at all times. As of the date of this Updated Draft Red Herring Prospectus - I, our Promoters, Nikunj Parashar has been appointed as Chairman and Managing Director, Mridul Babbar and Manoj Kanhaiyalal Agrawal are appointed as Non-Executive Directors on our Board.

(b) *Key employees and senior management nomination*: Our Promoters have the right to nominate key employees and other members of senior management, including the chief executive officer, chief financial officer, chief accounts officer, chief operations officer and company secretary. As of the date of this Updated Draft Red Herring Prospectus - I, our Promoters have not exercised this right.

(c) *Observer*: Each of the Existing Investors (acting together) and SVADHA Investors (acting together) are entitled to appoint one observer each on our Board and its committees who shall have full access to meetings, discussions, proceedings and papers.

(d) *Affirmative vote matters*: Our Company is required to obtain prior written affirmative consent from such number of Existing Investors and SVADHA Investors collectively holding at least 51% of the aggregate of the securities on a fully diluted basis ("**Investors' Majority**") for undertaking certain actions, including the following in connection with the Offer:

   (i) any changes in the share capital of our Company or issue of new equity, or issue of new ESOP scheme;

   (ii) creation of any new class of shares or securities or reclassification of any share capital of our Company;

   (iii) any changes in rights accruing to the securities issued by our Company;

   (iv) any amendment to the charter documents or waiver of any provision thereunder; and

   (v) finalization and approval of any new ESOP policy.

(e) *Anti-dilution*: The Existing Investors, SVADHA Investors and Identified Investor are entitled to proportionate anti-dilution protection in case any new investors are issued shares at a price lower than thresholds mentioned in the SSSHA on any issuance of new securities by our Company, except in relation to the Offer.

(f) *Right of first offer*: If any of the Investors proposes to transfer securities held by them in our Company to any person they will be required to provide a right of first offer to purchase such securities to our Promoters.

(g) *Tag-along right*: If our Promoters propose to transfer their securities held in our Company to any third-party, each of the Investors shall have the right to require our Promoters to purchase all or a portion of the securities held by such Investors on the same terms and conditions on which our Promoters have agreed to transfer such securities to the third party.

(h) *Visitation and inspection rights*: Our Company is required to provide certain information, visitation and inspection rights to the SVADHA Investors, Existing Investors and Identified Investor, including, the right to receive financial statements, annual budget, monthly operating reports and management information system reports.

In order to facilitate the Offer and in accordance with the applicable laws the SSSHA Parties have entered into the Waiver cum Amendment Agreement pursuant to which they have agreed to certain amendments to and provided necessary consents and waivers in relation to the provisions of the SSSHA. Accordingly, with effect from the date of execution of the Waiver cum Amendment Agreement, the Board shall comprise such number of Directors as may be required under the applicable laws which inter-alia, includes (a) 3 Directors (either executive and/or non-executive) to be represented by the Promoters ("**Promoter Directors**") and the Independent Directors; and (b) the Existing Investors acting together and the SVADHA Investors acting together having a right to nominate 1 observer each on the Board.

The Waiver cum Amendment Agreement provided waivers on certain provisions of the SSSHA in relation to the Offer (to the extent not exercised as on the date of this Updated Draft Red Herring Prospectus - I), *inter-alia*, from the date of the Pre-filed Draft Red Herring Prospectus:

(i) right of our Promoters to nominate the chief executive officer, chief financial officer, chief account officer, chief operations officer, company secretary and key employees and senior management of our Company and our Subsidiary;

(ii) rights of the Existing Investors and SVADHA Investors to have at least one representative to form quorum for a shareholders' meeting and provide their prior written approval for calling a shareholders' meeting at a shorter notice;

(iii) right to transfer securities by the Investors (to the extent that they are the Selling Shareholders) or the Promoter Selling Shareholders for the transfer of the respective Offered Shares to the share escrow account in terms of the share escrow agreement and with respect to the Promoter Selling Shareholders for the Equity Shares proposed to be contributed by them as part of the minimum promoter contribution; and

(iv) dilution of the shareholding of our Promoters in our Company below 35% on a fully diluted basis on account of the Offer and Pre-IPO Placement.

Further, the SSSHA Parties have provided the following waivers on certain provisions of the SSSHA in relation to the Offer, inter-alia, from the date of the Red Herring Prospectus:

(i) right of the Existing Investors and the SVADHA Investors to appoint observers on our Board and its committees/ sub-committees and to withdraw the nomination of the respective observer and appoint another observer;

(ii) right of observers to receive prior written notice for calling a meeting of our Board; and

(iii) right of SVADHA Investors, Existing Investors and Identified Investor to have information and visitation rights being subject to applicable law, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, to the extent applicable.

The SSSHA, as amended by the Waiver cum Amendment Agreement, and the Waiver cum Amendment Agreement, shall automatically terminate without any further act or deed required by any SSSHA Party, immediately upon date of listing and commencement of trading of the Equity Shares on the Stock Exchanges. It is confirmed that no special rights granted by our Company to the respective SSSHA Parties shall survive post listing of the Equity Shares and the same shall cease to exist upon listing of the Equity Shares, without requiring any further action by any party.

Further, the Waiver cum Amendment Agreement shall stand terminated upon earlier of: (a) expiry of final observations from SEBI on the Pre-filed Draft Red Herring Prospectus in accordance with the applicable laws; (b) date on which our Board decides not to undertake the Offer or decides to withdraw the Offer; or (c) such other timelines as may be mutually agreed in writing amongst our Promoters and the Investors' Majority.

Further, the Articles of Association of our Company are divided into two parts, Part A and Part B, which shall co-exist with each other until the listing and trading of the Equity Shares. In the event of any inconsistency between Part A and Part B, the provisions of Part B shall prevail over Part A. However, all provisions of Part B, including the special rights available to the Shareholders of our Company as per the SSSHA and as amended by the Waiver cum Amendment Agreement, shall automatically terminate and will cease to have any force and effect on and from the listing and trading of the Equity Shares and the provisions of Part A of the Articles of Association shall continue to be in effect and be in force, without any further corporate action by our Company or by the Shareholders.

Further, there are no other clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company.

Securities transfer restriction agreement dated August 2, 2026 ("STA 1") entered into amongst Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Manoj Kanhaiyalal Agrawal (collectively referred to as "Individuals"), Nilesh K. Agrawal, Rajesh Kanhaiyalal Agrawal, Amish Deepak Desai and Ankit Deepak Desai (collectively referred to as "Group Members", also members of the Promoter Group)

The Individuals and the Group Members have entered into the STA 1 to lock-in the equity shares held by the Group Members in our Company for a period of five years from the date of listing of the equity shares or such other extended period as may be determined by Nikunj Parashar ("**Lock-in Period**"), except for a transfer up to 1% of the Equity Shares held by each Group Member as on the date of executing the STA 1. Any direct or indirect transfer of the balance equity shares held by each Group Member during the Lock-in Period will be subject to: (i) receipt of the consent from the majority of the Individuals and (ii) a prior right in hands of the Individuals to purchase the equity shares proposed to be transferred on the same terms and conditions as those offered, subject to compliance with the applicable laws including notification issued by Securities and Exchange Board of India dated October 3, 2013 under section 16 and 28 of the Securities Contracts Regulation Act, 1956, as amended ("**SCRA**"). The STA 1 shall come into effect on and from the date of listing of the Equity Shares.

Securities transfer restriction agreement dated August 2, 2026 ("STA 2") entered into amongst Nikunj Parashar, Mridul

Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Manoj Kanhaiyalal Agrawal (collectively referred to as "Individuals") and Amit Singla (also one of our Promoters)

The Individuals and Amit Singla have entered into the STA 2 to lock-in the equity shares held by Amit Singla in our Company for a period of five years from the date of listing of the equity shares or such other extended period as may be determined by Nikunj Parashar ("**Lock-in Period**"), except for a transfer up to 1% of the equity shares held by each Group Member as on the date of executing the STA 2. Any direct or indirect transfer of the balance equity shares held by Amit Singla during the Lock-in Period will be subject to: (i) receipt of the consent from the majority of the Individuals and (ii) a prior right in hands of the Individuals to purchase the equity shares proposed to be transferred on the same terms and conditions as those offered, subject to compliance with the applicable laws including notification issued by Securities and Exchange Board of India dated October 3, 2013 under section 16 and 28 of SCRA. The STA 2 shall come into effect on and from the date of listing of the Equity Shares.

Share subscription agreement dated November 4, 2026, entered into by our Company with ValueQuest Founders Conviction LVF and our Promoters ("ValueQuest LVF SSA")

Pursuant to the ValueQuest LVF SSA, our Company issued and allotted 12,850,828 Equity Shares to ValueQuest Founders Conviction LVF, for cash at a price of ₹97.27 per Equity Share, aggregating to ₹1,250.00 million, subject to the terms and conditions of the ValueQuest LVF SSA. The Equity Shares allotted will be transferable in accordance with the ValueQuest LVF SSA and the articles of association of our Company. The ValueQuest LVF SSA also included other customary provisions such as pertaining to warranties, closing, and indemnity.

Further, under the ValueQuest LVF SSA, upon non-completion of this Offer, ValueQuest Founders Conviction LVF shall be entitled to certain rights under our articles of association such as those pertaining to approval of affirmative vote matters as part of Investors' Majority, right of first refusal in respect of transfers by Promoters, tag-along rights, anti-dilution rights, information rights, and pre-emptive rights ("**Extended Rights**"). In such event, our Company, ValueQuest Founders Conviction LVF, our Promoters and our existing shareholders shall ensure execution of an amended and restated shareholders agreement ("**Amended and Restated SHA**") to record the Extended Rights provided however that the obligation of our Company in this respect shall be limited to taking commercially reasonable efforts to undertake actions within our control. Further, our Company and the Promoters are required to ensure our Company undertakes all necessary actions to amend the articles of association to include the provisions of such Amended and Restated SHA.

Share subscription agreement dated November 4, 2026, entered into by our Company with ValueQuest S.C.A.L.E. Fund II and our Promoters ("ValueQuest SCALE SSA")

Pursuant to the ValueQuest SCALE SSA, our Company issued and allotted 17,991,158 Equity Shares to ValueQuest S.C.A.L.E. Fund II, for cash at a price of ₹97.27 per Equity Share, aggregating to ₹1,750.00 million, subject to the terms and conditions of the ValueQuest SCALE SSA. The Equity Shares allotted will be transferable in accordance with the ValueQuest SCALE SSA and the articles of association of our Company. The ValueQuest SCALE SSA also included other customary provisions such as pertaining to warranties, closing, and indemnity.

Further, under the ValueQuest SCALE SSA, upon non-completion of this Offer, ValueQuest S.C.A.L.E. Fund II shall be entitled to certain rights under our articles of association such as those pertaining to approval of affirmative vote matters as part of Investors' Majority, right of first refusal in respect of transfers by Promoters, tag-along rights, anti-dilution rights, information rights, and pre-emptive rights ("**Extended Rights**"). In such event, our Company, ValueQuest S.C.A.L.E. Fund II, our Promoters and our existing shareholders are required to ensure execution of an amended and restated shareholders agreement ("**Amended and Restated SHA**") to record the Extended Rights provided however that the obligation of our Company in this respect shall be limited to taking commercially reasonable efforts to undertake actions within our control. Further, our Company and the Promoters are required to ensure our Company undertakes all necessary actions to amend the articles of association to include the provisions of such Amended and Restated SHA.

Key terms of other subsisting material agreements

Except as disclosed above in – "*Shareholders' Agreements and other agreements*", our Company has not entered into any other subsisting material agreements, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

Details of agreements required to be disclosed under clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations

Except as disclosed above in – "*Shareholders' Agreements and other agreements*", there are no agreements entered into by our Shareholders, our Promoters, our members of the Promoter Group, related parties, our Directors, our Key Managerial Personnel, or employees of our Company and our Subsidiary among themselves 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 restrictions or create any liability upon our Company, whether or not our Company is a party to such agreements as required to be disclosed pursuant to Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

Holding Company

As on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have a holding company.

Our Subsidiary, Associates and Joint Ventures

As on the date of this Updated Draft Red Herring Prospectus - I, our Company has one subsidiary, namely Sagar Ship Repairs Private Limited. As on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have any associates or joint ventures.

Sagar Ship Repairs Private Limited

Corporate Information

Sagar Ship Repairs Private Limited was incorporated on April 4, 2026, as a private company limited by shares under the Companies Act, 2013. Its corporate identification number is U30111PN2026PTC254152. The registered office of Sagar Ship Repairs Private Limited is located at Building/Shed No.1 Plot, No. PAP-V-13 Phase II, Chakan, Khed, Pune – 410501, Maharashtra, India.

Sagar Ship Repairs Private Limited is authorized to engage in the business of ship repair, shipbuilding, and marine engineering, including repair, maintenance, modification, and servicing of various vessels and offshore structures and also operating dry docks, dealing in marine equipment and spare parts, and providing allied services such as inspection, testing, certification, consultancy, technical advisory, and project management related to marine and ship repair activities.

Capital Structure

The capital structure of Sagar Ship Repairs Private Limited is as follows:

Particulars	Amount (in ₹)
Authorised share capital	
10,000 equity shares of face value of ₹10 each	100,000
Issued, subscribed and paid-up share capital	
10,000 equity shares of face value of ₹10 each	100,000

Shareholding pattern

The shareholding pattern of Sagar Ship Repairs Private Limited is as follows:

Name of the shareholder	Number of equity shares of face value of 10 each	Percentage of the total shareholding (%)
Our Company	9,999	99.99
Ankur Taparia*	1	0.01
Total	**10,000**	**100.00**

* *Held by Ankur Taparia as a registered owner. However, the beneficial ownership has been declared in favour of our Company.*

Accumulated profits or losses

As on the date of this Updated Draft Red Herring Prospectus - I, there are no accumulated profits or losses of Sagar Ship Repairs Private Limited that have not been accounted for or consolidated by our Company in the Restated Financial Information.

Details of guarantees given to third parties by our Promoter Selling Shareholders

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding guarantees given by our Promoter Selling Shareholders to any third party:

Name of the Promoter Selling Shareholders (s)	Name of the borrower	Name of the lender	Date of guarantee deed / agreement	Period of Guarantee	Type of facility	Obligations on our Company	Security	Financial implications in case of default	Guaranteed amount (in ₹ million)	Purpose / reason of the guarantee	Consideration (in ₹ million)
Nikunj Parashar Manoj Kanhaiyalal Agrawal Mridul Babbar	Our Company	State Bank of India	Guarantee deeds each dated July 10, 2025 read with fresh loan agreement dated November 4, 2026	Continuing	Cash credit, working capital – term loan, and Bank Guarantee	Nil	- Hypothecation of entire current assets. - Hypothecation of plant and machinery created out of bank finance.	- Calling up and terminating the sanctioned facilities. - Declaration of all amounts outstanding in respect of the facility to be due and payable immediately irrespective of the maturity date.	2,630.00	Collateral security	Nil

Common pursuits between our Subsidiary and our Company

As on the date of this Updated Draft Red Herring Prospectus – I our Subsidiary is engaged in a business similar to that of our Company, and accordingly, there are common pursuits between our Company and our Subsidiary. However, we do not perceive any conflicts of interest in this regard given that we wholly own our Subsidiary. Our Company will adopt the necessary procedures and practices as permitted by law to address any situation of conflict of interest, if and when they arise.

There are no conflicts of interest between us and the lessors of the immovable properties of our Company and/or our Subsidiary or our Subsidiary's directors which are crucial for the operations of our Company, except as disclosed in "*Our Business – Properties*" on page 271.

There are no conflicts of interest between us and any of the suppliers of the raw materials or third-party service providers of our Company and/or our Subsidiary or our Subsidiary's directors (which are crucial for operations of our Company).

Business interests of our Subsidiary in our Company

As on the date of this Updated Draft Red Herring Prospectus - I, except in the ordinary course of business and other than the transactions disclosed in "*Our Business*" on page 237, our Subsidiary has no business interests in our Company.

Listing of our Subsidiary

As on the date of this Updated Draft Red Herring Prospectus - I, our Subsidiary does not have its securities listed on any stock exchanges in India or abroad. Further, our Subsidiary has not failed to meet the listing requirements, of or been refused listing of its securities by, any stock exchange in India or abroad, to the extent applicable.

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. As on the date of this Updated Draft Red Herring Prospectus - I, our Board comprises of six Directors, comprising of the Managing Director (who is the Chairman of our Board), two Non-Executive Directors and three Non-Executive Independent Directors (out of which one is a woman Director).

Our Board

The following table sets forth details regarding our Board as of the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth and Age	Other Directorships
1.	**Nikunj Parashar** **Designation**: Chairman and Managing Director* **Address**: Sagar Smriti Row House No.1, New Parijat CHS, Agashi Road Virat Nagar, Virar West, Palghar 401 303, Maharashtra, India **Occupation**: Business **Term**: 5 years with effect from July 1, 2026 **Period of directorship**: **S**ince May 16, 2015 **DIN**: 07139877 **Date of birth**: November 16, 1982 **Age**: 44 years	**Indian Companies:** Nil **Foreign Companies:** 1. Oceanos B.V.
2.	**Mridul Babbar** **Designation**: Non-Executive Director* **Address**: 18/304, Old Char Chaman, Karnal (Rural)(Part)(1), Karnal 132 001, Haryana, India **Occupation**: Salaried **Term**: With effect from July 6, 2026, liable to retire by rotation **Period of directorship**: Since December 1, 2021 **DIN**: 07516300 **Date of birth**: October 29, 1992 **Age**: 34 years	**Indian Companies:** Nil **Foreign Companies:** Nil
3.	**Manoj Kanhaiyalal Agrawal** **Designation**: Non-Executive Director* **Address**: G-1801, Gundecha Garden, Dr. Babasaheb Ambedkar Road, Opp Ganesh Cinema, Lalbaug, Mumbai 400 012, Maharashtra, India **Occupation**: Self-employed **Term**: With effect from July 6, 2026, liable to retire by rotation **Period of directorship**: **S**ince July 1, 2021 **DIN**: 02509181 **Date of birth**: February 3, 1971 **Age**: 55 years	**Indian Companies:** Nil **Foreign Companies:** 1. Oceanos B.V.

Sr. No.	Name, Designation, Address, Occupation, Term, Period of Directorship, DIN, Date of Birth and Age	Other Directorships
4.	**Ajendra Bahadur Singh** **Designation**: Non-Executive Independent Director **Address**: Flat 204, Tower 4 Malibu Towne, South City-2, Gurgaon 122 018, Haryana, India **Occupation**: Employment **Term**: Five years with effect from July 6, 2026 **Period of directorship**: Since July 6, 2026 **DIN**: 10966204 **Date of birth**: February 7, 1963 **Age**: 63 years	**Indian Companies:** *Private limited company* 1. ABCDA Enterprises Private Limited **Foreign Companies:** Nil
5.	**Tessy Thomas** **Designation**: Non-Executive Independent Director **Address**: Villa No.- 533, Phase -5, Nambiar Bellezea, Near Muthanallur Circle, Narayanghatta Sarjapura Hobli, Bengaluru 560 099, Karnataka, India **Occupation**: Employment **Term**: Five years with effect from July 6, 2026 **Period of directorship**: Since July 6, 2026 **DIN**: 08189164 **Date of birth**: April 27, 1963 **Age**: 63 years	**Indian Companies:** Nil **Foreign Companies:** Nil
6.	**Konark Kavoorguthu Rai** **Designation**: Non-Executive Independent Director **Address**: Kajemar, Puttur Taluk, Kedambady, Dakshina Kannada 574 210, Karnataka, India **Occupation**: Professional **Term**: Five years with effect from July 6, 2026 **Period of directorship**: Since July 6, 2026 **DIN**: 08447991 **Date of birth**: November 9, 1985 **Age:** 41 years	**Indian Companies** *Private limited company* 1. Rudram Dynamics Private Limited *Section 8 companies under the Companies Act* 1. Rudram Dynamics Foundation **Foreign Companies** Nil

* *Nominee of our Promoters (being themselves).*

Brief Biographies of Directors

Nikunj Parashar is the Chairman and Managing Director and one of the Promoters of our Company. In our Company, he provides strategic leadership, drives the overall growth and development, oversees and manages our Company's operations, business performance, ensures effective financial planning, resource utilisation. He holds a provisional certificate of diploma in nautical sciences from Birla Institute of Technology and Science, Pilani at Tolani Maritime Institute. He has previously held a certificate of tanker endorsement, a certificate of proficiency as ship security officer, an endorsement certificate to perform radiocommunications and an endorsement certificate to perform, *inter alia*, navigation functions, each issued by the Bahamas Maritime Authority. He also holds a certificate of competency as first mate of a foreign-going ship issued by the Government of India. He has approximately 16 years of experience including his tenure in the merchant navy and in our Company in the

unmanned platforms sector. Prior to incorporation of our Company, he has served as a chief officer on Genmar Harriet G and, M.T. Kiowa Spirit (Bahamas) and as a second officer on M.T. Maersk Nautilus (Singapore). He has been awarded the Innovation in Maritime Technology Award at the 9th International Samudra Manthan Awards in 2022, Award of Recognition by Euro Tech in 2022, NSG Counter-IED Innovation Award by National Security Guard in 2022, Founder's Innovation Award in 2024 by the Company of Master Mariners of India and Certificate of Honour, Jury Recognition in the category of 'Industry Crusader of the Year' at the 2nd edition of Maritime Excellence Awards by Informa Markets India Private Limited in 2025. He is currently associated with Oceanos B.V. as a director.

Mridul Babbar is a Non-Executive Director and one of the Promoters of our Company. In our Company, he ensures independent oversight of management, contributes to strategic decision-making, upholds corporate governance and stakeholder interests and monitors financial reporting, internal controls, risk management. He holds a bachelor's degree in technology (electronics and communications engineering) from Kurukshetra University, Kurukshetra. He has approximately 10 years of experience in our Company in the sector of unmanned platforms. He has been awarded the Tenderfoot Award in CanSat Competition by American Astronautical Society, American Institute of Aeronautics and Astronautics, National Aeronautics and Space Administration, Goddard Space Flight Centre, Jet Propulsion Laboratory and Naval Research Laboratory.

Manoj Kanhaiyalal Agrawal is a Non-Executive Director and one of the Promoters of our Company. In our Company, he ensures independent oversight of management, contributes to strategic decision-making, upholds corporate governance and stakeholder interests, monitors financial reporting, internal controls, risk management. He has passed the examination of bachelor's degree in commerce from University of Bombay. He has approximately 9 years of experience in our Company in the sector of unmanned platforms. He is currently associated with Oceanos B.V. as a director.

Ajendra Bahadur Singh is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in science from centre at National Defence Academy, Khadakwasla (Pune), Jawaharlal Nehru University, New Delhi, a master's degree in science in defence and strategic studies) from Faculty of Science, University of Madras, a master's degree in science in global security from Faculty of Military Science, technology and Management, Cranfield University, United Kingdom. He has also completed a basic training course from National Defence Academy, Khadakwasla (Pune), course for specialist officers qualifying in navigation and direction from Navigation Direction School, Kochi, Kerala and course of post graduate studies on staff course from Defence Services Staff College, Wellington, Tamil Nadu. He has approximately 39 years of experience in the Indian Navy. Prior to joining our Company, he served in the Indian Navy as the flag officer commanding-in-chief, Western Naval Command. He has been awarded the Vishisht Seva Medal in 2011, Ati Vishisht Seva Medal in 2016 and Param Vishisht Seva Medal in 2022 by the President of India for his distinguished services. He is also a recipient of the Scudder Medal by Defence Services Staff College, Wellington, Tamil Nadu in recognition of his outstanding performance for master's degree in science (defence and strategic studies). He is currently associated with ABCDA Enterprises Private Limited as a director among others.

Tessy Thomas is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in technology in engineering (electrical engineering) from Faculty of Engineering, University of Calicut, and a master's degree in engineering (mechanical guided missile) from Institute of Armament Technology, Pune, University of Poona. On March 1, 2024 she was appointed as a vice chancellor of Noorul Islam Centre for Higher Education, Kanyakumari, Tamil Nadu for a period of 5 years. She was also associated with Hindustan Aeronautics Limited as a director for approximately 4 years. She has been awarded the Lal Bahadur National Award for Excellence in Public Administration, Academics and Management by the Lal Bahadur Shashtri Institute of Management in 2012 and was commended by the President of India for her contribution as part of the team of scientists involved in the test launch of the Agni V missile.

Konark Kavoorguthu Rai is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in arts and law from Gujarat National Law University and masters of laws in International Maritime Security Law and Governance from Rashtriya Raksha University. He is admitted as an advocate on the rolls of the Karnataka State Bar Council. Prior to joining our Company, he was previously associated with Security and Scientific Technical Research Association as a managing director, Shukra Pharmaceuticals Limited and Carakorem Technologies Private Limited as a director. He is currently associated with Rudram Dynamics Private Limited as a director for approximately 6 years and Rudram Dynamics Foundation as a director for approximately 3 years.

Relationship between our Directors, Promoters, members of our Promoter Group, Key Managerial Personnel, members of Senior Management and our Shareholders

Except for Nikunj Parashar, our Chairman and Managing Director, Mridul Babbar, Non-Executive Director, Manoj Kanhaiyalal Agrawal, Non-Executive Director, Ankit Kumar, plant director, Lakshay Dang, chief technical officer (software and integration), Saurabh Avinash Patil, chief technical officer (electronics) and Amit Singla, vice president – business development, who are also Promoters, are related to their respective relatives who are members of the Promoter Group, none of the Directors or Key Managerial Personnel and members of the Senior Management are related to each other or to any of our Promoters, members of the Promoter Group or Shareholders.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Updated Draft Red Herring Prospectus - I, whose shares have been or were suspended from being traded on any of the stock exchanges during their directorship in such companies.

No consideration 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 by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, our Directors have neither been identified as Wilful Defaulters nor have been identified as Fraudulent Borrowers, as defined under the SEBI ICDR Regulations.

There are no conflict of interests between the suppliers of raw materials and third-party service providers of our Company (which are crucial for the operations of our Company) and our Directors.

There are no conflict of interests between the lessors of the immovable properties of our Company (crucial for operation of our Company) and our Directors.

None of our Directors is or was a director of any listed company which has been or was delisted from any of the stock exchanges during the term of their directorship in such company.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director

Except for Nikunj Parashar, Mridul Babbar and Manoj Kanhaiyalal Agrawal who have been appointed as the nominee directors of our Promoters (being themselves) pursuant to the SSSHA read with the Waiver cum Amendment Agreement, none of our Directors have been appointed on our Board pursuant to any arrangement or understanding with the major shareholders, customers, suppliers or others. For details, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements*" on page 282.

Terms of appointment of our Directors:

Terms of appointment of our Chairman and Managing Director:

Pursuant to resolutions passed by our Board dated July 1, 2026 and our Shareholders' dated July 11, 2026, and employment agreement dated July 20, 2026, Nikunj Parashar, Chairman and Managing Director is entitled to remuneration as per the following terms of appointment:

Sr. No.	Category	Particulars
1.	Salary (including bonus, perquisites, long-term incentive, variable pay, etc.)	Up to ₹ 25.00 million per annum. The increment will be decided by our Board and will be subject to a ceiling of 15.00% per annum of the salary drawn in the immediate previous year.
2.	Commission	He is entitled to commission which shall be determined by our Board from time to time based on the net profits of our Company subject to overall ceiling laid down in Sections 197 and 198 of the Companies Act, 2013
3.	Special allowance	The amount shall be determined by our Board from time to time but shall not exceed the amount equivalent to annual salary.
4.	Perquisites/ benefits/ allowances	i. *Residential accommodation*: Rent free furnished accommodation or house rent allowance equivalent to 30.00% of the salary or combination of both. ii. Contribution to provident fund, payment of superannuation / national pension scheme/gratuity: a. contribution to provident fund as per rules of our Company. b. benefits of superannuation and national pension scheme, as per rules of our Company. c. gratuity payment as per rules of our Company. iii. *Other perquisites/ allowances*: To not exceed an amount equivalent to the annual salary: a. Reimbursement of gas, electricity, water. b. Furnishing/ furniture/ equipment and home appliances. c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family. d. Reimbursement of membership fees/ subscription for two clubs in India. e. Medical and personal accident insurance. f. Other allowances as may be approved by our Board from time to time. iv. Other additional perquisites/ allowances over and above the ceiling prescribed in (iii) above: a. Company car/s with driver/s and/or other suitable conveyance facilities. b. Telephone and other communication facilities at residence. c. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family (family shall mean spouse, children and parents). d. Encashment of unavailed earned leave as per rules of our Company.

Remuneration to our Directors

Pursuant to the resolution passed by our Board on July 6, 2026, our Non-Executive Independent Directors are entitled to sitting fees of ₹0.10 million for attending each meeting of our Board, and each meeting of the committees of our Board.

Pursuant to the resolution passed by our Board on July 6, 2026 and shareholder resolution passed dated July 11, 2026, our Non-Executive Directors are entitled to remuneration of ₹25.00 million per annum in addition to sitting fees and reimbursement of expenses, if any, for attending each meeting of our Board, and each meeting of the committees of our Board.

The remuneration paid to our Directors in Fiscal 2026 is as follows:

Remuneration to our Executive Director

The details of remuneration paid to Executive Director in Fiscal 2026 is as follows:

Sr. No.	Name and designation	Remuneration (in ₹ million)
1.	Nikunj Parashar, Chairman and Managing Director	4.68

Mridul Babbar was the executive director on our Board until July 5, 2026. He received a remuneration of ₹ 4.56 million for Fiscal 2026 in his capacity as the executive director. Further, Manoj Kanhaiyalal Agrawal was the whole-time director on our Board until July 5, 2026. He received a remuneration of ₹ 3.54 million for Fiscal 2026 in his capacity as the whole-time director. For details, please see, "- Changes in our Board in the last three years" on page 294.

Remuneration to our Non-Executive Directors and Non- Executive Independent Directors

Since all of our Non-Executive Directors and Non- Executive Independent Directors were appointed in Fiscal 2027, no sitting fees or commission or remuneration was paid by our Company to them in Fiscal 2026.

Remuneration paid or payable to our Directors by our Subsidiary

None of our Directors have been paid any remuneration by our Subsidiary during Fiscal 2026.

Contingent or deferred compensation paid to Directors by our Company or by our Subsidiary

There is no contingent or deferred compensation accrued for Fiscal 2026, or which is payable to any of our Directors at a later date by our Company or our Subsidiary.

Bonus or profit-sharing plan of our Directors

As on the date of this Updated Draft Red Herring Prospectus - I, none of our Directors are entitled to any bonus or profit-sharing plans of our Company.

Service contracts with Directors

As on the date of this Updated Draft Red Herring Prospectus - I, except statutory entitlements for benefits upon termination of their employment in our Company or retirement, none of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Shareholding of our Directors in our Company

As on the date of this Updated Draft Red Herring Prospectus - I, our Directors are not required to hold any qualification Equity Shares under our Articles of Association.

Except as disclosed in "*Capital Structure – Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company*" on page 103, as on the date of this Updated Draft Red Herring Prospectus - I, none of our Directors hold any Equity Shares or Preference Shares in our Company.

Shareholding of Directors in our Subsidiary

None of our Directors are holding any shares in our Subsidiary.

Interest of Directors

Our Directors, may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and their respective appointment letters and employment agreements, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Our Directors may also be deemed to be interested to the extent of any directorships or shares held by them in our Company. For further details, see "*– Remuneration to our Directors*", on page 292; and "*Capital Structure – Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company*" on page 103.

Our Directors may also be deemed to be interested to the extent of Equity Shares (together with dividends, interest and other distributions payable in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives and any employee stock options held by them or their relatives employed with our Company including under ESOP Plan.

As on the date of this Updated Draft Red Herring Prospectus - I, none of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

Except for our Chairman and Managing Director, Nikunj Parashar, our Non-Executive Directors, Mridul Babbar and Manoj Kanhaiyalal Agrawal who are the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company.

Directors are on the boards, or are shareholders, kartas, trustees, proprietors, members or partners of entities or individuals with which our Company have had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities or individuals. For further details of interest of our Directors in our Company, see "*Summary of Related Party Transactions*" on page 70.

Except as stated in "*Restated Financial Information – Note* 43 - *Related Party Disclosures*" on page 378, no amount or benefits in kind has been paid or given within the one year preceding the date of this Updated Draft Red Herring Prospectus – I or is intended to be paid or given to any of our Directors.

None of our Directors have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

As on the date of this Updated Draft Red Herring Prospectus - I, none of our Directors have availed loans from our Company or given loans to our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Updated Draft Red Herring Prospectus – I are set forth below:

Name	Date of change	Reason
Ajendra Bahadur Singh	July 11, 2026	Regularised as an Independent Director
	July 6, 2026	Appointment as an additional independent director
Konark Kavoorguthu Rai	July 11, 2026	Regularised as an Independent Director
	July 6, 2026	Appointment as an additional independent director
Tessy Thomas	July 11, 2026	Regularised as an Independent Director
	July 6, 2026	Appointment as an additional independent director
Mridul Babbar	July 6, 2026	Re-designated as Non-Executive Director from executive director
Manoj Kanhaiyalal Agrawal	July 6, 2026	Re-designated as Non-Executive Director from whole-time director
Nikunj Parashar	July 4, 2026	Appointment as Chairman
Nikunj Parashar	July 1, 2026	Reappointment as Managing Director
Anurag Gupta	March 21, 2024	Resignation as non-executive director due to personal reasons

Borrowing powers of our Board of Directors

Pursuant to the resolutions of our Board and Shareholders dated July 4, 2026, and July 11, 2026 respectively, our Board is empowered to borrow any sum or sums of monies which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of our Company and its free reserves provided that the total amount so borrowed by our Board shall not at any time exceed up to a sum of ₹ 10,000.00 million in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, in respect of corporate governance including constitution of our Board and committees thereof, and formulation and adoption of policies.

As on the date of this Updated Draft Red Herring Prospectus - I, our Board comprises of six Directors, comprising of the Managing Director (who is the Chairman of our Board), two Non-Executive Directors and three Non-Executive Independent Directors (out of which one is a woman Director).

In compliance with Section 152 of the Companies Act, not less than two-thirds of the Directors (excluding Non-Executive Independent Directors) are liable to retire by rotation.

Committees of the Board

The details of the committees are set forth below. In addition to the committees of our Board described below, our Board of Directors may, from time to time, constitute committees for various functions.

1. Audit Committee;

2. Nomination and Remuneration Committee;

3. Stakeholders' Relationship Committee;

4. Corporate Social Responsibility Committee; and

5. Risk Management Committee

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name and designation of the Director	Committee designation
1.	Konark Kavoorguthu Rai, Non-Executive Independent Director	Chairman
2.	Ajendra Bahadur Singh, Non-Executive Independent Director	Member
3.	Mridul Babbar, Non-Executive Director	Member

The Audit Committee was constituted by way of resolution passed by our Board on July 6, 2026. The scope and functions of the Audit Committee are in accordance with the applicable provisions of the Companies Act and SEBI Listing Regulations.

The terms of reference of the Audit Committee include the following:

(a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of our Company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) 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) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification/ratification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of our Company, wherever it is necessary;

(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 there on;

(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) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) to review the functioning of the whistle blower mechanism;

(t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(u) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties;

(v) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of our Company's proposed initial public offering;

(w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investment;

(x) monitoring the end use of funds raised through public offer and related matters;

(y) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on our Company and its shareholders; and

(z) to carry out such other function as may be specifically referred to the Audit committee by the board and/or other committee of directors of our Company.

The Audit Committee shall mandatorily review the following information:

i. management discussion and analysis of financial condition and results of operations;

ii. management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. internal audit reports relating to internal control weaknesses;

iv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

v. statement of deviations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

vi. To review the financial statements, in particular, the investments made by any unlisted subsidiary;

vii. Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended.

(a) carrying out any other functions and roles as provided under the Companies Act, the Listing Regulations, SEBI ICDR Regulations each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and

(b) to carry out such other functions as may be specifically referred to the Audit Committee by the Board and/ or other committees of the directors of our Company.

The Audit Committee shall have powers, which should include the following:

a) to investigate any activity within its terms of reference;

b) to seek information from any employee of our Company;

c) to obtain outside legal or other professional advice;

d) to secure attendance of outsiders with relevant expertise if it considers necessary; and

e) such powers as may be prescribed under the Companies Act and the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name and designation of the Director	Committee designation
1.	Konark Kavoorguthu Rai, Non-Executive Independent Director	Chairman
2.	Tessy Thomas, Non-Executive Independent Director	Member
3.	Mridul Babbar, Non-Executive Director	Member

The Nomination and Remuneration Committee was constituted by way of resolution passed by our Board on July 6, 2026. The scope and functions of the Nomination and Remuneration Committee are in accordance with the applicable provisions of the Companies Act and SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include the following:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of our Company a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) 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 our Company and its goals.

(b) formulation of criteria for evaluation of performance of independent directors and the Board;

(c) 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:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates.

(d) devising a policy on Board diversity;

(e) 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);

(f) 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;

(g) perform such functions as are required to be performed under Regulation 5 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(h) recommend to the Board, all remuneration, in whatever form, payable to senior management;

(i) carrying out any other activities as may be delegated by the Board of Directors and 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.

The Nomination and Remuneration Committee shall perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

(a) administering the employee stock option plans of our Company, as may be required;

(b) determining the eligibility of employees to participate under the employee stock option plans of our Company;

(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 employee stock option plans of our Company; and

(f) construing and interpreting the employee stock option plans of our Company and any agreements defining the rights and obligations of our Company and eligible employees under the employee stock option plans of our Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of our Company.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

Sr. No.	Name and designation of the Director	Committee designation
1.	Mridul Babbar, Non-Executive Director	Chairman
2.	Ajendra Bahadur Singh, Non-Executive Independent Director	Member
3.	Konark Kavoorguthu Rai, Non-Executive Independent Director	Member

The Stakeholders Relationship Committee was initially constituted by way of resolution passed by our Board on July 6, 2026. The scope and functions of the Stakeholders Relationship Committee are in accordance with the applicable provisions of the Companies Act and SEBI Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee include the following:

(a) Resolving the grievances of the security holders and investors of our Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with the quarterly reporting of such complaints.

(b) Review of measures taken for effective exercise of voting rights by shareholders.

(c) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the registrar & share transfer agent.

(d) Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company;

(e) Resolving grievances of debenture holders relation to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants; and

(f) Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name and designation of the Director	Committee designation
1.	Manoj Kanhaiyalal Agrawal, Non-Executive Director	Chairman
2.	Ajendra Bahadur Singh, Non-Executive Independent Director	Member
3.	Konark Kavoorguthu Rai, Non-Executive Independent Director	Member

The Risk Management Committee was initially constituted by way of resolution passed by our Board on July 6, 2026. The scope and functions of the Risk Management Committee are in accordance with the applicable provisions of the SEBI Listing Regulations.

The terms of reference of the Risk Management Committee include the following:

(a) to formulate a detailed risk management policy which shall include:

(i) a framework for identification of internal and external risks specifically faced by our 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;

(ii) measures for risk mitigation including systems and processes for internal control of identified risks; and

(iii) business continuity plan.

(b) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;

(c) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) to keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(f) the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

(g) 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 of directors;

(h) to evaluate the overall risks faced by our Company including liquidity and shall report to the board of our Company; and

(i) 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name and designation of the Director	Committee designation
1.	Manoj Kanhaiyalal Agrawal, Non-Executive Director	Chairman
2.	Ajendra Bahadur Singh, Non-Executive Independent Director	Member
3.	Tessy Thomas, Non-Executive Independent Director	Member

The Corporate Social Responsibility Committee was initially constituted by way of a resolution passed by our Board on July 6, 2026. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act.

The terms of reference of the Corporate Social Responsibility Committee include the following:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, as amended;

(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in compliance with Section 135 of the Companies Act;

(c) monitor the corporate social responsibility policy of our Company and its implementation from time to time; and

(d) formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:

(i) the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;

(ii) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

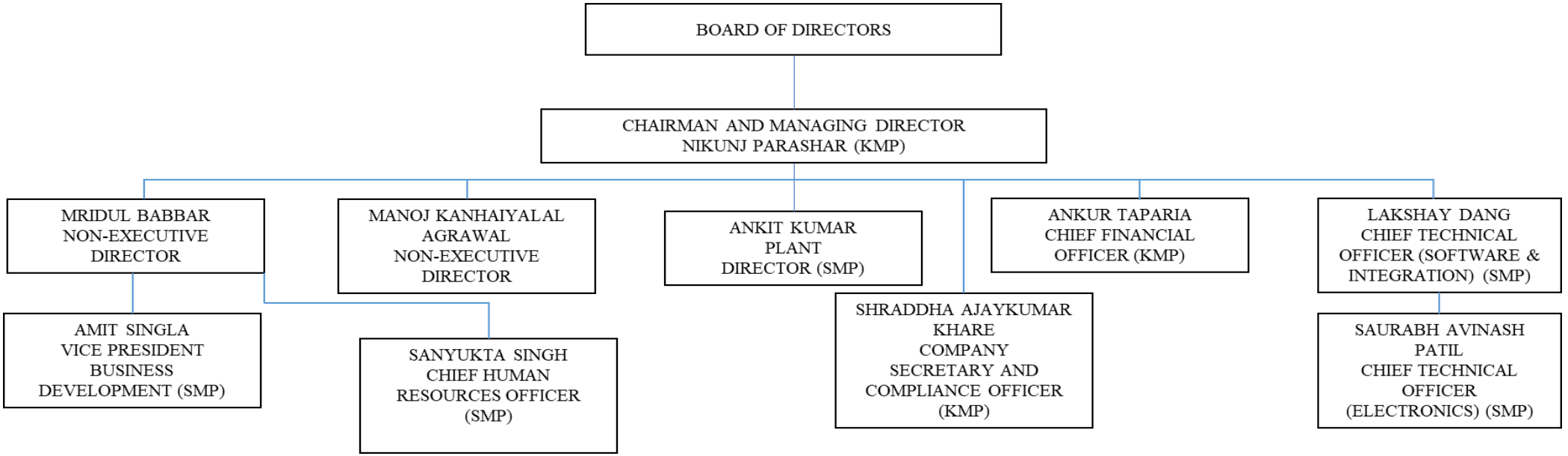
(iv) monitoring and reporting mechanism for the projects or programmes; and

(v) details of need and impact assessment, if any, for the projects undertaken by our Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect; and

(vi) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time."

Management Organisation Chart



Key Managerial Personnel of our Company

In addition to Nikunj Parashar, Chairman and Managing Director whose details are provided in "- *Brief Biographies of Directors*" on page 290, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as of the date of this Updated Draft Red Herring Prospectus – I are set forth below:

Ankur Taparia is the Chief Financial Officer of our Company. He has been associated with our Company since January 23, 2026. In our Company, he is responsible for overseeing our Company's financial planning, budgeting, accounting and cash flow management to ensure financial stability and support business growth. He also ensures compliance with applicable financial regulations, statutory requirements and reporting obligations, while supporting strategic business decisions. He is a chartered accountant and holds a certificate of membership as fellow member of the Institute of Chartered Accountants of India since 2022, holds a certificate of post qualification course in information systems audit and holds a licence to act as a surveyor and loss assessor under the Insurance Act, 1938. Prior to joining our Company, he was practising chartered accountant with fellowship and was associated with Jain Ambavat & Associates LLP as a partner for 7 years. He is presently serving on the board of directors of our Subsidiary, Sagar Ship Repairs Private Limited. In Fiscal 2026, he received a remuneration of ₹ 0.94 million from our Company.

Shraddha Ajaykumar Khare is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since July 6, 2026. In our Company, she ensures compliance with the applicable laws while advising our Board on governance matters and facilitating Board, committee, and shareholders' meetings, maintaining statutory records, and acting as liaison with shareholders, stock exchanges, regulators, and other stakeholders. She holds a bachelor's degree in commerce and a master's degree in commerce from Sant Gadge Baba Amrabati University, Amravati, and is an associate member of the Institute of Company Secretaries of India. She has approximately 2 years of experience in the area of company secretarial compliance. Prior to joining our Company, she was associated as an executive-secretarial at Play Games 24x7 Private Limited. She did not receive any compensation from our Company in Fiscal 2026, since she was appointed as our Company Secretary and Compliance Officer in Fiscal 2027.

Members of the Senior Management

In addition to Ankur Taparia, the Chief Financial Officer of our Company and Shraddha Ajaykumar Khare, the Company Secretary and Compliance Officer of our Company, whose details are provided in "- *Key Managerial Personnel of our Company*" on page 302, the details of our other members of Senior Management in terms of the SEBI ICDR Regulations, as of the date of this Updated Draft Red Herring Prospectus – I are set forth below:

Ankit Kumar is the plant director of our Company. He has been associated with our Company since June 5, 2018. In our Company, he is responsible for overseeing the operations of the manufacturing plants, ensuring efficient production, quality control, and adherence to delivery schedules, manage plant resources, safety, maintenance, and continuous improvement initiatives. He holds a bachelor's degree in technology (mechanical engineering) from Seth Jai Prakash Mukund Lal Institute of Engineering & Technology, Radaur, (Yamuna Nagar), Kurukshetra University, Kurukshetra. He has approximately 8 years of experience in our Company in the sector of unmanned platforms. The remuneration paid to him in Fiscal 2026 by our Company was ₹ 4.56 million.

Lakshay Dang is the chief technical officer (software and integration) of our Company. He has been associated with our Company since July 6, 2016. In our Company, he is responsible for leading the design, development, integration, and deployment of software systems and technology solutions across our Company's products and projects and oversees software architecture, system integration, cybersecurity, and technical innovation. He holds a bachelor's degree in technology (electronics and communication engineering) from Seth Jai Prakash Mukund Lal Institute of Engineering & Technology, Radaur, (Yamuna Nagar) Kurukshetra University, Kurukshetra. He has approximately 10 years of experience in our Company in the sector of unmanned platforms. The remuneration paid to him in Fiscal 2026 by our Company was ₹ 4.56 million.

Saurabh Avinash Patil is the chief technical officer (electronics) of our Company. He has been associated with our Company since July 12, 2018. In our Company, he is responsible for leading the design, development, testing, and validation of electronic systems, embedded hardware, and associated technologies for our Company's products and projects and oversee electronics engineering activities, system integration, technical compliance, and innovation to ensure performance, reliability, and quality standards. He has passed the examination of bachelor's degree in engineering (electronics) from All India Shri Shivaji Memorial Society Institute of Information Technology, Pune, Savitribai Phule Pune University. He has approximately 8 years of experience in our Company in the sector of unmanned platforms. The remuneration paid to him in Fiscal 2026 by our Company was ₹ 4.56 million.

Amit Singla is the vice president - business development of our Company. He has been associated with our Company since June 5, 2018. In our Company, he is responsible for driving business growth by identifying new market opportunities, developing strategic partnerships, and securing customer engagements and sales and business development initiatives. He holds a bachelor's degree in technology (electronics and communication engineering) from Seth Jai Prakash Mukund Lal Institute of Engineering & Technology, Radaur, (Yamuna Nagar) Kurukshetra University, Kurukshetra. He has approximately 8 years of experience in our Company in the sector of unmanned platforms. The remuneration paid to him in Fiscal 2026 by our Company was ₹ 2.96 million.

Sanyukta Singh is the chief human resource officer of our Company. She has been associated with our Company since October 12, 2022. In our Company, she is responsible for leading our Company's human resource strategy, including talent acquisition, employee development, performance management, and organisational culture and ensure human resource policies, workforce planning, employee engagement. She holds a bachelor's degree in arts (political science) from University of Delhi and a master's degree in arts (international relations and strategic studies) from University of Mumbai. She has approximately 3 years of experience in our Company in human resource management. The remuneration paid to her in Fiscal 2026 by our Company was ₹1.50 million.

Status of Key Managerial Personnel and members of Senior Management

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

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

Except as disclosed in "*Capital Structure - Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company*" on page 103, none of our Key Managerial Personnel and members of Senior Management hold any Equity Shares or Preference Shares in our Company.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and members of Senior Management

None of our Key Managerial Personnel or members of Senior Management is entitled to any bonus or profit-sharing plans of our Company.

Interests of Key Managerial Personnel and members of Senior Management

Our Key Managerial Personnel and members of Senior Management do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) as provided in "*– Interest of Directors*" to the extent they are Directors on our Board on page 293; (iii) may also be deemed to be interested to the extent of Equity Shares (together with dividends, interest and other distributions payable in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives and any employee stock options held by them or their relatives employed with our Company; (iv) to the extent of employee stock options held by Ankur Taparia and Sanyukta Singh under the ESOP Plan and (v) Ankur Taparia is a director on the board of our Subsidiary, Sagar Ship Repairs Private Limited. For details, see "*Capital Structure - Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company*" on page 103; "*Capital Structure- Employee stock options scheme of our Company*" on page 113; and "*History and Certain Corporate Matters - Our Subsidiary, Associates and Joint Ventures - Sagar Ship Repairs Private Limited- Shareholding pattern"* on page 286.

There are no conflict of interests between the suppliers of raw materials and third-party service providers of our company (which are crucial for the operations of our Company) and our Key Managerial Personnel and the members of the Senior Management.

There are no conflict of interests between the lessors of the immovable properties of our Company (crucial for operation of our Company) and our Key Managerial Personnel or the members of the Senior Management.

Contingent and deferred compensation payable to our Key Managerial Personnel and members of Senior Management

There is no contingent or deferred compensation accrued for Fiscal 2026 that is payable to the Key Managerial Personnel and members of Senior Management in Fiscal 2027.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and members of Senior Management have been appointed as Key Managerial Personnel or members of Senior Management

Except as disclosed in "- *Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director*" on page 292, none of the Key Managerial Personnel and members of Senior Management have been appointed pursuant to any arrangement or understanding with the major Shareholders, customers, suppliers or others.

Service Contracts with Key Managerial Personnel and members of Senior Management

As on the date of this Updated Draft Red Herring Prospectus - I, except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and members of Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment except for Nikunj Parashar. For details, see, "- *Terms of appointment of our Chairman and Managing Director*" on page 292.

Changes in Key Managerial Personnel and Senior Management Personnel

Other than as disclosed in "- *Changes in our Board in the last three years"* on page 294, the changes in our Key Managerial Personnel and members of Senior Management in the three years preceding the date of this Updated Draft Red Herring Prospectus – I are as follows:

Name	Date of change	Reason for change
Shraddha Ajaykumar Khare	July 6, 2026	Appointment as the Company Secretary and Compliance Officer
Ankur Taparia	January 23, 2026	Appointment as the Chief Financial Officer
Komal Mahesh Hingu	April 30, 2025	Resignation as company secretary due to personal reasons

Payment or benefit to Key Managerial Personnel and members of Senior Management

Except as disclosed below, no non-salary amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or members of Senior Management, within the two years preceding the date of this Updated Draft Red Herring Prospectus - I or is intended to be paid or given, other than in the ordinary course of their employment, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders. For details of the related party transactions, see "*Restated Financial Information – Notes forming part of the Restated Financial Information – Note 43- Related party disclosures*" on page 378.

Attrition rate of our Key Managerial Personnel

The table below sets forth our Key Managerial Personnel attrition rate as at / for six months period ended September 30, 2026, Fiscal 2026, Fiscal 2025 and Fiscal 2024:

Particulars	As of / For six months period ended September 30, 2026	As of / For Fiscal 2026	As of / For Fiscal 2025	As of / For Fiscal 2024
Total Number of Key Managerial Personnel	3	4	4	5
Total Number of Key Managerial Personnel resigned	-	1	-	1
Key Managerial Personnel Attrition Rate (%)[(1)]	-	25.00%	-	20.00%

Notes:
[(1)] Key Managerial Personnel attrition rate has been calculated as the number of Key Managerial Personnel who resigned during the relevant stub period/fiscal year divided by the total number of Key Managerial Personnel as at the end of the relevant stub period/fiscal year, expressed as a percentage.

For details, see, "*Risk Factors - 33. We are dependent on our Promoters, our Key Managerial Personnel, our Senior Management and our skilled engineering and technical personnel, and the loss of such persons, or our inability to attract and retain qualified personnel or to manage our workforce and labour relations, could materially and adversely affect us. Our attrition rate was 11.31%, 13.03%, 7.75% and 14.13% in six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024, respectively*." on page 40.

Employee stock option schemes

For details of employee stock options provided to our Key Managerial Personnel and members of Senior Management, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 113.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company as on the date of this Updated Draft Red Herring Prospectus - I are Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Amit Singla and Manoj Kanhaiyalal Agrawal.

As on the date of this Updated Draft Red Herring Prospectus - I, our Promoters collectively hold 858,030,330 Equity Shares of face value of ₹2 each, constituting 41.11% of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis (i.e.,pursuant to exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each as on the date of this Updated Draft Red Herring Prospectus – I under the ESOP Plan).

Further, as on the date of this Updated Draft Red Herring Prospectus - I, the members of the Promoter Group (other than Promoters) collectively hold 440,079,115 Equity Shares of face value of ₹2 each, constituting 21.09% of the pre-Offer Equity Share capital of our Company on a fully diluted basis (i.e., pursuant to exercise of 810 vested options exercisable for 2,268,810 Equity Shares of face value of ₹2 each as on the date of this Updated Draft Red Herring Prospectus – I under the ESOP Plan).

For details, see "*Capital Structure - Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company"* on page 103.

Details of our Promoters

Nikunj Parashar 	Details of his date of birth and address are as follows: ***Date of birth***: November 16, 1982 ***Address***: Sagar Smriti Row House No.1, New Parijat CHS, Agashi Road Virat Nagar, Virar West, Palghar 401 303, Maharashtra, India Nikunj Parashar, aged 44 years, is one of our Promoters and is also the Chairman and Managing Director on our Board. For the complete profile of Nikunj Parashar along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Our Board*" on page 289. His PAN is ALEPP0504F.
Mridul Babbar 	Details of his date of birth and address are as follows: ***Date of birth***: October 29, 1992 ***Address***: 18/304, Old Char Chaman, Karnal (Rural) (Part)(1), Karnal 132 001, Haryana, India Mridul Babbar, aged 34 years, is one of our Promoters and is also a Non-Executive Director on our Board. For the complete profile of Mridul Babbar along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Our Board*" on page 289. His PAN is BTJPB8700R.
Lakshay Dang 	Details of his date of birth and address are as follows: ***Date of birth***: February 20, 1993 ***Address***: House No. 419-A, Sector -13 Extension, Urban Estate Karnal 132 001, Haryana, India Lakshay Dang, aged 33 years, is one of our Promoters and is also chief technical officer (software and integration) of our Company. For the complete profile of Lakshay Dang along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Members of the Senior Management*" on page 302. His PAN is BVWPD2124A.
Saurabh Avinash Patil	Details of his date of birth and address are as follows: ***Date of birth***: September 27, 1995

	***Address***: Anand Society, Behind Janta College, Malkapur, Buldana 443 101, Maharashtra, India Saurabh Avinash Patil, aged 31 years, is one of our Promoters and is also chief technical officer (electronics) of our Company. For the complete profile of Saurabh Avinash Patil along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Members of the Senior Management*" on page 302. His PAN is CMYPP5323B.
Ankit Kumar 	Details of his date of birth and address are as follows: ***Date of birth***: February 5, 1993 **Address**: 503 – Gaia (B) Siddhashila Eela, S.No. 34 2/1 Kate Wasti Road, Opp. Balaji Mandir, Punawale, Pune City, Pune 411 033, Maharashtra, India Ankit Kumar, aged 33 years, is one of our Promoters and is also plant director of our Company. For the complete profile of Ankit Kumar along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Members of the Senior Management*" on page 302. His PAN is DDXPK9722G.
Amit Singla 	Details of his date of birth and address are as follows: ***Date of birth***: July 28, 1993 **Address**: Flat No. 1004, 10th Floor, Atira A, Siddhashila Eela, S.No. 34 2/1 Kate Wasti Road, Sr. No. 34/2/1, Punawale, Pune 411 033, Maharashtra, India Amit Singla, aged 33 years, is one of our Promoters and is also vice president business development of our Company. For the complete profile of Amit Singla along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Members of the Senior Management*" on page 302. His PAN is ECPPS2471Q.
Manoj Kanhaiyalal Agrawal 	Details of his date of birth and address are as follows: ***Date of birth***: February 3, 1971 ***Address***: G-1801, Gundecha Garden, Dr. Babasaheb Ambedkar Road, Opp Ganesh Cinema, Lalbaug, Mumbai 400 012, Maharashtra, India Manoj Kanhaiyalal Agrawal, aged 55 years, is one of our Promoters and is also a Non-Executive Director on our Board. For the complete profile of Manoj Kanhaiyalal Agrawal along with details of his educational qualifications, professional experience, position / posts held in the past, business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Our Board*" on page 289. His PAN is AABPA3100A.

Our Company confirms that the PAN, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers, to the extent applicable, of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Updated Draft Red Herring Prospectus - I.

Change in control of our Company

Nikunj Parashar is the original promoter of our Company. Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Amit Singla and Manoj Kanhaiyalal Agrawal have acquired control in our Company in the last five years and have been classified as Promoters of our Company subsequently. For details, please see, "*Capital Structure - History of the share capital held by our Promoters - Build-up of the equity shareholding of our Promoters in our company*" on page 97. Pursuant to a

resolution dated August 3, 2026, our Board has taken note that the current promoters of our Company are Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Amit Singla and Manoj Kanhaiyalal Agrawal.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they are the Promoters of our Company and to the extent of their respective shareholding in our Company, their respective directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company, the shareholding of their relatives, if any, in our Company, employment of their relatives in our Company or our Subsidiary and the shareholding of entities in which our Promoters are interested, in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure - Shareholding of our Promoters (including Promoter Selling Shareholders), members of our Promoter Group (including Promoter Group Selling Shareholders), Other Selling Shareholders, Directors, Key Managerial Personnel and members of our Senior Management in our Company*" on page 103.

Further, our Promoters are also directors on the boards, or are shareholders, kartas, trustees, proprietors, members or partners of entities or individuals with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities or individuals. For further details of interest of our Promoters in our Company, see "*Summary of Related Party Transactions*" on page 70.

Nikunj Parashar, Mridul Babbar and Manoj Kanhaiyalal Agrawal (who are also Directors on our Board) may also be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses payable to them as Director on our Board. For further details, see "*Our Management – Interest of Directors*" on page 293.

Ankit Kumar, Lakshay Dang, Saurabh Avinash Patil and Amit Singla may also be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses payable to them as members of the Senior Management of our Company. For details of remuneration paid to the above as members of Senior Management for Fiscal 2026, see "*Our Management - Members of the Senior Management*" on page 302.

None of our Promoters have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Updated Draft Red Herring Prospectus - I or proposed to be acquired by it as on the date of this Updated Draft Red Herring Prospectus - I, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

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 of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

There are no conflict of interests between the lessors of the immovable properties of our Company (crucial for operation of our Company) and our Promoters or members of the Promoter Group, except as disclosed in "*Our Business – Properties*" on page 271.

None of our Promoters or members of the Promoter Group have any conflict of interest with the suppliers of raw materials and third-party service providers of our Company (which are crucial for operations of our Company).

Companies or firms from which our Promoters have disassociated in the last three years

Except as disclosed below, none of our Promoters have disassociated themselves from any companies or firms during the three years immediately preceding the date of this Updated Draft Red Herring Prospectus – I:

Name of the Promoter	Name of company or firm from which Promoter has disassociated	Reasons for, circumstances leading to and terms of disassociation	Date of disassociation
Manoj Kanhaiyalal Agrawal	Buildique Constructions Private Limited	On account of sale of his entire holding	July 7, 2026

Payment or benefits to Promoters or members of Promoter Group

Except as disclosed in "*Summary of Related Party Transactions*" on page 70, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Updated Draft Red Herring Prospectus - I nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Updated Draft Red Herring Prospectus - I.

Material Guarantees

Except as disclosed below, our Promoters have not given any material guarantee to any third party, in respect of the securities, as of the date of this Updated Draft Red Herring Prospectus - I:

Name of the Promoter Selling Shareholders (s)	Name of the borrower	Name of the lender	Date of guarantee deed / agreement	Period of Guarantee	Type of facility	Obligations on our Company	Security	Financial implications in case of default	Guaranteed amount (in ₹ million)	Purpose / reason of the guarantee	Consideration (in ₹ million)
Nikunj Parashar Manoj Kanhaiyalal Agrawal Mridul Babbar	Our Company	State Bank of India	Guarantee deeds each dated July 10, 2025 read with fresh loan agreement dated November 4, 2026	Continuing	Cash credit, working capital – term loan, and Bank Guarantee	Nil	- Hypothecation of entire current assets. - Hypothecation of plant and machinery created out of bank finance.	- Calling up and terminating the sanctioned facilities. - Declaration of all amounts outstanding in respect of the facility to be due and payable immediately irrespective of the maturity date.	2,630.00	Collateral security	Nil

Promoter Group

As on the date of this Updated Draft Red Herring Prospectus - I, in addition to our Promoters, the individuals and 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:

Natural persons who are part of the Promoter Group

In addition to our Promoters, the individuals that form a part of the Promoter Group are as follows:

S. No.	Name of Promoter	Name of Promoter Group member	Relationship with Promoter
1.	Nikunj Parashar	Shilpa Nikunj Parashar	Spouse
		Ramkamalprasad Tribhuwan Singh	Father
		Saroj Ramkamal Singh	Mother
		Vinit Parashar	Brother
		Shivaan Nikunj Parashar	Son
		Ayra Nikunj Parashar	Daughter
		Om Prakash Agrawal	Spouse's father
		Mira Agrawal	Spouse's mother
		Amar Omprakash Agrawal	Spouse's brother
		Shruti Anshul Agrawal	Spouse's sister
2.	Mridul Babbar	Sraddha Bose	Spouse
		Rahul Babbar	Father
		Surekha Babbar	Mother
		Mukul Babbar	Brother
		Miransh Babbar	Son
		Sapan Kumar Bose	Spouse's father
		Anjana Bose	Spouse's mother
		Siddhartha Bose	Spouse's brother
3.	Lakshay Dang	Priya Takyar	Spouse
		Mohinder Nath	Father
		Shashi Bala	Mother
		Kanika	Sister
		Jivishaa Dang	Daughter
		Keshav Kumar Takyar	Spouse's father
		Vinita Takyar	Spouse's mother
		Sakshi Takyar	Spouse's sister
		Vanshika Takyar	Spouse's sister

S. No.	Name of Promoter	Name of Promoter Group member	Relationship with Promoter
4.	Saurabh Avinash Patil	Shruti Vinay Narkhede	Spouse
		Avinash Eknath Patil	Father
		Sarita Avinash Patil	Mother
		Vidharth Saurabh Patil	Son
		Vinay Narayan Narkhede	Spouse's father
		Prajakta Vinay Narkhede	Spouse's mother
		Om Vinay Narkhede	Spouse's brother
5.	Ankit Kumar	Anshu Chauhan Panwar	Spouse
		Shakti Singh	Father
		Munesh	Mother
		Nityaa Panwar	Daughter
		Ramesh Chand	Spouse's father
		Adesh	Spouse's mother
		Abhishek Chauhan	Spouse's brother
6.	Amit Singla	Shruti Amit Singla	Spouse
		Bharat Bhushan	Father
		Nirmal Devi	Mother
		Riddhi Singla	Sister
		Birendra Singh Pundir	Spouse's father
		Meena B Pundir	Spouse's mother
7.	Manoj Kanhaiyalal Agrawal	Poonam Manoj Agrawal	Spouse
		Kanhaiyalal Bholanath Agrawal	Father
		Shakuntala Kanhaiyalal Agrawal	Mother
		Rajesh Kanhaiyalal Agrawal	Brother
		Nilesh K. Agrawal	Brother
		Harsh Manoj Agrawal	Son
		Kush Manoj Agrawal	Son
		Daudayal Lalchand Agrawal	Spouse's father
		Sita Daudayal Agrawal	Spouse's mother
		Tarun Daudayal Agrawal	Spouse's brother
		Pallavi Kaushik Agrawal	Spouse's sister
8.	-	Amish Deepak Desai*	-
		Ankit Deepak Desai*	-

* *Amish Deepak Desai and Ankit Deepak Desai are classified as members of the Promoter Group on the basis that their shareholding is aggregated under the heading "shareholding of the promoter group" as specified in Regulation 2(pp)(v) of the SEBI ICDR Regulations*

Entities forming part of the Promoter Group

In addition to our Promoters, the entities that form a part of the Promoter Group, are as follows:

S. No.	Name of Promoter	Name of Promoter Group member
1.	Nikunj Parashar	Sagar Shiip Repairers and Marine Services LLP
		Oceanos B.V.
		Sagar & Sons (Family Trust)
2.	Mridul Babbar	Rahul Jeweller (Sole proprietorship)
		Babbar & Sons (Family Trust)
3.	Lakshay Dang	Keshav Kumar (Sole proprietorship)
		Sunder Das & Sons (Family Trust)
4.	Saurabh Avinash Patil	Mudra Offset (Sole proprietorship)
		AE Patil Family Trust
5.	Amit Singla	Gupta Copy House (Sole proprietorship)
6.	Ankit Kumar	Munesh & Sons (Family Trust)
7.	Manoj Kanhaiyalal Agrawal	Accent Equities Private Limited
		Accent Enterprises LLP
		Accent Shipping & Logistics LLP
		Ankit Financial Services (Partnership)
		Oceanos B.V.
		Manoj K Agrawal (HUF)
		Agarwal Kanhaiyalal Bholanath (HUF)
		Tarun D Agrawal (HUF)

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board to the Shareholders for their approval, at their discretion, subject to compliance with the Articles of Association and provisions of the Companies Act, including the rules made thereunder and other relevant regulations, if any, each as amended and the SEBI Listing Regulations and the dividend distribution policy of our Company.

Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act. The dividend distribution policy of our Company was approved and adopted by way of a resolution dated August 3, 2026 passed by the Board of Directors ("**Dividend Policy**") which may be reviewed and periodically amended by the Board.

In terms of the Dividend Policy, the dividend, if any, will depend on a number of financial and internal factors including but not limited to, profits earned and available for distribution by our Company; accumulated reserves of our Company including retained earnings, our Company's liquidity position including its present and expected obligations, expected future capital expenditure requirements of our Company including organic/inorganic growth opportunities, long term investments proposed, capital restructuring, debt reduction, etc., cost of raising funds from alternate sources, crystallisation of contingent liabilities of our Company, profit earned under consolidated financial statements, past dividend trends of our Company and the industry, financial commitments of our Company with respect to the outstanding borrowings and interest thereon, current and projected cash balances of our Company, other corporate action options available to our Company (including bonus issue, buy-back of shares, etc.) and any other relevant factors and material events which may deemed fit by our Board.

There is no guarantee that any dividends will be declared or paid in the future. For details in relation to risks involved in this regard, see "*Risk Factors – 83. We have not declared dividends during six month period ended September 30, 2026 and Fiscals 2026, 2025 and 2024. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 58.

Our Company has not declared and paid any dividends on the Equity Shares or Preference Shares for the six months period ended September 30, 2026, Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024, and until the date of this Updated Draft Red Herring Prospectus - I.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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Independent Auditor's Examination Report on the Restated Financial Information of SAGAR DEFENCE ENGINEERING LIMITED (formerly known as Sagar Defence Engineering Private Limited)

The Board of Directors
SAGAR DEFENCE ENGINEERING LIMITED
(formerly known as Sagar Defence Engineering Private Limited)
101/104, Triveni Kripa, opp. Ambaji Mandir,
Carter Road no.3, Borivali East,
Mumbai, Maharashtra, India - 400066

Dear Sirs,

1. We, M S K A & Associates LLP (formerly known as M S K A & Associates), Chartered Accountants (referred to as "**we**" or "**us**" or "**our**") have examined the Restated Financial Information of Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) (the "Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2026, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2026; and the Restated Standalone Statement of Assets and Liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the Restated Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Changes in Equity, the Restated Standalone Statement of Cash Flows for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, along with the Summary Statement of Material Accounting Policies and other explanatory information (collectively, the "Restated Financial Information") annexed to this report for the purpose of inclusion in the Updated Draft Red Herring Prospectus–I ("UDRHP-I"), Red Herring Prospectus ("RHP") and Prospectus, prepared by the Company in connection with its proposed initial public offer of equity shares of face value of Rs. 2 each ("**Offer**"). The Restated Financial Information, which have been approved by the Board of Directors of the Company at their meeting held on November 12, 2026, have been prepared by the Company in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations");

   c) 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"); and

   d) E-mail dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Communication").

2. The Company's management is responsible for the preparation of Restated Financial Information for the purpose of inclusion in the UDRHP-I,RHP and Prospectus to be filed with SEBI, BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE") and Registrar of Companies, Mumbai-I at Mumbai, as applicable, in connection with the Offer. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2(A) to Annexure V to the Restated Financial Information. The respective Board of Directors of the Companies included in the Group responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the respective restated financial information. The respective Board of Directors of the Companies included in the Group are also responsible for identifying and ensuring that the Group complies with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.

3. We have examined such Restated Financial Information taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated July 13, 2026, in connection with the Offer.

   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

   c) the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d) the requirements of Section 26 of the Act, the SEBI ICDR Regulations and SEBI Communication.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication in connection with the Offer.

4. The Restated Financial Information have been compiled by the management from the:

   a) Audited Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months period ended September 30, 2026 prepared in accordance with the Basis of Preparation, as set out in Note 2(A) to such special purpose consolidated interim financial statements, which has been explained in Note 2(A) to Annexure V of the Restated Financial Information, have been approved by the Board of Directors of the Company at their meeting held on November 12, 2026.

   b) Audited Financial Statements of the Company as at and for the year ended March 31, 2026 prepared in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, along with the presentation requirements of Division II of Schedule III to the Act, and have been approved by the Board of Directors of the Company at their meeting held on July 4, 2026 and as stated in Note 2(A) to Annexure V of the Restated Financial Information;

   c) Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2025 prepared in accordance with the Basis of Preparation as set out in Note 2(A) to such special purpose financial statements which has been explained in Note 2(A) to Annexure V of the Restated Financial Information, have been approved by the Board of Directors of the Company at their meeting held on August 3, 2026.

   d) Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2024, prepared by the Management in accordance with the Basis of Preparation as set out in Note 2(A) to such special purpose financial statements which has been reproduced in Note 2(A) to Annexure V of the Restated Financial Information, have been approved by the Board of Directors of the Company at their meeting held on August 3, 2026.

      Aforesaid Note 2(A) also explains that, pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company adopted March 31, 2026 as reporting date for first time adoption of Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently April 1, 2024 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2026. Hence, the general purpose financial statements as at and for the year ended March 31, 2026, were the first financials statements, prepared in accordance with the Ind AS. Up to and the financial year ended March 31, 2025 the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which these Special Purpose financial statements are prepared as per the SEBI Communication. Also, these Special Purpose Financial Statements are not the statutory financial statements of the Company under the Act.

   The Audited Special Purpose Financial Statements as at and for the year ended March 31, 2025 and the Audited Special Purpose Financial Statements as at and for the year ended March 31, 2024, both referred to in Para 4(b) and 4(c) above have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exemptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2024) and as per the presentation, accounting policies and grouping/classifications including presentation requirements of Division II of Schedule III to the Act, followed as at and for the year ended March 31, 2026, in accordance with Ind AS, pursuant to the SEBI Communication.

5. For the purpose of our examination, we have relied on:

   a) Auditor's report issued by us dated November 12, 2026 on the Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months period ended September 30, 2026 as referred in Para 4(a) above which included the following Emphasis of Matter and Other Matter paragraphs:

      "Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

      "We draw attention to 2(A) to the Special Purpose Consolidated Interim Financial Statements, which describe the basis of its accounting. These Special Purpose Consolidated Interim Financial Statements have been prepared by the management of the Holding Company, solely for the purpose of the preparation of the Restated Financial Information of the Group for the six months period ended September 30,2026, to be included in the Updated Draft Red Herring Prospectus-I ('UDRHP-I'), Red Herring Prospectus and Prospectus to be filed by the Holding Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai-I at Mumbai ('Registrar of Companies') as applicable, in connection with the proposed Initial Public Offering of equity shares of the Holding Company, as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, these Special Purpose Consolidated Interim Financial Statements may not be suitable for another purpose.

Our report is intended solely for the purpose specified above. This should not be distributed to or used by any other parties. M S K A & Associates LLP (formerly known as M S K A & Associates shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.

Our Opinion is not modified in respect of this matter."

"Other Matter:

We did not audit the special purpose interim financial statements of one subsidiary, whose special purpose interim financial statements reflect total assets of Rs. 824.31 Million as at September 30, 2026, total revenues of Rs. 52.83 Million, net loss (including other comprehensive income) of Rs. 0.15 Million and net cash inflows of Rs. 0.91 Million for the period May 9, 2026 to September 30, 2026, as considered in the Special Purpose Consolidated Interim Ind AS Financial Statements as at and for the six months period ended September 30, 2026. These financial statements have been audited by other auditor and whose reports have been furnished to us by the Company's management and our opinion on the Special Purpose Consolidated Interim Ind AS Financial Statements as at and for the six months period ended September 30, 2026, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor."

b) Auditor's report issued by us dated July 4, 2026 on the Financial Statements of the Company as at and for the year ended March 31, 2026 as referred in Para 4(b) above which included the following Other Matter Paragraph:

"Other Matter:

The financial statements of the Company for the year ended March 31, 2025, were audited by another auditor whose report dated May 23, 2025, expressed an unmodified opinion on those statements.

The comparative financial information of the Company for the year ended March 31, 2025 and the transition date opening Balance Sheet as at April 1, 2024 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act, audited by the predecessor auditor whose report for the year ended March 31, 2025 and March 31, 2024, dated May 23, 2025 and September 30, 2024 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us."

c) Auditor's reports issued by M/s. Jain Ambavat & Associates LLP ('previous auditor'), Chartered Accountants, August 3, 2026 on the Special Purpose Ind Financial Statements of the Company as at and for the year ended 31 March 2025 and Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2024, respectively as referred in Para 4(c) & 4(d) above which included the following Emphasis of Matter and Other Matter paragraphs:

For the Year Ended March 31, 2025 –

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2025, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP) / Updated Draft Red Herring Prospectus- I / Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.

Our opinion is not modified in respect of this matter."

"Other Matter:

The Company has prepared a separate set of general purpose financial statements for the year ended March 31, 2025 in accordance with the Accounting Standards notified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India ("Indian GAAP"), on which we issued our auditor's report dated May 23, 2025 and expressed an unmodified opinion on those financial statements.

The Special Purpose Financial Statements of the Company for the year ended March 31, 2025 have been prepared by the Management in accordance with the basis of preparation stated in Note 2 to the Special Purpose Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Financial Statements.

Our opinion is not modified in respect of above matters."

For the Year Ended March 31, 2024 -

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2024, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP) / Updated Draft Red Herring Prospectus- I / Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.

Our opinion is not modified in respect of this matter."

"Other Matter:

The Company has prepared a separate set of general purpose financial statements for the year ended March 31, 2024 in accordance with the Accounting Standards notified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India ("Indian GAAP"), on which we issued our auditor's report dated September 30, 2024 and expressed an unmodified opinion on those financial statements.

The Special Purpose Financial Statements of the Company for the year ended March 31, 2024 have been prepared by the Management in accordance with the basis of preparation stated in Note 2 to the Special Purpose Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Financial Statements.

Our opinion is not modified in respect of above matters."

6. As stated in Para 5(c) above, the audit of special purpose financial statements for the years ended March 31, 2025 and March 31, 2024 was conducted by previous auditor and accordingly reliance is placed on the Examination report November 12, 2026 on the Restated Standalone Statement of Assets and Liabilities as at March 31, 2025 and March 31, 2024 and the Restated Standalone Statement of Profit and Loss (including Other Comprehensive Income), Restated Standalone Statement of Changes in Equity, Restated Standalone Statement of Cash Flows, the Statement of Material

Accounting Policies and other explanatory information for each of the years ended March 31, 2025 and March 31, 2024 ("2025 and 2024 Restated Standalone Financial Information") issued by the previous auditor. Our examination report insofar as it relates to the said years is based solely on the examination report submitted by the previous auditor. They have also confirmed that the 2025 and 2024 Restated Standalone Financial Information:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the 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 six months period ended September 30, 2026 as more fully described in Note 2(A) of Annexure V to the Restated Financial Information.

(ii) do not require any adjustment for modification as there are no modifications in the auditor's report on the Special Purpose Financial Statements for the years ended March 31, 2025 and Special Purpose Financial Statements for the year ended March 31, 2024 of the Company, which require any adjustments to the 2025 and 2024 Restated Standalone Financial Information. There are Emphasis of Matter and Other Matters (refer paragraph 5(c) above) which do not require any adjustment to the 2025 and 2024 Restated Standalone Financial Information; and

(iii) have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and the SEBI Communication.

7. As indicated in our report referred in paragraph 5(a) above:

We did not audit financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 824.31 Million as at September 30, 2026, total revenues of Rs. 52.83 Million, net loss (including other comprehensive income) of Rs. 0.15 Million and net cash inflows of Rs. 0.91 Million for the period May 9, 2026 to September 30, 2026, as considered in the Special Purpose Consolidated Interim Financial Statements for the six months period ended September 30, 2026. These financial statements have been audited by M/s. KSCA & Associates LLP ("component auditor") (listed in Appendix 1) and whose reports have been furnished to us by the Company's management and our opinion on the Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2026, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

Our opinion on the Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2026, is not modified in respect of above matter with respect to our reliance on the work done and the reports of the other auditor.

The other auditor of the subsidiary, as mentioned above, have examined the Special Purpose Restated Financial Information of this subsidiary (listed in Appendix 1) and accordingly reliance is placed on Restated Statement of Assets and Liabilities as at September 30, 2026, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity along with the Statement of Material Accounting Policies and other Explanatory Information for the period from May 9, 2026 to September 30, 2026 (Collectively, Special Purpose Restated Financial Information) examined by them for the respective subsidiary. The examination report included for respective subsidiary is based solely on the examination report issued by the component Auditor dated November 12, 2026. They have confirmed that the Special Purpose Restated Financial Information:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications in the period beginning from May 9, 2026 and ending on September 30, 2026 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Holding Company as at and for the six months period ended September 30, 2026;

(ii) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

(iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the examination reports submitted by the previous auditor as mentioned in paragraph 6 and component auditor as mentioned in paragraph 7 for the respective reporting periods, we report that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings/ reclassifications retrospectively in the each of the financial years ended March 31, 2026, 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 six months period ended September 30, 2026, as more fully described in Note 2(A) to Annexure V to Restated Financial Information;

b) do not require any adjustment for modification as there are no modifications in the auditor's report on the Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months ended September 30, 2026, Financial Statements of the Company as at and for the year ended March 31, 2026, Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2025 and Special Purpose Financial Statements of the Company as at

and for the year ended March 31, 2024, which require any adjustments to the Restated Financial Information. However, items relating to emphasis of matter and other matter as referred to in paragraph 5 above which do not require any adjustments in the Restated Financial Information, have been disclosed in Note 2(A) to Annexure V to Restated Financial Information; and

c) have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and the SEBI Communication.

9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditors' reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors of the Company and for inclusion in the UDRHP-I, RHP and Prospectus to be filed with the SEBI, BSE, NSE and Registrar of Companies, Mumbai-I at Mumbai, as applicable in connection with the Offer. Our report should not be used, referred to or distributed for any other purpose without 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 M S K A & Associates LLP (formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

_____
Ananthakrishnan Govindan
Partner
Membership No.: 205226
UDIN: 26205226ELQHIT9873

Place: Hyderabad
Date: November 12, 2026

Appendix 1 - to Independent Auditor's Examination Report on the Restated Financial Information of Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) for the Reporting Periods September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024.

Particulars	Nature of Relationship	Reporting Period	Name of Other Auditor	Examination Report Dated
Sagar Ship Repairs Private Limited – Incorporated on April 4, 2026	Subsidiary (w.e.f – May 9, 2026)	May 9, 2026 to September 30, 2026.	M/s. KSCA & Associates LLP, Chartered Accountants	November 12, 2026

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure I
Restated Statement of Assets and Liabilities
CIN: U29253MH2015PLC264539
(All amounts are in ₹ millions, except share data and unless otherwise stated)

	Note Annexure VI	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
ASSETS					
A. Non-current assets					
Property, plant and equipment	3(a)	468.80	446.26	216.05	73.55
Capital work-in-progress	3(b)	123.87	95.50	-	-
Right-of-use assets	3(c)	257.54	263.68	183.91	5.30
Goodwill	3(d)	173.69	-	-	-
Other intangible assets	3(d)	620.32	70.24	80.71	86.64
Intangible assets under development	3(e)	391.80	321.51	77.36	4.04
Financial assets					
(i) Investments	4	30.11	30.11	-	-
(ii) Other financial assets	5	359.58	168.53	192.39	8.97
Deferred tax assets (net)	7	58.76	66.17	29.94	57.35
Income tax assets (net)	6	-	-	-	5.06
Other non-current assets	8	42.35	16.84	12.70	0.20
Total non-current assets (A)		**2,526.82**	**1,478.84**	**793.06**	**241.11**
B. Current assets					
Inventories	9	313.66	77.84	69.44	118.36
Financial assets					
(i) Trade receivables	10	4,377.61	2,352.08	554.98	128.52
(ii) Cash and cash equivalents	11	25.08	965.25	395.73	153.12
(iii) Bank balances other than (ii) above	12	2,094.68	1,134.30	1,474.71	6.14
(iv) Other financial assets	13	72.50	25.70	29.44	4.21
Other current assets	14	598.59	161.54	198.67	110.79
Total current assets (B)		**7,482.12**	**4,716.71**	**2,722.97**	**521.14**
Total assets (A+B)		**10,008.94**	**6,195.55**	**3,516.03**	**762.25**
EQUITY AND LIABILITIES					
A. Equity					
Equity share capital	15	4,107.78	1.03	1.03	1.03
Instruments entirely equity in nature	15	-	0.21	0.17	-
Other equity	16	2,410.26	4,513.18	2,678.58	(15.40)
Total equity (A)		**6,518.04**	**4,514.42**	**2,679.78**	**(14.37)**
Liabilities					
B. Non-current liabilities					
Financial liabilities					
(i) Borrowings	17	73.33	195.63	156.50	604.10
(ia) Lease liabilities	3(c)	257.04	254.58	166.39	4.04
Provisions	18	29.13	20.16	11.41	6.15
Other non-current liabilities	22	178.70	178.70	52.05	17.22
Total non-current liabilities (B)		**538.20**	**649.07**	**386.35**	**631.51**
C. Current liabilities					
Financial liabilities					
(i) Borrowings	20	1,631.30	350.57	127.79	117.99
(ia) Lease liabilities	3(c)	23.39	23.42	18.92	2.06
(ii) Trade payables	21				
a. total outstanding dues of micro enterprises and small enterprises		16.51	62.61	0.94	0.72
b. total outstanding dues of creditors other than micro enterprises and small enterprises		368.08	475.64	206.98	17.74
(iii) Other financial liabilities	19	702.75	4.51	-	0.06
Other current liabilities	22	69.64	4.05	85.62	2.36
Provisions	23	25.78	18.12	8.06	4.18
Current tax liabilities (net)	24	115.25	93.14	1.59	-
Total current liabilities (C)		**2,952.70**	**1,032.06**	**449.90**	**145.11**
Total liabilities (B+C)		**3,490.90**	**1,681.13**	**836.25**	**776.62**
Total equity and liabilities (A+B+C)		**10,008.94**	**6,195.55**	**3,516.03**	**762.25**

The above Annexure should be read with the Statement of Material Accounting Policies appearing in Annexure V and notes to Restated Financial Information appearing in Annexure VI.

As per our report of even date attached
For **M S K A & Associates LLP**
(formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number – 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No. : 205226
Place: Hyderabad
Date : November 12, 2026

For and on behalf of the Board of Directors of
Sagar Defence Engineering Limited
(formerly known as Sagar Defence Engineering Private Limited)

Nikunj Parashar
Managing Director
DIN : 07139877
Place: Pune
Date : November 12, 2026

Manoj Agrawal
Director
DIN : 02509181
Place: Pune
Date : November 12, 2026

Ankur Taparia
Chief Financial Officer
Place: Pune
Date : November 12, 2026

Shraddha Khare
Company Secretary
M. No:- A80831
Place: Pune
Date : November 12, 2026

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure II
Restated Statement of Profit and Loss
CIN: U29253MH2015PLC264539
(All amounts are in ₹ millions, except share data and unless otherwise stated)

	Note Annexure VI	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Income					
(i) Revenue from operations	25	2,222.41	2,545.88	1,038.77	395.01
(ii) Other income	26	90.22	103.64	151.32	5.84
I. Total income		**2,312.63**	**2,649.52**	**1,190.09**	**400.85**
Expenses					
(i) Cost of materials consumed	27	767.03	968.69	336.39	227.54
(ii) Changes in inventories of finished goods and work in progress	28	(126.55)	-	40.11	-
(iii) Employee benefits expense	29	144.43	179.68	68.59	56.99
(iv) Finance costs	30	62.29	119.08	149.47	128.16
(v) Depreciation and amortisation expense	31	64.15	90.59	40.92	14.41
(vi) Other expenses	32	97.61	188.23	98.21	57.56
II. Total expenses		**1,008.96**	**1,546.27**	**733.69**	**484.66**
III. Profit/(Loss) before tax (I-II)		**1,303.67**	**1,103.25**	**456.40**	**(83.81)**
Income tax expense / (credit)	33				
(i) Current tax		311.07	260.23	118.90	6.15
(ii) Adjustment of tax relating to earlier period/year		(31.16)	(0.35)	0.90	0.27
(iii) Deferred tax charge/(credit)		7.64	(35.66)	28.02	(27.63)
IV. Total income tax expense / (credit)		**287.55**	**224.22**	**147.82**	**(21.21)**
V. Profit/(Loss) for the period/year (III-IV)		**1,016.12**	**879.03**	**308.58**	**(62.60)**
Other comprehensive income / (loss)					
Items that will not to be reclassified to profit or loss					
Remeasurements gain/(loss) on post-employment defined benefit plan		(0.97)	(2.28)	(2.37)	0.25
Income tax relating to these items		0.24	0.57	0.60	(0.06)
VI. Other comprehensive income/(loss) for the period/year (net of tax)		**(0.73)**	**(1.71)**	**(1.77)**	**0.19**
VII. Total comprehensive income/(loss) for the period/year (V+VI)		**1,015.39**	**877.32**	**306.81**	**(62.41)**
VIII. Earnings per equity share (Face value per share is ₹2 (March 31, 2026- ₹10, March 31, 2025- ₹10, March 31, 2024- ₹10))					
Basic (in ₹)	34	0.70	0.61	0.21	(0.04)
Diluted (in ₹)	34	0.49	0.49	0.17	(0.04)

The above Annexure should be read with the Statement of Material Accounting Policies appearing in Annexure V and notes to Restated Financial Information appearing in Annexure VI

As per our report of even date attached
For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number – 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No. : 205226
Place: Hyderabad
Date : November 12, 2026

For and on behalf of the Board of Directors of
Sagar Defence Engineering Limited
(formerly known as Sagar Defence Engineering Private Limited)

Nikunj Parashar
Managing Director
DIN : 07139877
Place: Pune
Date : November 12, 2026

Manoj Agrawal
Director
DIN : 02509181
Place: Pune
Date : November 12, 2026

Ankur Taparia
Chief Financial Officer
Place: Pune
Date : November 12, 2026

Shraddha Khare
Company Secretary
M. No:- A80831
Place: Pune
Date : November 12, 2026

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure III
Restated Statement of Cash Flows
CIN: U29253MH2015PLC264539
(All amounts are in ₹ millions, except share data and unless otherwise stated)

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Cash flows from operating activities				
Profit/(loss) before tax	**1,303.67**	**1,103.25**	**456.40**	**(83.81)**
Adjustments for:				
Depreciation and amortisation expense	64.15	90.59	40.92	14.41
Interest on borrowings	44.58	26.66	6.49	3.25
Interest on lease liability	9.01	18.27	9.20	0.70
Interest on financial liability at FVTPL	-	39.13	116.71	121.11
Interest income on bank deposits	(89.97)	(98.99)	(33.80)	(3.07)
Interest income on security deposits	(0.25)	(0.46)	(0.45)	(0.15)
Foreign exchange fluctuations	(1.03)	(4.19)	(2.07)	(2.62)
Interest on income tax refund	-	-	(0.15)	-
Gain on derecognition of financial liability	-	-	(114.01)	-
Gain on termination of lease	-	-	(0.84)	-
Provision for warranty	6.27	8.62	3.56	2.24
Provision for expected credit loss on trade receivables	-	35.28	9.90	7.41
Bad debts written off	-	-	13.90	-
Share based payments to employees	26.22	40.97	-	(0.55)
	1,362.65	**1,259.13**	**505.76**	**58.92**
Changes in operating assets and liabilities :				
(Increase) / Decrease in inventories	(224.81)	(8.41)	48.92	(40.10)
(Increase) in trade receivables	(1,988.65)	(1,832.38)	(450.25)	(84.82)
(Increase) / Decrease / in other financial assets	(9.95)	0.14	(3.01)	1.28
(Increase) / Decrease in other assets	(434.84)	39.03	(100.16)	(47.39)
(Decrease) / Increase in trade payables	(163.49)	334.52	190.89	8.74
Increase in other liabilities	65.59	45.08	118.09	10.69
Increase / (Decrease) in other financial liabilities	0.47	4.51	(0.06)	0.06
Increase / (Decrease) in provisions and employee benefit obligations	(0.46)	10.20	5.58	1.31
Cash (used in) / generated from operations	**(1,393.49)**	**(148.18)**	**315.76**	**(91.31)**
Income taxes paid (net of refund)	(258.03)	(168.89)	(113.90)	(14.56)
Net cash flows (used in) / from operating activities (A)	**(1,651.52)**	**(317.07)**	**201.86**	**(105.87)**
Cash flows from investing activities				
Purchase of property, plant and equipment and other intangible assets [including capital work-in-progress and Intangible assets under development]	(189.60)	(637.47)	(240.69)	(130.15)
Proceeds from bank deposits	57.92	364.72	-	54.66
Investment made in bank deposits	(1,151.18)	-	(1,649.20)	-
Acquisition of new businesses (Net of cash acquired)	(70.34)	-	-	-
Purchase of investments	-	(30.11)	-	-
Interest received	53.12	102.58	9.24	3.62
Net cash (used in) investing activities (B)	**(1,300.08)**	**(200.28)**	**(1,880.65)**	**(71.87)**
Cash flows from financing activities				
Proceeds from issue of shares and Compulsorily Convertible Preference Shares ('CCPS')	795.53	916.36	2,167.33	-
Payment of Share issue expenses	(28.81)	-	-	-
Proceeds from borrowings	1,295.30	222.78	9.80	117.95
Redemption of 0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS')	-	-	(230.29)	-
Interest paid on borrowings	(44.01)	(26.68)	(6.49)	(3.25)
Repayment of lease liability including interest	(6.58)	(25.59)	(18.95)	(2.59)
Net cash flows from financing activities (C)	**2,011.43**	**1,086.87**	**1,921.40**	**112.11**
Net (decrease) / increase in cash and cash equivalents (A+B+C=D)	(940.17)	569.52	242.61	(65.63)
Cash and cash equivalents at beginning of the period/year	965.25	395.73	153.12	218.75
Cash and cash equivalents at the end of the period/year	**25.08**	**965.25**	**395.73**	**153.12**

Notes:
a. The above restated statement of Cashflows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure III
Restated Statement of Cash Flows
CIN: U29253MH2015PLC264539
(All amounts are in ₹ millions, except share data and unless otherwise stated)

b. Reconciliation between opening and closing balances in the Balance sheet for financial liabilities arising from financing activities for movement in statement of cash flow are given below:

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Opening balance				
Compulsorily Convertible Debentures	-	-	282.50	225.86
Compulsorily Convertible Preference Shares	195.63	156.50	125.20	100.10
Optionally Convertible Redeemable Preference Shares	-	-	196.40	157.02
Short term borrowings	350.57	127.79	117.99	0.04
Long term borrowings	-	-	-	-
Lease liabilities	278.00	185.31	6.10	8.00
Movement				
Cash flows				
Repayment of Compulsorily Convertible Debentures*	-	-	0.00	(0.00)
Repayment of Optionally Convertible Redeemable Preference Shares	-	-	(230.29)	-
Movement in Short term borrowings	1,236.15	196.12	3.31	114.70
Movement in Long term borrowings	73.33	-	-	-
Payment of Lease liabilities	(10.91)	(20.79)	(11.17)	(2.60)
Non cash flows				
Interest expense on Compulsorily Convertible Debentures	-	-	51.51	56.64
Interest expense on Compulsorily Convertible Preference Shares	-	39.13	31.30	25.10
Interest expense on Optionally Convertible Redeemable Preference Shares	-	-	33.89	39.38
Interest expense on Short term borrowings	44.58	26.66	6.49	3.25
Conversion of Compulsorily Convertible Debentures to equity	-	-	(334.01)	-
Conversion of Compulsorily Convertible Preference Shares to equity	(195.63)	-	-	-
Additions and deletions to Lease liabilities	-	94.43	185.99	-
Interest expense on Lease liabilities	13.34	19.05	9.20	0.70
Ind AS adjustments on Lease liabilities	-	-	(4.81)	-
Closing balance				
Compulsorily Convertible Debentures	-	-	-	282.50
Compulsorily Convertible Preference Shares	-	195.63	156.50	125.20
Optionally Convertible Redeemable Preference Shares*	-	-	-	196.40
Short term borrowings	1,631.30	350.57	127.79	117.99
Long term borrowings	73.33	-	-	-
Lease liabilities	280.43	278.00	185.31	6.10

* Amounts less than ₹5,000 are shown as 0.00.
The above Annexure should be read with the Statement of Material Accounting Policies appearing in Annexure V and notes to Restated Financial Information appearing in Annexure VI

As per our report of even date attached
For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number – 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No. : 205226
Place: Hyderabad
Date : November 12, 2026

For and on behalf of the Board of Directors of
Sagar Defence Engineering Limited
(formerly known as Sagar Defence Engineering Private Limited)

Nikunj Parashar
Managing Director
DIN : 07139877
Place: Pune
Date : November 12, 2026

Manoj Agrawal
Director
DIN : 02509181
Place: Pune
Date : November 12, 2026

Ankur Taparia
Chief Financial Officer
Place: Pune
Date : November 12, 2026

Shraddha Khare
Company Secretary
M. No:- A80831
Place: Pune
Date : November 12, 2026

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure IV
Restated Statement of Changes in Equity
CIN: U29253MH2015PLC264539
(All amounts are in ₹ millions, except share data and unless otherwise stated)

A. Equity share capital (refer note 15)

Consolidated For the six month period ended September 30, 2026

	No. of shares	Amount
Equity shares of ₹ 2/- each issued, subscribed and fully paid		
Balance as at April 01, 2026 (Standalone)	**1,02,744**	**1.03**
Changes in equity share capital during the period/year		
Increase in shares due to Bonus issue	28,76,83,200	2,876.83
Before adjustment of sub-division of shares	**28,77,85,944**	**2,877.86**
Adjusted No. of shares on account of sub-division	1,43,89,29,720	2,877.86
Shares issued on account of Conversion of preference shares to equity shares	61,49,59,551	1,229.92
Balance as at September 30, 2026 (Consolidated)	**2,05,38,89,271**	**4,107.78**

Standalone For the year ended March 31, 2026

	No. of shares	Amount
Equity shares of ₹ 10/- each issued, subscribed and fully paid		
Balance as at April 01, 2025 (Standalone)	**1,02,744**	**1.03**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026 (Standalone)	**1,02,744**	**1.03**

Standalone For the year ended March 31, 2025

	No. of shares	Amount
Equity shares of ₹ 10/- each issued, subscribed and fully paid		
Balance as at April 01, 2024 (Standalone)	**1,02,744**	**1.03**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025 (Standalone)	**1,02,744**	**1.03**

Standalone For the year ended March 31, 2024

	No. of shares	Amount
Equity shares of ₹ 10/- each issued, subscribed and fully paid		
Balance as at April 01, 2023 (Standalone)	**1,02,744**	**1.03**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024 (Standalone)	**1,02,744**	**1.03**

B. Instruments entirely equity in nature (refer note 15)

	0.01% Series A Compulsorily Convertible Preference Shares ('Series A CCPS') of ₹ 10/- each fully paid up		0.01% Series B Compulsorily Convertible Preference Shares ('Series B CCPS') of ₹ 10/- each fully paid up		0.01% Series B1 Compulsorily Convertible Preference Shares ('Series B1 CCPS') of ₹ 10/- each fully paid up		Total
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	Amount
Balance as at April 01, 2026 (Standalone)	16,631	0.17	3,991	0.04	559	0.01	**0.22**
Add: Issued during the period/year	-	-	3,505	0.04	-	-	0.04
Less: Conversion to equity shares	(16,631)	(0.17)	(7,496)	(0.08)	(559)	(0.01)	(0.26)
Balance as at September 30, 2026 (Consolidated)	-	-	-	-	-	-	**-**
Balance as at April 01, 2025 (Standalone)	16,631	0.17	-	-	-	-	**0.17**
Add: Issued during the year	-	-	3,991	0.04	559	0.01	0.05
Less: Conversion to equity shares	-	-	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**16,631**	**0.17**	**3,991**	**0.04**	**559**	**0.01**	**0.22**
Balance as at April 01, 2024 (Standalone)	-	-	-	-	-	-	**-**
Add: Issued during the year	14,433	0.15	-	-	-	-	0.15
Add: Debt conversion rights exercised	2,198	0.02	-	-	-	-	0.02
Less: Conversion to equity shares	-	-	-	-	-	-	-
Balance as at March 31, 2025 (Standalone)	**16,631**	**0.17**	**-**	**-**	**-**	**-**	**0.17**
Balance as at April 01, 2023 (Standalone)	-	-	-	-	-	-	**-**
Add: Issued during the year	-	-	-	-	-	-	-
Less: Conversion to equity shares	-	-	-	-	-	-	-
Balance as at March 31, 2024 (Standalone)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

C. Other equity (refer note 16)

	Attributable to shareholders of the Group					Total
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	
Balance as at April 01, 2026 (Standalone)	**40.97**	**120.45**	**3,290.07**	**1,061.69**	**-**	**4,513.18**
Profit for the period	-	-	-	1,016.12	-	1,016.12
Other comprehensive income (net of taxes)	-	-	-	(0.73)	-	(0.73)
Total comprehensive income for the period	**40.97**	**120.45**	**3,290.07**	**2,077.08**	**-**	**5,528.57**
Premium on shares issued	-	-	795.15	-	-	795.15
Utilisation towards issuance of Bonus shares	-	-	(2,876.83)	-	-	(2,876.83)
On account of conversion of preference shares (Refer note15.7 & 15.12)	-	-	(1,034.04)	-	-	(1,034.04)
Share issue expenses	-	-	(28.81)	-	-	(28.81)
Employee share-based compensation expense	26.22	-	-	-	-	26.22
Balance as at September 30, 2026 (Consolidated)	**67.19**	**120.45**	**145.54**	**2,077.08**	**-**	**2,410.26**

	Attributable to shareholders of the Group					Total
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	
Balance as at April 01, 2025 (Standalone)	**-**	**120.45**	**2,373.76**	**184.37**	**-**	**2,678.58**
Profit for the year	-	-	-	879.03	-	879.03
Other comprehensive income (net of taxes)	-	-	-	(1.71)	-	(1.71)
Total comprehensive income for the year	**-**	**120.45**	**2,373.76**	**1,061.69**	**-**	**3,555.90**
Premium on shares issued	-	-	916.31	-	-	916.31
Employee share-based compensation expense	40.97	-	-	-	-	40.97
Balance as at March 31, 2026 (Standalone)	**40.97**	**120.45**	**3,290.07**	**1,061.69**	**-**	**4,513.18**

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure IV
Restated Statement of Changes in Equity
CIN: U29253MH2015PLC264539
(All amounts are in ₹ millions, except share data and unless otherwise stated)

	Attributable to shareholders of the Group					Total
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	
Balance as at April 01, 2024 (Standalone)	**-**	**-**	**107.04**	**(122.44)**	**-**	**(15.40)**
Profit for the year	-	-	-	308.58	-	308.58
Other comprehensive income (net of taxes)	-	-	-	(1.77)	-	(1.77)
Total comprehensive income for the year	**-**	**-**	**107.04**	**184.37**	**-**	**291.41**
Premium on shares issued	-	-	2,390.69	-	-	2,390.69
Transfer to Capital redemption reserve	-	120.45	(120.45)	-	-	-
Share issue expenses	-	-	(3.52)	-	-	(3.52)
Balance as at March 31, 2025 (Standalone)	**-**	**120.45**	**2,373.76**	**184.37**	**-**	**2,678.58**

	Attributable to shareholders of the Group					Total
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	
Balance as at April 01, 2023 (Standalone)	**0.55**	**-**	**107.04**	**(60.03)**	**-**	**47.56**
Profit/(loss) for the year	-	-	-	(62.60)	-	(62.60)
Other comprehensive income (net of taxes)	-	-	-	0.19	-	0.19
Total comprehensive income for the year	**0.55**	**-**	**107.04**	**(122.44)**	**-**	**(14.85)**
Reversal of employee share-based compensation expense	(0.55)	-	-	-	-	(0.55)
Balance as at March 31, 2024 (Standalone)	**-**	**-**	**107.04**	**(122.44)**	**-**	**(15.40)**

The above Annexure should be read with the Statement of Material Accounting Policies appearing in Annexure V and notes to Restated Financial Information appearing in Annexure VI

As per our report of even date attached
For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number – 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No. : 205226
Place: Hyderabad
Date : November 12, 2026

For and on behalf of the Board of Directors of
Sagar Defence Engineering Limited
(formerly known as Sagar Defence Engineering Private Limited)

Nikunj Parashar
Managing Director
DIN : 07139877
Place: Pune
Date : November 12, 2026

Manoj Agrawal
Director
DIN : 02509181
Place: Pune
Date : November 12, 2026

Ankur Taparia
Chief Financial Officer
Place: Pune
Date : November 12, 2026

Shraddha Khare
Company Secretary
M. No:- A80831
Place: Pune
Date : November 12, 2026

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure V
Statement of Material Accounting Policies and notes to Restated Financial Information
CIN: U29253MH2015PLC264539

1. Company overview

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) (the 'Company') is incorporated under the provisions of the Companies Act, 2013 ("the Act") and is domiciled in India. The registered office of the Company is situated at 101/104, Triveni Kripa, Opp. Ambaji Mandir, Carter Road No.3, Borivali East, Mumbai – 400 066, Maharashtra.

The Company was incorporated on May 16, 2015, as a private limited company, with its registered office situated in Mumbai. Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 23, 2026, Company has converted from private limited company to public limited company, and consequently the name of the Company has changed to 'Sagar Defence Engineering Limited' vide new certificate of incorporation obtained from the Registrar of Companies approved on July 06, 2026.

The Company's is engaged in the research and development and manufacturing related work for Unmanned Vehicles.

2. Material accounting policy information

(A) Basis of preparation

(a) Statement of compliance

The Restated Financial Information of the Company and its subsidiary has been specifically prepared as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") for inclusion in the Updated Draft Red Herring Prospectus – I ("UDRHP-I"), Red Herring Prospectus ("RHP") and Prospectus, prepared by the Company in connection with its proposed initial public offer of equity shares of face value of Rs. 2 each. (referred to as the "Offer").

The Restated Financial Information of the Company and its subsidiary (the Company and its subsidiary together referred to as "the Group"), comprises the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2026, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2026; and the Restated Standalone Statement of Assets and Liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the Restated Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Changes in Equity, the Restated Standalone Statement of Cash Flows for each of the years ended March 31, 2026, March 31, 2025 and March 31, 2024, along with the Summary Statement of Material Accounting Policies and other explanatory information (collectively, the "Restated Financial Information")

The Restated Financial Information were authorized for issue by the Company's Board of Directors on November 12, 2026.

The Restated Financial Information has been prepared by the Company in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act');

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations");

c) 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"); and

d) E-mail dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Communication").

The Restated Financial Information have been compiled by the Management from the:

I. Audited Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months period ended September 30, 2026 prepared by the Management in accordance with the Basis of Preparation, as set out in Note 2(A) to such special purpose consolidated interim financial statements and as explained below, which have been approved by the Board of Directors of the Company at their meeting held on November 12, 2026.

II. Audited Financial Statements of the Company as at and for the year ended March 31, 2026 prepared in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, along with the presentation requirements of Division II of Schedule III to the Act, and have been approved by the Board of Directors of the Company at their meeting held on July 4, 2026 and as stated in Note 2(A) to Annexure V of the Restated Financial Information;

III. Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2025 prepared by the Management in accordance with the Basis of Preparation, as set out in Note 2(A) to such special purpose financial statements and as explained below, which have been approved by the Board of Directors of the Company at their meeting held on August 3, 2026; and

IV. Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2024, prepared by the Management in accordance with the Basis of Preparation, as set out in Note 2(A) to such special purpose financial statements and as explained below, which have been approved by the Board of Directors of the Company at their meeting held on August 3, 2026.

The Company has prepared the Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2026 as per following basis:

- These Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months ended September 30, 2026, other than disclosure of comparative, as it is exempted as per para 11 of Part A in Schedule VI of SEBI ICDR Regulations, have been prepared in accordance with Indian Accounting Standard 34 – 'Interim Financial Reporting' ('Ind AS 34') as notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognized accounting practices and policies generally accepted in India. Accordingly, management of the Holding Company has not presented the comparative in these Special Purpose Interim Consolidated Financial Statements.

The Company has prepared the Special Purpose Financial Statements as at and for the year ended March 31, 2025 and March 31, 2024 as per following basis:

- Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company adopted March 31, 2026 as reporting date for first time adoption of Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently April 1, 2024 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2026. Hence, the general purpose financial statements as at and for the year ended March 31, 2026, were the first financials statements, prepared in accordance with the Ind AS. Up to and the financial year ended March 31, 2025, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which these Special Purpose Standalone financial statements are prepared as per the SEBI Communication. Also, these Special Purpose Standalone Financial Statements are not the statutory financial statements of the Company under the Act.

- The Audited Special Purpose Financial Statements as at and for the year ended March 31, 2025 and the Audited Special Purpose Financial Statements as at and for the year ended March 31, 2024, both referred to in Para II & III & IV above have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exemptions and optional exemptions availed as per Ind AS 101) consistent with that used at

the date of transition to Ind AS (April 1, 2024) and as per the presentation, accounting policies and grouping/classifications including presentation requirements of Division II of Schedule III to the Act, followed as at and for the year ended March 31, 2026, in accordance with Ind AS, pursuant to the SEBI Communication.

- In pursuance to general directions received from SEBI vide their email dated October 28, 2021 received by the Book Running Lead Managers ('BRLMs') of the Company through Association of Investment Bankers of India (AIBI), as shared with us, these Special Purpose Financial Statements have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in Offer documents in relation to the proposed offer. As such these Special Purpose Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended. Consequently, Comparative information has not been provided in these special purpose financial statements.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of consolidated restated consolidated financial information for the six months period ended September 30, 2026.

This Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve the respective audited financial statements as mentioned above.

Based on paragraphs aforesaid, the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regroupings/ reclassifications retrospectively in the each of the financial years ended March 31, 2026, 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 six months period ended September 30, 2026, as more fully described in Note 3 to Annexure V to Restated Financial Information;

b) do not require any adjustment for modification as there are no modifications in the auditor's report on the Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months ended September 30, 2026, Financial Statements of the Company as at and for the year ended March 31, 2026, Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2025 and Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2024, which require any adjustments to the Restated Financial Information. However, items relating to emphasis of matter and other matter as referred to in paragraph 5 above which do not require any adjustments in the Restated Financial Information, have been disclosed in Note 2(A) to Annexure V to Restated Financial Information; and

c) have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and the SEBI Communication.

(b) Functional and presentation currency

These Restated Financial Information are presented in Indian Rupee ('₹') which is also the Company's functional currency. All amounts have been rounded-off to the nearest million with two decimals, unless otherwise indicated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as '0' in relevant notes in the Restated Financial Information.
The Company has prepared the Restated financial statements on the basis that it will continue to operate as a going concern.

(c) Basis of measurement

The Restated Financial Information have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Items Basis	Measurement
Equity securities at other comprehensive income (OCI)	Fair Value
Financial liability measured at FVTPL	Fair Value

(d) Operating cycle

The Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

(e) Use of judgements and estimates

In preparing these Restated Financial Information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(f) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes-

- Leasing arrangements (classification) – Refer note on Leases

(g) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Leasing arrangements – Lease term – whether the Company is reasonably certain to exercise the extension options – Refer note on Leases
- Financial instruments – Refer note on Financial instruments
- Fair value measurement – Refer note on Fair value measurement
- Measurement of ECL allowance for trade receivables – Refer note on Financial Asset
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Refer note on Provisions and contingent liabilities
- Recognition and estimation of tax expense including deferred tax – Refer note on Income taxes
- Assessment of useful life and residual value of property, plant and equipment and Intangible assets – Refer note on Property Plant and Equipment
- Estimation of obligations relating to employee benefits (including actuarial assumptions) – Refer note on Employee Benefits
- Provision for warranties – Refer note on Provision for warranties
- Intangible assets under development – Refer note on Intangible assets under development

(h) Current/ Non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(i) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized 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 (i.e. as prices) or indirectly (i.e. 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 Company 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 categorized 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 Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(B) Basis of consolidation

The restated consolidated financial statements comprise the financial statements of the Company and its subsidiary for the period ended 30 September 2026. Control is achieved when the Group 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 Group controls an investee if and only if the Group 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.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group 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 year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated financial 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 consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the restated consolidated financial statements to ensure conformity with the Group's accounting policies.

The restated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., period ended 30 September.

Restated Consolidated financial statements present assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries as those of a single economic entity. In preparing these restated consolidated financial statements, below key consolidation procedures are followed:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, assets, liabilities, equity, income, expenses and cash flows of subsidiaries are based on the amounts of the assets and liabilities determined as per the Business Combination policy and recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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 former subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the carrying amount of any non-controlling interests at the date when control is lost. This includes any components of OCI attributable to them.
- 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 a distribution if the transaction, event, or circumstances that resulted in the loss of control involves a distribution of shares in the subsidiary to owners in their capacity as owners.

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind AS. Such reclassification/ transfer is decided on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.
- Recognises any surplus or deficit in profit or loss

Material accounting policy

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Tax* and Ind AS 19 *Employee Benefits* respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

When additional payments contingent on future events are negotiated and agreed as part of the business combination agreement, the entity analyses the nature as well as economic substance of these payments, particularly, payments made to those who remain as employees of the business after it is acquired, to determine whether these whether they are in the nature of payment for future employee services or they represent contingent consideration for business combination. In the former case, depending on the exact terms of the arrangement, the payments to be made are accounted for as remuneration for services to be received subsequent to the acquisition, rather than as part of the consideration paid for the business. Any contingent consideration to be transferred by the acquirer, i.e., contingent payment to be treated as such, is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. The cost includes the purchase price, directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives as follows. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The estimated useful lives of items of property, plant and equipment are as follows:

Category of assets	Management's estimate of useful life	Useful life as per Schedule II
Plant and machinery	15 years	15 years
Computers	3 years	3 years
Furniture and fittings	10 years	10 years
Office equipment	5 years	5 years
Electrical installations	10 years	10 years
Motor Vehicles	8 years	8 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress ("CWIP"). CWIP is stated at cost, net of accumulated impairment loss, if any.

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Company considers climate related matters, including physical and transition risks. Specifically, the Company determines whether climate related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of the Company's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on the Company's buildings.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Leases

Identifying leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(i) There is an identified asset;
(ii) The Company obtains substantially all the economic benefits from use of the asset; and
(iii) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable Ind ASs rather than Ind AS 116 Leases.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

The Company also applies the low-value asset recognition exemption on a lease-by-lease basis, if the lease qualifies as leases of low-value assets. In making this assessment, the Company also factors below key aspects:

- The assessment is conducted on an absolute basis and is independent of the size, nature, or circumstances of the lessee.
- The assessment is based on the value of the asset when new, regardless of the asset's age at the time of the lease.
- The lessee can benefit from the use of the underlying asset either independently or in combination with other readily available resources, and the asset is not highly dependent on or interrelated with other assets.
- If the asset is subleased or expected to be subleased, the head lease does not qualify as a lease of a low-value asset.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Intangible assets

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible asset	Useful economic life and valuation method
Computer software	3 years

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

(i) it is technically feasible to develop the product for it to be sold
(ii) adequate resources are available to complete the development
(iii) there is an intention to complete and sell the product
(iv) the Company is able to sell the product
(v) sale of the product will generate future economic benefits, and
(vi) expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the statement of profit and loss as incurred.

Capitalised development costs are amortised over the periods the Company expects to benefit from selling the products developed. The amortisation expense is included within the 'depreciation and amortisation expense' in the statement of profit and loss.

The significant intangibles recognised by the Company, their useful economic lives are as follows:

Intangible asset	Useful economic life and valuation method
Technical know-how / Product development costs	10 years
Patents	5 years
Customer relationships	20 years

Impairment of non-financial assets (excluding inventories and deferred tax assets)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

FIFO method is used to determine the cost of Inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents includes virtual wallet balance, deposits held with banks, other short term highly liquid investments with original maturities of three months or less.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments)
b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and other financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.
The Company has elected to classify irrevocably certain equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets in this category are those that are held for trading and have been either designated by company upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVTOCI. Company only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis. For the Company, this category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. The Company has not designated any financial assets at FVTPL.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.
Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on

lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 180 days past due.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

a) Financial liabilities at fair value through profit or loss
b) Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortised cost

This is the category most relevant to the Company. After initial recognition, interest-bearing financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company classifies a financial instrument issued by it as equity instrument only if below conditions are met:

a) The instrument includes no contractual obligation to deliver cash or another financial asset to another entity. Nor it includes any obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
b) If the instrument will, or may, be settled in the Company's own equity instruments, it is non-derivative instrument that includes no contractual obligation for the Company to deliver a variable number of its own equity instruments. If the instrument is derivative, then it should be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

All other instruments are classified as financial liabilities and accounted for using the accounting policy applicable to the financial liabilities.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Provisions and contingent liabilities

The Company has recognised provisions for liabilities of uncertain timing or amount including those for warranty claims. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Contingent liability is-

a) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or
b) a present obligation that arises from past events but is not recognised because - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or - the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognise a contingent liability but discloses its existence and other required disclosures in notes to the financial statements, unless the possibility of any outflow in settlement is remote.

Revenue from contracts with customers

Performance obligations and timing of revenue recognition

A portion of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Company no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

The Company has another division which carries out consultancy services for clients, with revenue recognised on an over time basis. This is because the designs created have no alternative use for the Company and the contracts would require payment to be received for the time and effort spent by the Company on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the Company's failure to perform its obligations under the contract. On partially complete design contracts, the Company recognises revenue based on stage of completion of the project.

Government incentives and other benefits received from governmental authorities that do not meet the definition of government grants are recognized in the Statement of Profit and Loss upon receipt, when there is reasonable certainty that the amount received will be retained by the Company.

In accordance with Ind AS 115, warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Determining the transaction price

Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered).

Costs of fulfilling contracts

No judgement is needed to measure the amount of costs of obtaining contracts – it is the commission paid. The costs of fulfilling contracts do not result in the recognition of a separate asset because:

a) such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
b) for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the asset (the design service) is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and Company's presentation currency.

Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Gains/losses arising out of fluctuation in foreign exchange rates between the transaction date and settlement date are recognised in the profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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 OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Interest Income

Interest income is recognized on an accrual basis using the effective interest rate method over the relevant period. Interest income is disclosed under the head Other Income in the Statement of Profit and Loss.

Borrowing costs

Borrowing costs are capitalised, when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (qualifying asset). All other borrowings costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Employee benefits

Defined contribution schemes

Contributions to defined contribution schemes are charged to the profit and loss in the year to which they relate.

Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include: Actuarial gains and losses

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.
Net interest expense is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of contributions and benefit payments during the period.
Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.
Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Other employee benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are treated as short-term employee benefits and presented as current liabilities. The Company recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non current liabilities (the obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date) and calculated using the projected unit credit method and then discounted using yields available on government bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations. Remeasurement gains/losses are immediately taken to the statement of profit and loss.

Share-based payments

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Income taxes

Tax expense comprises current and deferred tax.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is

probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The Company has applied the mandatory exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes (i.e. income taxes arising from the jurisdictional implementation of OECD's Pillar Two Model Rules).

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the company by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Events after the reporting period

If the Company receives information after the reporting period, but prior to the date when the financial statements are approved for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements, but will disclose the nature of the non adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Leases - determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Intangible assets under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

This amount includes significant investment related to development projects to improve certain technology used in manufacturing facilities.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Defined benefit plans (post-employment gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the compamy considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Provision for warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims for similar products and management estimates regarding possible future incidence based on past experience and expected product performance. Revenue from the sale of products is recognised upon delivery of the goods; however, a corresponding warranty provision is recognised at the same time for products covered under warranty obligations.

The Company provides a warranty of up to two years on certain products and, accordingly, a provision for warranty obligations is recognised based on historical claim experience and management's best estimate of the expenditure required to settle future warranty claims. The timing of outflows will vary as and when warranty claims arise during the warranty period.

The provision is reviewed at each reporting date and adjusted to reflect current expectations, taking into account any changes in assumptions relating to claim frequency, repair or replacement costs, and other relevant factors.

Fair value measurement

Assets and liabilities included in the Company's financial statements may require measurement at, and/or disclosure of fair value. The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses appropriate model for Employees' Equity Linked Incentive Plan 2021. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Useful lives of property, plant and equipment and intangible assets

When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

Impairment of non-financial assets

The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Company's products. The Company has concluded that no single climate-related assumption is a key assumption for the impairment test of goodwill for the current year.

3(a) Property, plant and equipment

	Leasehold improvements	Office equipment	Plant and equipment	Furniture and fixtures	Computers	Electrical installations	Motor Vehicles	Total
Cost or deemed cost								
Balance as at April 01, 2026 (Standalone)	154.13	39.92	285.78	15.49	23.38	15.27	-	533.97
Additions	7.79	0.96	18.35	1.07	5.62	7.62	16.77	58.18
Disposals	-	-	-	-	-	-	-	-
Balance as at September 30, 2026 (Consolidated)	**161.92**	**40.88**	**304.13**	**16.56**	**29.00**	**22.89**	**16.77**	**592.15**
Balance as at April 01, 2025 (Standalone)	117.75	25.46	70.55	7.51	12.90	8.79	-	242.96
Additions	36.38	14.46	215.23	7.98	10.48	6.48	-	291.01
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**154.13**	**39.92**	**285.78**	**15.49**	**23.38**	**15.27**	**-**	**533.97**
Balance as at April 01, 2024 (Standalone)	15.10	20.99	36.23	2.52	3.46	2.00	-	80.30
Additions	102.65	4.56	34.33	5.00	9.44	6.80	-	162.78
Disposals	-	(0.09)	(0.01)	(0.01)	-	(0.01)	-	(0.12)
Balance as at March 31, 2025 (Standalone)	**117.75**	**25.46**	**70.55**	**7.51**	**12.90**	**8.79**	**-**	**242.96**
Balance as at April 01, 2023 (Standalone)	5.30	13.19	8.36	1.90	0.91	1.82	-	31.48
Additions	9.80	7.89	27.90	0.63	2.61	0.22	-	49.05
Disposals	-	(0.09)	(0.03)	(0.01)	(0.06)	(0.04)	-	(0.23)
Balance as at March 31, 2024 (Standalone)	**15.10**	**20.99**	**36.23**	**2.52**	**3.46**	**2.00**	**-**	**80.30**
Accumulated depreciation								
Balance as at April 01, 2026 (Standalone)	43.54	14.30	17.71	1.89	8.28	1.99	-	87.71
Depreciation expense for the period	16.40	3.94	9.55	0.79	3.88	0.92	0.16	35.64
Disposals	-	-	-	-	-	-	-	-
Balance as at September 30, 2026 (Consolidated)	**59.94**	**18.24**	**27.26**	**2.68**	**12.16**	**2.91**	**0.16**	**123.35**
Balance as at April 01, 2025 (Standalone)	10.82	7.81	4.14	0.59	2.94	0.61	-	26.91
Depreciation expense for the year	32.72	6.49	13.57	1.30	5.34	1.38	-	60.80
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**43.54**	**14.30**	**17.71**	**1.89**	**8.28**	**1.99**	**-**	**87.71**
Balance as at April 01, 2024 (Standalone)	0.21	3.46	1.62	0.26	0.99	0.21	-	6.75
Depreciation expense for the year	10.61	4.39	2.52	0.33	1.95	0.40	-	20.20
Disposals*	-	(0.04)	(0.00)	(0.00)	-	(0.00)	-	(0.04)
Balance as at March 31, 2025 (Standalone)	**10.82**	**7.81**	**4.14**	**0.59**	**2.94**	**0.61**	**-**	**26.91**
Balance as at April 01, 2023 (Standalone)	-	-	-	-	-	-	-	-
Depreciation expense for the year	0.21	3.49	1.62	0.26	1.04	0.21	-	6.83
Disposals*	-	(0.03)	(0.00)	(0.00)	(0.05)	(0.00)	-	(0.08)
Balance as at March 31, 2024 (Standalone)	**0.21**	**3.46**	**1.62**	**0.26**	**0.99**	**0.21**	**-**	**6.75**
Net book value								
Balance as at September 30, 2026 (Consolidated)	**101.98**	**22.64**	**276.87**	**13.88**	**16.84**	**19.98**	**16.61**	**468.80**
Balance as at March 31, 2026 (Standalone)	**110.59**	**25.62**	**268.07**	**13.60**	**15.10**	**13.28**	**-**	**446.26**
Balance as at March 31, 2025 (Standalone)	**106.93**	**17.65**	**66.41**	**6.92**	**9.96**	**8.18**	**-**	**216.05**
Balance as at March 31, 2024 (Standalone)	**14.89**	**17.53**	**34.61**	**2.26**	**2.47**	**1.79**	**-**	**73.55**

* Amounts less than ₹5,000 are shown as 0.00.

Notes:

i. Refer note 20 for information on property, plant and equipment pledged as security by the Group.

ii. On transition to Ind AS (i.e. April 1, 2023), the Company had elected to continue with the net carrying value of all property, plant and equipment measured as per the Previous GAAP and use that net carrying value as the deemed cost of property, plant and equipment.

3(b) Capital work-in-progress ("CWIP")

	Leasehold Improvements
Balance as at April 01, 2026 (Standalone)	95.50
Additions	28.37
Capitalised	-
Balance as at September 30, 2026 (Consolidated)	**123.87**
Balance as at April 01, 2025 (Standalone)	-
Additions	95.50
Capitalised	-
Balance as at March 31, 2026 (Standalone)	**95.50**
Balance as at April 01, 2024 (Standalone)	-
Additions	-
Capitalised	-
Balance as at March 31, 2025 (Standalone)	**-**
Balance as at April 01, 2023 (Standalone)	-
Additions	-
Capitalised	-
Balance as at March 31, 2024 (Standalone)	**-**

CWIP ageing schedule:

	Amount in CWIP for a period of				
	Less than 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	123.87	-	-	-	123.87
Projects temporarily suspended	-	-	-	-	-
Balance as at September 30, 2026 (Consolidated)	**123.87**	**-**	**-**	**-**	**123.87**
Projects in progress	95.50	-	-	-	95.50
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**95.50**	**-**	**-**	**-**	**95.50**
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2025 (Standalone)	**-**	**-**	**-**	**-**	**-**
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2024 (Standalone)	**-**	**-**	**-**	**-**	**-**

Notes:

i. There are no projects / items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.

ii. Borrowing costs capitalised during the period/year amounted to ₹ 4.33 millions (March 31, 2026: ₹ 0.79 millions, March 31, 2025: ₹ Nil and March 31, 2024: ₹ Nil)

3(c) Right-of-use assets and Lease liabilities

The Group has entered into lease contracts for factory premises to use it for commercial purpose to carry out its business operations.

(a) The carrying amount of right-of-use (ROU) assets recognised and the movements during the period/year:

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Balance as at the beginning of the period/year	**263.68**	**183.91**	**5.30**	**7.57**
Add: Additions	4.38	99.23	192.94	-
Less: Depreciation expense*	(10.52)	(19.46)	(10.36)	(2.27)
Less: Effect of modification to lease terms	-	-	(3.97)	-
Balance as at the end of the period/year	**257.54**	**263.68**	**183.91**	**5.30**

* Depreciation of ₹ 0.83 millions (March 31, 2026: ₹0.14 millions, March 31, 2025: Nil, March 31, 2024: Nil) has been capitalised to CWIP.

(b) The carrying amount of lease liabilities (included under financial liabilities) and the movements:

Movement in lease liabilities

	For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Balance as at the beginning of the period/year	**278.00**	**185.31**	**6.10**	**8.00**
Add: Additions	-	94.43	185.99	-
Add: Interest expense on lease liabilities*	13.34	19.05	9.20	0.70
Less: Payments	(10.91)	(20.79)	(11.17)	(2.60)
Less: Effect of modification to lease terms	-	-	(4.81)	-
Balance as at the end of the period/year	**280.43**	**278.00**	**185.31**	**6.10**

* Interest of ₹ 4.33 millions (March 31, 2026: ₹ 0.79 millions, March 31, 2025: Nil, March 31, 2024: Nil) has been capitalised to CWIP.

(c) Details of contractual maturities of lease liabilities on undiscounted basis:

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Less than one year	29.01	22.87	20.79	2.79
One to two years	31.66	30.21	22.87	3.00
Two to five years	113.51	108.31	83.28	1.03
More than five years	1,794.94	1,818.64	179.61	-
Total	**1,969.12**	**1,980.03**	**306.55**	**6.82**

(d) Break-up of lease liabilities on discounted basis

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Lease liabilities (current)	23.39	23.42	18.92	2.06
Lease liabilities (non-current)	257.04	254.58	166.39	4.04
Total	**280.43**	**278.00**	**185.31**	**6.10**

(e) Amount recognised in statement of profit and loss

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Depreciation of right-of-use assets	9.66	19.32	10.36	2.27
Interest expense on lease liabilities	9.01	18.27	9.20	0.70
Short-term lease expense	0.80	3.08	0.61	0.75
Total	**19.47**	**40.67**	**20.17**	**3.72**

3(d) Intangible assets and goodwill

	Computer software	Technical know-how / Product development costs	Patents	Customer Contracts	Goodwill	Total
Cost or deemed cost						
Balance as at April 01, 2026 (Standalone)	1.91	90.20	4.27	-	-	96.38
Additions	12.80	-	2.48	-		15.28
Addition on account of acquisition				553.65	173.69	727.34
Disposals	-	-	-			-
Balance as at September 30, 2026 (Consolidated)	**14.71**	**90.20**	**6.75**	**553.65**	**173.69**	**839.00**
Balance as at April 01, 2025 (Standalone)	1.91	90.20	4.27	-	-	96.38
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**1.91**	**90.20**	**4.27**	**-**	**-**	**96.38**
Balance as at April 01, 2024 (Standalone)	1.75	90.20	-	-	-	91.95
Additions	0.16	-	4.27	-	-	4.43
Disposals	-	-	-	-	-	-
Balance as at March 31, 2025 (Standalone)	**1.91**	**90.20**	**4.27**	**-**	**-**	**96.38**
Balance as at April 01, 2023 (Standalone)	0.00	-	-	-	-	0.00
Additions	1.75	90.20	-	-	-	91.95
Disposals	-	-	-	-	-	-
Balance as at March 31, 2024 (Standalone)	**1.75**	**90.20**	**-**	**-**	**-**	**91.95**
Accumulated amortisation						
Balance as at April 01, 2026 (Standalone)	1.23	23.30	1.61	-	-	26.14
Amortisation	0.72	4.52	0.47	13.14	-	18.85
Disposals	-	-	-	-	-	-
Balance as at September 30, 2026 (Consolidated)	**1.95**	**27.82**	**2.08**	**13.14**	**-**	**44.99**
Balance as at April 01, 2025 (Standalone)	0.63	14.28	0.76	-	-	15.67
Amortisation	0.60	9.02	0.85	-	-	10.47
Disposals	-	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**1.23**	**23.30**	**1.61**	**-**	**-**	**26.14**
Balance as at April 01, 2024 (Standalone)	0.05	5.26	-	-	-	5.31
Amortisation	0.58	9.02	0.76	-	-	10.36
Disposals	-	-	-	-	-	-
Balance as at March 31, 2025 (Standalone)	**0.63**	**14.28**	**0.76**	**-**	**-**	**15.67**
Balance as at April 01, 2023 (Standalone)	-	-	-	-	-	-
Amortisation	0.05	5.26	-	-	-	**5.31**
Disposals	-	-	-	-	-	-
Balance as at March 31, 2024 (Standalone)	**0.05**	**5.26**	**-**	**-**	**-**	**5.31**
Net book value						
Consolidated As at September 30, 2026	**12.76**	**62.38**	**4.67**	**540.51**	**173.69**	**794.01**
Standalone As at March 31, 2026	**0.68**	**66.90**	**2.66**	**-**	**-**	**70.24**
Standalone As at March 31, 2025	**1.28**	**75.92**	**3.51**	**-**	**-**	**80.71**
Standalone As at March 31, 2024	**1.70**	**84.94**	**-**	**-**	**-**	**86.64**

Note:

i. On transition to Ind AS (i.e. April 1, 2023), the Company had elected to continue with the net carrying value of all intangible assets measured as per the Previous GAAP and use that net carrying value as the deemed cost of intangible assets.

3(e) Intangible assets under development ("IAUD")

	Projects in progress
Cost	
Balance as at April 01, 2026 (Standalone)	321.51
Additions	72.77
Capitalised	(2.48)
Balance as at September 30, 2026 (Consolidated)	**391.80**
Balance as at April 01, 2025 (Standalone)	77.36
Additions	244.15
Capitalised	-
Balance as at March 31, 2026 (Standalone)	**321.51**
Balance as at April 01, 2024 (Standalone)	4.04
Additions	75.44
Capitalised	(2.12)
Balance as at March 31, 2025 (Standalone)	**77.36**
Balance as at April 01, 2023 (Standalone)	14.75
Additions	79.49
Capitalised	(90.20)
Balance as at March 31, 2024 (Standalone)	**4.04**

IAUD ageing Schedule	**Amount of IAUD for a period of**				
	Less than 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	316.93	74.02	0.23	0.62	391.80
Projects temporarily suspended	-	-	-	-	-
Balance as at September 30, 2026 (Consolidated)	**316.93**	**74.02**	**0.23**	**0.62**	**391.80**
Projects in progress	244.15	75.44	0.74	1.18	321.51
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2026 (Standalone)	**244.15**	**75.44**	**0.74**	**1.18**	**321.51**
Projects in progress	75.44	0.74	0.97	0.21	77.36
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2025 (Standalone)	**75.44**	**0.74**	**0.97**	**0.21**	**77.36**
Projects in progress	1.17	2.66	0.21	-	4.04
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2024 (Standalone)	**1.17**	**2.66**	**0.21**	**-**	**4.04**

Notes:

i. There are no projects / items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.

ii. Refer note 38(a) for disclosure related to the capital commitments

4 Investments

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Non-current investments				
Investments in equity instruments				
Investments at fair value through other comprehensive income				
Unquoted				
In Others:				
435 (March 31, 2026: 435, March 31, 2025: Nil, March 31, 2024: Nil) equity shares of EndureAir Systems Private Limited (face value of ₹ 10/- each), fully paid up	30.11	30.11	-	-
Total non-current investments	**30.11**	**30.11**	**-**	**-**
Aggregate amount of quoted investments and market value thereof	-	-	-	-
Aggregate amount of unquoted investments	30.11	30.11	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

Notes:
Refer note 40 for fair value measurements and note 42 for information about the Group's exposure to financial risks.

Financial assets measured at fair value through other comprehensive income include investment in equity instruments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate by management for these strategic investments.

5 Other financial assets (at amortised cost)

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Non-current				
Security deposits	5.08	4.83	4.37	1.58
Bank deposits with more than 12 months maturity*	354.50	163.70	188.02	7.39
Total other financial assets	**359.58**	**168.53**	**192.39**	**8.97**

Notes:
*Bank deposits amount of ₹ 354.50 millions (March 31, 2026 - ₹ 163.70 millions ; March 31, 2025 - ₹ 188.02 millions and March 31, 2024 - ₹ 7.39 millions) is lien against non-fund based instruments issued by the bank.
Refer note 40 for fair value measurements and note 42 for information about the Group's exposure to financial risks.

6 Income tax assets (net)

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Income tax receivable (net of provision)	-	-	-	5.06
Total income tax assets	**-**	**-**	**-**	**5.06**

7 Deferred tax assets (net)

Movement in deferred tax balances

	Standalone As at March 31, 2026	Recognised in the statement of profit and loss	Recognised in OCI	Consolidated As at September 30, 2026
Property, plant and equipment and other intangible assets	(9.24)	(27.06)	-	(36.30)
Employee benefit obligations	-	45.23		45.23
Provision for ESOPs	10.30	6.61	-	16.91
Expenses allowed in the year of payment	9.64	1.70	-	11.34
Adjustments on account of Ind AS 116 - Lessee (net)	3.60	2.16	-	5.76
Adjustments on account of Ind AS 109 - financial instruments	50.76	(36.28)	-	14.48
Others	1.11	-	0.23	1.34
Deferred tax assets (net)	**66.17**	**(7.64)**	**0.23**	**58.76**

	Standalone As at March 31, 2025	Recognised in the statement of profit and loss	Recognised in OCI	Standalone As at March 31, 2026
Property, plant and equipment and other intangible assets	(8.16)	(1.08)	-	(9.24)
Provision for ESOPs	-	10.30	-	10.30
Expenses allowed in the year of payment	4.90	4.74	-	9.64
Adjustments on account of Ind AS 116 - Lessee (net)	0.35	3.25	-	3.60
Adjustments on account of Ind AS 109 - financial instruments	32.31	18.45	-	50.76
Others	0.54	-	0.57	1.11
Deferred tax assets (net)	**29.94**	**35.66**	**0.57**	**66.17**

	Standalone As at March 31, 2024	Recognised in the statement of profit and loss	Recognised in OCI	Standalone As at March 31, 2025
Property, plant and equipment and other intangible assets	(5.89)	(2.27)	-	(8.16)
Expenses allowed in the year of payment	2.60	2.30	-	4.90
Adjustments on account of Ind AS 116 - Lessee (net)	0.20	0.15	-	0.35
Adjustments on account of Ind AS 109 - financial instruments	60.50	(28.19)	-	32.31
Others	(0.06)	-	0.60	0.54
Deferred tax assets (net)	**57.35**	**(28.01)**	**0.60**	**29.94**

	Standalone As at March 31, 2023	Recognised in the statement of profit and loss	Recognised in OCI	Standalone As at March 31, 2024
Property, plant and equipment and other intangible assets	(0.58)	(5.31)	-	(5.89)
Expenses allowed in the year of payment	1.98	0.62	-	2.60
Adjustments on account of Ind AS 116 - lessee (net)	0.11	0.09	-	0.20
Adjustments on account of Ind AS 109 - financial instruments	28.27	32.23	-	60.50
Others	-	-	(0.06)	(0.06)
Deferred tax assets (net)	**29.78**	**27.63**	**(0.06)**	**57.35**

8 Other assets

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Non-current				
Capital advances	33.98	6.26	0.23	-
Prepayments	8.37	10.58	12.47	0.20
Total other non-current assets	**42.35**	**16.84**	**12.70**	**0.20**

9 Inventories
(Valued at lower of cost and net realisable value)

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Raw materials	162.19	66.73	58.33	67.14
Work-in-progress	126.55	-	-	-
Finished goods	11.11	11.11	11.11	51.22
Stores and spares	13.81	-	-	-
Total inventories	**313.66**	**77.84**	**69.44**	**118.36**

Note:
Refer note 20 for information on inventories hypothecated as security by the Group.

11 Cash and cash equivalents

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Balance with banks:				
in current accounts	25.01	273.27	385.41	147.13
in deposits with original maturity of less than three months	-	689.82	9.17	5.54
Cash in hand	0.05	-	-	-
Virtual wallet balance	0.02	2.16	1.15	0.45
Total cash and cash equivalents	**25.08**	**965.25**	**395.73**	**153.12**

Notes:
(i) Refer note 42 for details on financial risk management.
(ii) Out of above bank deposits, ₹ Nil (March 31, 2026 - ₹ 6.89 millions ; March 31, 2025 - ₹ 9.17 millions and March 31, 2024 - ₹ 5.5 millions) is lien against non-fund based instruments issued by the bank.

12 Bank balances other than cash and cash equivalents

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Balances in escrow account	0.01	0.01	0.01	0.01
Deposits with banks with original maturity of more than three months but less than 12 months	2,094.67	1,134.29	1,474.70	6.13
Total bank balances other than cash and cash equivalents	**2,094.68**	**1,134.30**	**1,474.71**	**6.14**

Notes:
(i) Refer note 42 for details on financial risk management.
(ii) Out of above bank deposits, ₹ 334.58 millions (March 31, 2026 - ₹ 1,008.58 millions ; March 31, 2025 - ₹ 149.46 millions and March 31, 2024 - ₹ 6.10 millions) is lien against non-fund based instruments issued by the bank and ₹ 1,750.00 millions (March 31, 2026 - ₹ Nil ; March 31, 2025 - ₹ Nil and March 31, 2024 - ₹ Nil) is lien against fund based instruments issued by the bank.

13 Other financial assets

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Current				
Security deposits	3.68	4.63	4.78	4.10
Interest accrued but not due on bank deposit	57.92	21.07	24.66	0.11
Accrued income (Contract Assets)	10.90	-	-	-
Total other financial assets	**72.50**	**25.70**	**29.44**	**4.21**

Notes:
Refer note 40 for fair value measurements and note 42 for information about the Group's exposure to financial risks.

14 Other assets

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Current				
Prepayments*	129.80	16.26	12.47	2.26
Advances to suppliers	468.10	144.55	184.81	41.38
Advance to employees	-	0.15	0.67	0.52
Balances with government authorities	0.69	0.58	0.72	66.63
Total other current assets	**598.59**	**161.54**	**198.67**	**110.79**

* The Company filed a pre-filed draft red herring prospectus dated August 04, 2026 with SEBI and the stock exchanges on August 04, 2026, through the confidential pre-filing route under the SEBI (ICDR) Regulations, 2018, in relation to a proposed initial public offering of its equity shares on the main board of the stock exchanges. The Company has received the requisite regulatory approvals. The proposed offering, comprising a fresh issue and an offer for sale, remains subject to market conditions and the final decision of the Board and shareholders. Expenses of ₹ 118.92 million incurred in connection with the proposed IPO up to September 30, 2026 have been presented as "Prepayments" under Other current assets. To the extent attributable to the fresh issue of equity shares, these expenses will be adjusted against the securities premium account in accordance with Section 52 of the Companies Act, 2013, upon successful completion of the IPO. Expenses attributable to the offer for sale will be recovered from the selling shareholders.

10 Trade receivables

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Trade receivables considered good - unsecured	4,444.81	2,419.28	586.90	150.54
	4,444.81	**2,419.28**	**586.90**	**150.54**
Less: Allowance for expected credit loss	(67.20)	(67.20)	(31.92)	(22.02)
Trade receivables - net	**4,377.61**	**2,352.08**	**554.98**	**128.52**

i. Trade receivables are non-interest bearing and are generally on credit terms of around 180 days. The Group does not hold any collateral security.
ii. No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.
iii. Refer note 42 on financial risk management for details of company's exposure to financial risk.
iv. Refer note 43 on amounts due to related party.

Trade receivables ageing schedule

Consolidated As at September 30, 2026	**Outstanding for the following periods from due date of payment**						
	Not Due	**Less than 6 month**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed							
Undisputed trade receivables- considered good	2,437.72	1,931.34	0.61	39.38	27.66	8.10	4,444.81
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(ii) Disputed							
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**2,437.72**	**1,931.34**	**0.61**	**39.38**	**27.66**	**8.10**	**4,444.81**
Less: Allowance for expected credit loss							(67.20)
							4,377.61

Standalone As at March 31, 2026	**Outstanding for the following periods from due date of payment**						
	Not Due	**Less than 6 month**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed							
Undisputed trade receivables- considered good	1,836.44	0.92	539.21	27.82	0.04	14.85	2,419.28
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(ii) Disputed							
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,836.44**	**0.92**	**539.21**	**27.82**	**0.04**	**14.85**	**2,419.28**
Less: Allowance for expected credit loss							(67.20)
							2,352.08

Standalone As at March 31, 2025	Outstanding for the following periods from due date of payment						
	Not Due	Less than 6 month	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed							
Undisputed trade receivables- considered good	544.19	0.19	27.63	0.04	0.26	14.59	586.90
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(ii) Disputed							
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**544.19**	**0.19**	**27.63**	**0.04**	**0.26**	**14.59**	**586.90**
Less: Allowance for expected credit loss							(31.92)
							554.98

Standalone As at March 31, 2024	Outstanding for the following periods from due date of payment						
	Not Due	Less than 6 month	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed							
Undisputed trade receivables- considered good	121.08	0.02	14.39	0.26	0.14	14.65	150.54
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(ii) Disputed							
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**121.08**	**0.02**	**14.39**	**0.26**	**0.14**	**14.65**	**150.54**
Less: Allowance for expected credit loss							(22.02)
							128.52

There are no unbilled dues, hence the same is not disclosed in the ageing schedule.

15 Equity share capital

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Authorised share capital								
Equity shares of ₹ 2/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)	2,24,97,75,000	4,499.55	1,24,75,000	124.75	2,25,000	2.25	2,25,000	2.25
Preference Shares of ₹ 10/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)	45,000	0.45	45,000	0.45	35,000	0.35	25,000	0.25
Preference Shares of ₹ 100/- each (March 31, 2026: ₹ 100/- each, March 31, 2025: ₹ 100/- each, March 31, 2024: ₹ 100/- each)	-	-	-	-	12,25,000	122.50	12,25,000	122.50
	2,24,98,20,000	**4,500.00**	**1,25,20,000**	**125.20**	**14,85,000**	**125.10**	**14,75,000**	**125.00**

Notes:

Reconciliation of authorised shares outstanding at the beginning and at the end of the period/year:

Equity shares of ₹ 2/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the period/year	1,24,75,000	124.75	2,25,000	2.25	2,25,000	2.25	2,25,000	2.25
Add: Increased in authorised capital during the period/year	43,74,80,000	4,374.80	-	-	-	-	-	-
Reclassification during the period/year (Refer note 15.8)	-	-	1,22,50,000	122.50	-	-	-	-
Before adjustment of sub-division of shares	44,99,55,000	4,499.55	1,24,75,000	124.75	2,25,000	2.25	2,25,000	2.25
Adjusted No.of shares on account of sub-division of equity shares. (Refer note 15.11)	**2,24,97,75,000**	**4,499.55**						

Preference Shares of ₹ 10/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the period/year	45,000	0.45	35,000	0.35	25,000	0.25	25,000	0.25
Issued during the period/year	-	-	10,000	0.10	10,000	0.10	-	-
Balance at the end of the period/year	**45,000**	**0.45**	**45,000**	**0.45**	**35,000**	**0.35**	**25,000**	**0.25**

Preference Shares of ₹ 100/- each (March 31, 2026: ₹ 100/- each, March 31, 2025: ₹ 100/- each, March 31, 2024: ₹ 100/- each)

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the period/year	-	-	12,25,000	122.50	12,25,000	122.50	12,25,000	122.50
Reclassification during the period/year (Refer note 15.8)	-	-	(12,25,000)	(122.50)	-	-	-	-
Balance at the end of the period/year	**-**	**-**	**-**	**-**	**12,25,000**	**122.50**	**12,25,000**	**122.50**

Issued, subscribed and fully paid-up

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity shares of ₹ 2/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)	2,05,38,89,271	4,107.78	1,02,744	1.03	1,02,744	1.03	1,02,744	1.03
0.01% Compulsarily Convertible Preference Shares ('CCPS') of ₹ 10/- each **	-	-	12,771	-	12,771	-	12,771	-
0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS') of ₹ 100/- each fully paid up **	-	-	-	-	-	-	12,04,450	-
	2,05,38,89,271	**4,107.78**	**1,15,515**	**1.03**	**1,15,515**	**1.03**	**13,19,965**	**1.03**
Instruments entirely equity in nature								
Issue of share capital classified as equity - Series A CCPS	-	-	16,631	0.16	16,631	0.17	-	-
Issue of share capital classified as equity - Series B CCPS	-	-	3,991	0.04	-	-	-	-
Issue of share capital classified as equity - Series B1 CCPS	-	-	559	0.01	-	-	-	-
	-	**-**	**21,181**	**0.21**	**16,631**	**0.17**	**-**	**-**

15.1 Reconciliation of shares outstanding at the beginning and at the end of the period/year

Equity shares of ₹ 2/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the period/year	1,02,744	1.03	1,02,744	1.03	1,02,744	1.03	1,02,744	1.03
Add: Bonus shares issued during the period/year	28,76,83,200	2,876.83	-	-	-	-	-	-
	28,77,85,944	**2,877.86**	**1,02,744**	**1.03**	**1,02,744**	**1.03**	**1,02,744**	**1.03**
Adjusted No. of shares on account of sub-division	1,43,89,29,720	2,877.86	-	-	-	-	-	-
Add: Shares issued on account of conversion of preference shares to equity shares during the period (refer note 15.12)	61,49,59,551	1,229.92	-	-	-	-	-	-
Balance at the end of the period/year	**2,05,38,89,271**	**4,107.78**	**1,02,744**	**1.03**	**1,02,744**	**1.03**	**1,02,744**	**1.03**

0.01% Compulsarily Convertible Preference Shares ('CCPS') of ₹ 10/- each **

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	12,771	0.13	12,771	0.13	12,771	0.13	12,771	0.13
Issued during the period/year	-	-	-	-	-	-	-	-
Less: Converted into equity shares during the period/year (refer note 15.12)	(12,771)	(0.13)	-	-	-	-	-	-
Balance at the end of the period/year	**-**	**-**	**12,771**	**0.13**	**12,771**	**0.13**	**12,771**	**0.13**

0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS') of ₹ 100/- each fully paid up **

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	-	-	-	-	12,04,450	120.45	12,04,450	120.45
Redeemed during the period/year	-	-	-	-	(12,04,450)	(120.45)	-	-
Balance at the end of the period/year	**-**	**-**	**-**	**-**	**-**	**-**	**12,04,450**	**120.45**

0.01% Series A Compulsarily Convertible Preference Shares ('Series A CCPS') of ₹ 10/- each

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	16,631	0.16	16,631	0.16	-	-	-	-
Issued during the period/year	-	-	-	-	14,433	0.14	-	-
Debt conversion rights exercised*	-	-	-	-	2,198	0.02	-	-
Less: Converted into equity shares during the period/year (refer note 15.12)	(16,631)	(0.16)	-	-	-	-	-	-
Balance at the end of the period/year	**-**	**-**	**16,631**	**0.16**	**16,631**	**0.16**	**-**	**-**

*0.01% Compulsory Convertible Debentures ('CCD') converted based on the terms & conditions as per Share Subscription cum Shareholders' Agreement.

0.01% Series B1 Compulsarily Convertible Preference Shares ('Series B1 CCPS') of ₹ 10/- each

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	559	0.01	-	-	-	-	-	-
Issued during the period/year	-	-	559	0.01	-	-	-	-
Less: Converted into equity shares during the period/year (refer note 15.12)	(559)	(0.01)	-	-	-	-	-	-
Balance at the end of the period/year	**-**	**-**	**559**	**0.01**	**-**	**-**	**-**	**-**

0.01% Series B Compulsarily Convertible Preference Shares ('Series B CCPS') of ₹ 10/- each

	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	3,991	0.04	-	-	-	-	-	-
Issued during the period/year	3,505	0.04	3,991	0.04	-	-	-	-
Less: Converted into equity shares during the period/year (refer note 15.12)	(7,496)	(0.08)	-	-	-	-	-	-
Balance at the end of the period/year	**-**	**-**	**3,991**	**0.04**	**-**	**-**	**-**	**-**

15.2 Terms / rights attached to:

A Equity Shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll or on show of hands are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

B 0.01% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 10/- each

The CCPS are convertible into Equity Shares of ₹ 10/- each after a period of 20 years from the date of issue of such Preference Shares. The CCPS carry a dividend at the rate of 0.01% on face value per annum. The CCPS shall rank pari-passu as if fully converted basis with existing Equity Shares and any Equity Shares issued at a future date. Shareholders shall be entitled to voting rights as if fully converted basis. The CCPS are compulsorily convertible into Equity Shares as per the terms and conditions mentioned in the Share Subscription cum Shareholders' Agreement.

C 0.01% Series A Compulsory Convertible Preference Shares ('Series A CCPS') of ₹ 10/- each

The Series A CCPS are convertible into Equity Shares of ₹ 10/- each after a period of 20 years from the date of issue of such Preference Shares. The Series A CCPS carry a dividend at the rate of 0.01% on face value per annum. The Series A CCPS shall rank pari-passu as if fully converted basis with existing Equity Shares and any Equity Shares issued at a future date. Shareholders shall be entitled to voting rights as if fully converted basis. The Series A CCPS are compulsorily convertible into Equity Shares as per the terms and conditions mentioned in the Share Subscription cum Shareholders' Agreement.

D 0.01% Series B1 Compulsory Convertible Preference Shares ('Series B1 CCPS') of ₹ 10/- each

The Series B1 CCPS are convertible into Equity Shares of ₹ 10/- each after a period of 20 years from the date of issue of such Preference Shares. The Series B1 CCPS carry a dividend at the rate of 0.01% on face value per annum. The Series B1 CCPS shall rank pari-passu as if fully converted basis with existing Equity Shares and any Equity Shares issued at a future date. Shareholders shall be entitled to voting rights as if fully converted basis. The Series B1 CCPS are compulsorily convertible into Equity Shares as per the terms and conditions mentioned in the Share Subscription cum Shareholders' Agreement.

E 0.01% Series B Compulsory Convertible Preference Shares ('Series B CCPS') of ₹ 10/- each

The Series B CCPS are convertible into Equity Shares of ₹ 10/- each after a period of 20 years from the date of issue of such Preference Shares. The Series B CCPS carry a dividend at the rate of 0.01% on face value per annum. The Series B CCPS shall rank pari-passu as if fully converted basis with existing Equity Shares and any Equity Shares issued at a future date. Shareholders shall be entitled to voting rights as if fully converted basis. The Series B CCPS are compulsorily convertible into Equity Shares as per the terms and conditions mentioned in the Share Subscription cum Shareholders' Agreement.

F 0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS') of ₹ 100/- each fully paid up

The OCRPS are convertible into Equity Shares of ₹ 100/- each after a period of 20 years from the date of issue of such Preference Shares. The OCRPS carry a cumulative dividend at the rate of 0.01% on face value per annum. The OCRPS shall rank pari-passu as if fully converted basis with existing Equity Shares and any Equity Shares issued at a future date. Shareholders shall be entitled to voting rights as if fully converted basis. The OCRPS are redeemable / optionally convertible into Equity Shares at the option of the holder as per the terms and conditions mentioned in the Share Subscription cum Shareholders' Agreement.

15.3 Shareholders holding more than 5% of each class of shares

Equity shares of ₹ 2/- each (March 31, 2026: ₹ 10/- each, March 31, 2025: ₹ 10/- each, March 31, 2024: ₹ 10/- each)*

Shareholders Name	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Nikunj Parashar	34,49,01,135	16.79%	22,611	22.01%	23,800	23.16%	25,000	24.33%
SVADHA India Emerging Opportunities Scheme 1	32,38,07,860	15.77%	2,357	2.29%	1,200	1.17%	-	0.00%
ONGC Start up Fund	17,88,57,855	8.71%	-	0.00%	-	0.00%	-	0.00%
Ramkamalprasad Singh	12,33,42,035	6.01%	10,442	10.16%	11,291	10.99%	22,265	21.67%
Manoj Agrawal	13,50,92,230	6.58%	8,854	8.62%	8,854	8.62%	9,000	8.76%
Amish Desai	11,06,95,520	5.39%	7,854	7.64%	8,104	7.89%	8,404	8.18%
Ankit Desai	11,06,95,520	5.39%	7,854	7.64%	8,104	7.89%	8,404	8.18%
Mridul Babbar	10,40,57,150	5.07%	6,856	6.67%	7,216	7.02%	-	-
Lakshay Dang	10,40,57,150	5.07%	6,856	6.67%	7,216	7.02%	7,366	7.17%
Ankit Kumar	7,49,26,750	3.65%	4,947	4.81%	5,207	5.07%	5,357	5.21%
Saurabh Patil	7,49,26,750	3.65%	4,947	4.81%	5,207	5.07%	5,357	5.21%

* Refer note 15.9

0.01% Compulsarily Convertible Preference Shares ('CCPS') of ₹ 10/- each**

Shareholders Name	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
ONGC Start-up Fund	-	-	12,771	100.00%	12,771	100.00%	12,771	100.00%

0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS') of ₹ 100/- each fully paid up**

Shareholders Name	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Maharashtra Defence Venture Fund	-	-	-	-	-	-	8,04,450	66.79%
ONGC Start-up Fund	-	-	-	-	-	-	4,00,000	33.21%

0.01% Series A Compulsarily Convertible Preference Shares ('Series A CCPS') of ₹ 10/- each

Shareholders Name	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
SVADHA India Emerging Opportunities Scheme 1	-	-	16,631	100.00%	16,631	100.00%	-	-

0.01% Series B1 Compulsarily Convertible Preference Shares ('Series B1 CCPS') of ₹ 10/- each

Shareholders Name	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Nikunj Parashar	-	-	224	40.07%	-	-	-	-
Manoj Agrawal	-	-	88	15.74%	-	-	-	-
Mridul Babbar	-	-	68	12.16%	-	-	-	-
Lakshay Dang	-	-	68	12.16%	-	-	-	-
Ankit Kumar	-	-	49	8.77%	-	-	-	-
Saurabh Patil	-	-	49	8.77%	-	-	-	-

0.01% Series B Compulsarily Convertible Preference Shares ('Series B CCPS') of ₹ 10/- each

Shareholders Name	Consolidated As at September 30, 2026		Standalone As at March 31, 2026		Standalone As at March 31, 2025		Standalone As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
SVADHA India Emerging Opportunities Scheme 1	-	-	2,645	66.27%	-	-	-	-
Skegen Asset Management LLP	-	-	838	21.00%	-	-	-	-
Shakti Finvest Partners	-	-	287	7.19%	-	-	-	-
Ramchandra Kollareddy	-	-	221	5.54%	-	-	-	-

As per records of the Group including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

15.4 Details of shares held by promoters

Equity shares of ₹ 2/- each

Promoter Name	Consolidated As at September 30, 2026					
	No. of shares at the beginning of the period	Bonus and sub-division	Changes during the period^	No. of shares at the end of the period	% of total shares	% change during the period
Nikunj Parashar	22,611	31,66,44,444	2,82,34,080	34,49,01,135	16.79%	-5.21%
Manoj Agrawal	8,854	12,39,91,416	1,10,91,960	13,50,92,230	6.58%	-2.04%
Mridul Babbar	6,856	9,60,11,424	80,38,870	10,40,57,150	5.07%	-1.61%
Lakshay Dang	6,856	9,60,11,424	80,38,870	10,40,57,150	5.07%	-1.61%
Ankit Kumar	4,947	6,92,77,788	56,44,015	7,49,26,750	3.65%	-1.17%
Saurabh Patil	4,947	6,92,77,788	56,44,015	7,49,26,750	3.65%	-1.17%
Amit Singla	1,339	1,87,51,356	13,16,470	2,00,69,165	0.98%	-0.33%

Equity shares of ₹ 10/- each

Promoter Name	Standalone As at March 31, 2026		
	No. of shares	% of total shares	% change during the year
Nikunj Parashar	22,611	22.01%	-5.00%
Manoj Agrawal	8,854	8.62%	0.00%
Mridul Babbar	6,856	6.67%	-4.99%
Lakshay Dang	6,856	6.67%	-4.99%
Ankit Kumar	4,947	4.81%	-4.99%
Saurabh Patil	4,947	4.81%	-4.99%
Amit Singla	1,339	1.30%	0.00%

Equity shares of ₹ 10/- each

Promoter Name	Standalone As at March 31, 2025		
	No. of shares	% of total shares	% change during the year
Nikunj Parashar	23,800	23.16%	-4.80%
Manoj Agrawal	8,854	8.62%	-1.62%
Mridul Babbar	7,216	7.02%	NA
Lakshay Dang	7,216	7.02%	-2.04%
Ankit Kumar	5,207	5.07%	-2.80%
Saurabh Patil	5,207	5.07%	-2.80%
Amit Singla	1,339	1.30%	0.00%

Equity shares of ₹ 10/- each

Promoter Name	Standalone As at March 31, 2024		
	No. of shares	% of total shares	% change during the year
Nikunj Parashar	25,000	24.33%	0.00%
Manoj Agrawal	9,000	8.76%	0.00%
Lakshay Dang	7,366	7.17%	83.33%
Ankit Kumar	5,357	5.21%	NA
Saurabh Patil	5,357	5.21%	NA
Amit Singla	1,339	1.30%	NA

0.01% Series B1 Compulsory Convertible Preference Shares of Nil (March 31, 2026- ₹ 10/- each; March 31,2025- Nil; March 31, 2024- Nil)

Promoter Name	Consolidated As at September 30, 2026		
	No. of shares	% of total shares	% change during the period
Nikunj Parashar	-	-	-100.00%
Manoj Agrawal	-	-	-100.00%
Mridul Babbar	-	-	-100.00%
Lakshay Dang	-	-	-100.00%
Ankit Kumar	-	-	-100.00%
Saurabh Patil	-	-	-100.00%
Amit Singla	-	-	-100.00%

Promoter Name	Standalone As at March 31, 2026		
	No. of shares	% of total shares	% change during the year
Nikunj Parashar	224	40.07%	NA
Manoj Agrawal	88	15.74%	NA
Mridul Babbar	68	12.16%	NA
Lakshay Dang	68	12.16%	NA
Ankit Kumar	49	8.77%	NA
Saurabh Patil	49	8.77%	NA
Amit Singla	13	2.33%	NA

^ Change during the period includes conversion of preference shares into equity shares and transfer of equity shares during the period.

15.5 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:
During the financial year 2022-23, the Company issued 300 fully paid-up equity shares upon conversion of an outstanding loan amounting to ₹18.33 millions.

15.6 Shares reserved for issue under options
For details of shares reserved for issue under the Share based payment plan of the Group, please refer note 41.
For details of shares reserved for issue on conversion of convertible preference shares, please refer note 15.2.

15.7 ** have been classified as financial liability. Please refer to note 17 for details.During the period ended September 30, 2026, ONGC Start up Fund has opted for coversion as per the terms of CCPS as mentioned in the share Subscription cum Shareholders Agreement dated March 26, 2026. Consequently, the classification of the instrument was changed from financial liability to equity.

15.8 During the year FY 2025-26, the parent Company altered its authorised share capital by converting 12,25,000 authorised preference shares of ₹100/- each into 1,22,50,000 authorised equity shares of ₹10/- each.

15.9 Aggregate bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date:
Pursuant to the shareholders' resolution of the Company dated July 11, 2026, the Company approved a bonus issue of 2,800 equity shares for every 1 equity share of face value of ₹10 held by shareholders as on the record date, i.e., July 03, 2026. Further, pursuant to a resolution passed by the Shareholders on July 11, 2026, each fully paid-up equity share of the Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each.
The Company has not bought back any shares during the period of five years immediately preceding the reporting date.

15.10 Shareholders vide the Extra-ordinary general meeting dated June 23, 2026, have approved the increase in Authorized Share Capital of the Company from ₹ 124.75 millions divided into 1,24,75,000 Equity Shares of ₹ 10/- each to ₹ 4,499.55 millions divided into 44,99,55,000 Equity Shares of ₹ 10/- each, by creation of 43,74,80,000 Equity Shares of ₹ 10/- each, ranking pari passu with the existing Equity Shares of the Company.

15.11 Shareholders vide the Extra-ordinary general meeting dated July 11, 2026, have approved Sub-division of the Authorised Share Capital consisting of 44,99,55,000 equity shares of the Company having face value of ₹ 10 each into 2,24,97,75,000 equity shares of face value of ₹ 2 each w.e.f., July 11, 2026, without altering the aggregate amount of the same.

15.12 Pursuant to the Board resolution of the Company dated September 28, 2026, the Company has converted the 0.01% Compulsorily Convertible Preference Shares ('CCPS') of ₹ 10/- each, 0.01% Series A Compulsorily Convertible Preference Shares ('Series A CCPS') of ₹ 10/- each , 0.01% Series B1 Compulsorily Convertible Preference Shares ('Series B1 CCPS') of ₹ 10/- and 0.01% Series B Compulsorily Convertible Preference Shares ('Series B CCPS') of ₹ 10/- each were converted into Equity shares with face value of ₹ 2/- each.

16 Other equity

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Retained earnings	2,077.08	1,061.69	184.37	(122.44)
Securities premium	145.54	3,290.07	2,373.76	107.04
Capital redemption reserve	120.45	120.45	120.45	-
Share options outstanding account	67.19	40.97	-	-
Total other equity	**2,410.26**	**4,513.18**	**2,678.58**	**(15.40)**

	Attributable to shareholders of the Group					
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	Total
Balance as at April 01, 2026 (Standalone)	**40.97**	**120.45**	**3,290.07**	**1,061.69**	**-**	**4,513.18**
Profit for the period	-	-	-	1,016.12	-	1,016.12
Other comprehensive income (net of taxes)	-	-	-	(0.73)	-	(0.73)
Total comprehensive income for the period	**40.97**	**120.45**	**3,290.07**	**2,077.08**	**-**	**5,528.57**
Premium on shares issued	-	-	795.15	-	-	795.15
Utilisation towards issuance of Bonus shares	-	-	(2,876.83)	-	-	(2,876.83)
On account of conversion of preference shares (Refer note15.7 & 15.12)	-	-	(1,034.04)	-	-	(1,034.04)
Share issue expenses	-	-	(28.81)	-	-	(28.81)
Employee share-based compensation expense	26.22	-	-	-	-	26.22
Balance as at September 30, 2026 (Consolidated)	**67.19**	**120.45**	**145.54**	**2,077.08**	**-**	**2,410.26**

	Attributable to shareholders of the Group					
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	Total
Balance as at April 01, 2025 (Standalone)	**-**	**120.45**	**2,373.76**	**184.37**	**-**	**2,678.58**
Profit for the year	-	-	-	879.03	-	879.03
Other comprehensive income (net of taxes)	-	-	-	(1.71)	-	(1.71)
Total comprehensive income for the year	**-**	**120.45**	**2,373.76**	**1,061.69**	**-**	**3,555.90**
Premium on shares issued	-	-	916.31	-	-	916.31
Employee share-based compensation expense	40.97	-	-	-	-	40.97
Balance as at March 31, 2026 (Standalone)	**40.97**	**120.45**	**3,290.07**	**1,061.69**	**-**	**4,513.18**

	Attributable to shareholders of the Group					
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	Total
Balance as at April 01, 2024 (Standalone)	**-**	**-**	**107.04**	**(122.44)**	**-**	**(15.40)**
Profit for the year	-	-	-	308.58	-	308.58
Other comprehensive income (net of taxes)	-	-	-	(1.77)	-	(1.77)
Total comprehensive income for the year	**-**	**-**	**107.04**	**184.37**	**-**	**291.41**
Premium on shares issued	-	-	2,390.69	-	-	2,390.69
Transfer to Capital redemption reserve	-	120.45	(120.45)	-	-	-
Share issue expenses	-	-	(3.52)	-	-	(3.52)
Balance as at March 31, 2025 (Standalone)	**-**	**120.45**	**2,373.76**	**184.37**	**-**	**2,678.58**

	Attributable to shareholders of the Group					
	Reserves and surplus				Other comprehensive income	
	Share options outstanding account	Capital redemption reserve	Securities premium	Retained earnings	Gain/(loss) on FVTOCI equity instruments	Total
Balance as at April 01, 2023 (Standalone)	**0.55**	**-**	**107.04**	**(60.03)**	**-**	**47.56**
Profit/(loss) for the year	-	-	-	(62.60)	-	(62.60)
Other comprehensive income (net of taxes)	-	-	-	0.19	-	0.19
Total comprehensive income for the year	**0.55**	**-**	**107.04**	**(122.44)**	**-**	**(14.85)**
Reversal of employee share-based compensation expense	(0.55)	-	-	-	-	(0.55)
Balance as at March 31, 2024 (Standalone)	**-**	**-**	**107.04**	**(122.44)**	**-**	**(15.40)**

Nature and purpose of the reserves

Retained earnings
All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

Securities premium
Amount subscribed for share capital in excess of nominal value. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Companies Act, 2013.

Capital redemption reserve
As per Companies Act, 2013, capital redemption reserve is created when Group purchases or redeems its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

Share options outstanding account
This is an equity reserve that represents the compensation cost recognised for employee stock options granted under Ind AS 102, with the expense spread over the vesting period. It is utilised when options are exercised (transferred to share capital and securities premium) or reversed to retained earnings if options are forfeited or expire unexercised.

Gain/(loss) on FVTOCI equity instruments
The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

17 Borrowings

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Non-current borrowings				
0.01% Compulsory Convertible Debentures (Refer note (iv))	-	-	-	282.50
0.01% Compulsory Convertible Preference Shares ('CCPS') of ₹ 10/- each fully paid up (Refer note (ii))	-	195.63	156.50	125.20
0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS') of ₹ 100/- each fully paid up (Refer note (iii))	-	-	-	196.40
Working capital term loan from bank (Refer note (i))	80.00	-	-	-
	80.00	**195.63**	**156.50**	**604.10**
Less: Current maturities of long term borrowings	(6.67)	-	-	-
Total non-current borrowings	**73.33**	**195.63**	**156.50**	**604.10**
Aggregate secured borrowings	73.33	-	-	-
Aggregate unsecured borrowings	-	195.63	156.50	604.10

Notes:

(i)

Particulars	Terms of repayment	Nature of Security
Working Capital Term Loan from State Bank of India, balance outstanding amounting to ₹ 80.00 million (March 31, 2026; March 31, 2025; March 31, 2024 - ₹ Nil)	Tenor of 60 months with 12 months moratorium and repayable in 48 equal monthly installments. Rate of interest EBLR+ spread (0.75%) (March 31, 2026; March 31, 2025; March 31, 2024: Nil)	Secured by all current assets generated by Bank finance, hypothecation of plant and machinery, Equitable mortgage of factory land and building located at PAP-V 13, Pune, Maharashtra - 410501 in the name of Mr. Ramkamal Prasad Singh. Further, personal guarantee is given by the 3 Directors being Mr. Nikunj Parashar, Mr. Manoj Agrawal & Mr. Mridul Babbar and Mr. Ramkamal Prasad Singh.

(ii) Refer Note 15.2B for terms attached to CCPS. Refer Note 15.7 for conversion of financial liability into equity

(iii) Refer Note 15.2F for terms attached to OCRPS.

(iv) 0.01% 22,00,000 Compulsorily Convertible Debentures ('CCD') of ₹ 100/- each are convertible based on the terms & conditions as stipulated under Share Subscription cum Shareholders' Agreement.

(v) Refer note 40 for fair value measurements and note 42 for information about the Group's exposure to financial risks.

18 Provisions

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Non-current				
Provision for Gratuity (refer note 44)	28.12	16.06	10.41	6.15
Provision for Compensated absenses	1.01	4.10	1.00	-
Total non-current provisions	**29.13**	**20.16**	**11.41**	**6.15**

The Code on Social Security, 2020

During the year ended March 31, 2026, the Central Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', effective from November 21, 2025 primarily impacting the wage definition to be considered for the purpose of defined benefit obligation relating to gratuity.

The Group has assessed financial implications of these changes and noted that its existing salary structure as well leave policies are in compliance with the requirements of the labour codes. Accordingly, the Group has concluded that the changes do not have any material impact on its financial statements. Considering that it is emerging topic and the finalisation of Central/ State Rules is still pending, the Group will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

Refer note 44 for details on employee benefits.

19 Other financial liabilties

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Current				
Payable to employees	7.85	4.51	-	0.06
Interest accrued but not due	0.57	-	-	-
Capital Creditors (Refer note below)	693.42	-	-	-
Other financial liabilities	0.91	-	-	-
Total other current financial liabilities	**702.75**	**4.51**	**-**	**0.06**

Notes:
Capital creditors include amounts payable in connection with the business acquisition. Refer notes 46 & 43.

20 Borrowings

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Current borrowings				
Working capital facilities from banks (Refer note iv below)	1,624.63	350.57	127.79	100.85
Loans from related parties (Refer note (i) below)	-	-	-	17.14
Current maturities of long term borrowings	6.67	-	-	-
Total current borrowings	**1,631.30**	**350.57**	**127.79**	**117.99**
Aggregate secured borrowings	1,631.30	350.57	127.79	100.85
Aggregate unsecured borrowings	-	-	-	17.14

Notes:
(i) Interest free loan received from director or relative of directors which is repayable on demand.
(ii) Refer note 40 for fair value measurements and note 42 for information about the Group's exposure to financial risks.
(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities is provided as footnote to Annexure III - Restated Statement of Cash Flows.
(iv)

Particulars	Terms of repayment	Nature of Security
Working Capital Demand Loan and Overdraft Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ Nil (March 31, 2026 - ₹ Nil, March 31, 2025 - ₹ 127.79 millions, March 31, 2024 - ₹ 100.85 millions)	Tenor of 12 months with annual renewals and repayable on demand. Rate of interest 9.75% to 9.95% p.a. (March 31, 2026 - ₹ Nil, March 31, 2025: 9.00% p.a., March 31, 2024: 9.00% p.a.)	Secured by Book debts, entire current assets and movable fixed asset of the Group including plant and machinery. Further, personal guarantee is given by the Directors, Mr. Nikunj Parashar and Mr. Manoj Agrawal.
Cash Credit limit, Bank Guarantee from State Bank of India, balance of cash credit limit outstanding amounting to ₹ 395.27 million (March 31, 2026- ₹ 67.15 million, March 31, 2025 - ₹ Nil and March 31, 2024 - ₹ Nil)	Cash Credit limit with tenor of 12 months with annual renewals and repayable on demand. Rate of interest RBI repo rate plus 1.25% spread p.a. (March 31, 2026- RBI repo rate plus 1.25% spread p.a., March 31, 2026 - NA and March 31, 2025 - NA)	Secured by all current assets generated by Bank finance, hypothecation of plant and machinery, Equitable mortgage of factory land and building located at PAP-V 13, Pune, Maharashtra - 410501 in the name of Mr. Ramkamal Prasad Singh. Further, personal guarantee is given by the 3 Directors being Mr. Nikunj Parashar, Mr. Manoj Agrawal & Mr. Mridul Babbar and Mr. Ramkamal Prasad Singh.
Overdraft Loan from State Bank of India, balance outstanding amounting to ₹ 1,229.36 millions (March 31, 2026- ₹ 283.42 millions, March 31, 2025 - ₹ Nil and March 31, 2024 - ₹ Nil)	Repayable on demand. Rate of interest of 7.65 % p.a. (March 31, 2026 - 7.65% p.a., March 31, 2026 - NA and March 31, 2025 - NA)	Secured against bank deposits.

21 Trade payables

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	16.51	62.61	0.94	0.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	368.08	475.64	206.98	17.74
Total trade payables	**384.59**	**538.25**	**207.92**	**18.46**

i. Trade payables are non-interest bearing and are normally settled on 60-day term.
ii. Refer note 42 on financial risk management for details of Group's exposure to financial risk.
iii. Refer note 43 on amounts due to related party.

The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
(a) Amount remaining unpaid to any supplier at the end of each accounting period/year:				
Principal amount	16.51	62.61	0.94	0.72
Interest due thereon	-	-	-	-
Total	**16.51**	**62.61**	**0.94**	**0.72**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period/year.	-	-	-	-
(c) 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 period) but without adding the interest specified under the MSMED Act.	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting period/year.	-	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-	-

Trade payables ageing schedule

	Outstanding for the following periods from due date of payment						
Consolidated as at September 30, 2026	**Unbilled dues**	**Payables not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	16.51	-	-	-	-	16.51
(ii) Others	38.53	186.28	125.85	16.93	0.18	0.31	368.08
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	38.53	**202.79**	**125.85**	**16.93**	**0.18**	**0.31**	**384.59**

	Outstanding for the following periods from due date of payment						
Standalone as at March 31, 2026	**Unbilled dues**	**Payables not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	62.61	-	-	-	-	62.61
(ii) Others	53.40	178.33	232.93	2.45	8.47	0.06	475.64

(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	53.40	**240.94**	**232.93**	**2.45**	**8.47**	**0.06**	**538.25**

	Outstanding for the following periods from due date of payment						
Standalone as at March 31, 2025	**Unbilled dues**	**Payables not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	0.94	-	-	-	-	0.94
(ii) Others	0.76	-	205.70	0.47	0.05	-	206.98
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	0.76	**0.94**	**205.70**	**0.47**	**0.05**	**-**	**207.92**

	Outstanding for the following periods from due date of payment						
Standalone as at March 31, 2024	**Unbilled dues**	**Payables not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	0.72	-	-	-	0.72
(ii) Others	-	-	17.48	0.24	0.02	-	17.74
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	-	**-**	**18.20**	**0.24**	**0.02**	**-**	**18.46**

22 Other liabilities

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Non-current				
Financial assistance refundable	178.70	178.70	52.05	17.22
Total other non-current liabilities	**178.70**	**178.70**	**52.05**	**17.22**
Current				
Advance from customers	-	-	0.35	0.66
Unspent CSR liabilities	5.34	-	-	-
Statutory liabilities	64.30	4.05	85.27	1.70
Total other current liabilities	**69.64**	**4.05**	**85.62**	**2.36**

23 Provisions

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Provision for warranties	22.18	15.91	7.29	3.73
Provision for Gratuity (refer note 44)	3.51	1.61	0.63	0.45
Provision for Compensated absenses	0.09	0.60	0.14	-
Total current provisions	**25.78**	**18.12**	**8.06**	**4.18**

Movement in provision for warranties:

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
As at the beginning of the period/year	**15.91**	**7.29**	**3.73**	**1.49**
Provision charged to profit and loss	6.27	8.62	3.56	2.24
Provision used during the period/year	-	-	-	-
As at the end of the period/year	**22.18**	**15.91**	**7.29**	**3.73**

Information about provisions and significant estimates

Warranties

For certain products, the Group has incurred an obligation to repair the item post sales. Revenue from the sale of the products is recognised once the good is delivered. However, a provision based on previous experience and based on management best estimates is recognised at the same time.

24 Current tax liabilities (net)

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Provision for taxation (net)	115.25	93.14	1.59	-
Total current tax liabilities (net)	**115.25**	**93.14**	**1.59**	**-**

25 Revenue from operations

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Revenue from contracts with customers				
Sale of products	2,172.14	2,523.06	993.76	380.93
Sale of services	50.27	22.82	12.48	4.50
Other operating revenues				
- Government incentives*	-	0.00	32.53	9.58
Total revenue from operations	**2,222.41**	**2,545.88**	**1,038.77**	**395.01**

* Amounts less than ₹5,000 are shown as 0.00.

Disaggregated revenue information	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
In the following table, revenue from contracts with customers is disaggregated by primary geographical market and products and service lines.				
Timing of revenue recognition				
Point in time	2,172.14	2,523.06	1,026.29	390.51
Over time	50.27	22.82	12.48	4.50
	2,222.41	**2,545.88**	**1,038.77**	**395.01**
Primary geographical markets				
Within India	2,204.21	2,532.18	1,038.77	395.01
Outside India	18.20	13.70	-	-
	2,222.41	**2,545.88**	**1,038.77**	**395.01**
Changes in contract assets are as follows:				
Balance at the beginning of the period / year	-	-	-	-
Invoices raised that were included in the contract assets balance at the beginning of the period / year	-	-	-	-
Increase due to revenue recognised during the period, excluding amounts billed during the period / year	10.90	-	-	-
Balance at the end of the period / year	**10.90**	**-**	**-**	**-**
Reconciliation of revenue recognised with contract price				
Revenue as per contract price**	2,222.41	2,545.88	1,038.77	395.01
Reduction towards variable consideration components	-	-	-	-
Revenue from contracts with customers	**2,222.41**	**2,545.88**	**1,038.77**	**395.01**

**There are no adjustments to contract price.

26 Other income

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Interest income on				
- Bank deposits	89.97	98.99	33.80	3.07
- Security deposits	0.25	0.46	0.45	0.15
Other non-operating income				
- Foreign exchange fluctuation gain	-	4.19	2.07	2.62
- Interest on income tax refund	-	-	0.15	-
- Net gain on derecognition of financial liability (Refer note 15.7)	-	-	114.01	-
- Net gain on modification of lease	-	-	0.84	-
Total other income	**90.22**	**103.64**	**151.32**	**5.84**

27 Cost of materials consumed

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Inventories of raw materials at the beginning of the period/year	66.73	58.33	67.14	27.03
Add: Purchases	876.30	977.09	327.58	267.65
Less: Inventories of raw materials at the end of the period/year	(176.00)	(66.73)	(58.33)	(67.14)
Total cost of materials consumed	**767.03**	**968.69**	**336.39**	**227.54**

28 Changes in inventories of finished goods and work in progress

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Inventories at the beginning of the period/year				
Work in progress	-	-	-	-
Finished goods	11.11	11.11	51.22	51.22
Less: Inventories at the end of the period/year				
Work in progress	(126.55)	-	-	-
Finished goods	(11.11)	(11.11)	(11.11)	(51.22)
Net (decrease) / Increase	**(126.55)**	**-**	**40.11**	**-**

29 Employee benefits expense

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Salaries, wages and bonus	137.05	144.71	85.96	58.61
Contribution to provident and other funds (defined contribution plans)	6.23	2.09	1.21	0.48
Post-employment gratuity benefits (refer note 44)	3.15	4.35	2.06	1.58
Employee share-based compensation expense/(reversal) (refer note 41)	26.22	40.97	-	(0.55)
Staff welfare expenses	11.56	17.49	5.51	3.56
	184.21	**209.61**	**94.74**	**63.68**
Less: Capitalisation*	(39.78)	(29.93)	(26.15)	(6.69)
Total employee benefits expense	**144.43**	**179.68**	**68.59**	**56.99**

* Employee benefits expense capitalised during the period/year amounted to ₹ 39.78 millions (March 31, 2026: ₹ 29.93 millions, March 31, 2025: ₹ 26.15 millions and March 31, 2024: ₹ 6.69 millions).

30 Finance costs

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Interest expense on borrowings measured at amortised cost	44.58	26.66	6.49	3.25
Interest expense on lease liabilities	9.01	18.27	9.20	0.70
Interest on financial liability at FVTPL	-	39.13	116.71	121.11
Other borrowing costs	8.70	35.02	17.07	3.10
Total finance costs	**62.29**	**119.08**	**149.47**	**128.16**

31 Depreciation and amortisation expenses

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Depreciation of property, plant & equipment (refer note 3(a))	35.64	60.80	20.20	6.83
Depreciation of right-of-use assets (refer note 3(c))	9.66	19.32	10.36	2.27
Amortisation of other intangible assets (refer note 3(d))	18.85	10.47	10.36	5.31
Total depreciation and amortisation expenses	**64.15**	**90.59**	**40.92**	**14.41**

32 Other expenses

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Travelling expenses	28.55	51.69	31.94	17.13
Business promotion expenses	0.83	2.52	4.11	0.73
Event expenses	2.55	15.51	1.96	0.27
Labour charges	6.52	11.59	3.79	5.95
Power and fuel	7.21	9.84	3.78	2.11
Insurance	4.35	6.77	3.63	2.81
Security expenses	3.75	6.20	1.97	-
Transportation expenses	5.26	6.35	2.79	4.72
Repairs and maintenance - building	1.27	6.54	0.40	2.26
Repairs and maintenance - others	3.27	5.91	2.81	2.52
Rent	0.80	3.08	0.61	0.75
Legal and professional fees	7.31	5.46	5.72	3.53
Provision for warranty	6.27	8.62	3.56	2.24
Auditors' remuneration (refer note 35)	1.30	2.60	1.18	0.35
Corporate social responsibility expenditure (refer note 37)	5.34	3.38	-	-
Donation	0.23	0.10	1.00	-
Rates and taxes	1.59	0.53	1.75	0.36
Provision for expected credit loss (refer note 42)	-	35.28	9.90	7.41
Foreign exchange fluctuation loss	5.66	-	-	-
Credit impaired trade receivables written off	-	-	13.90	-
Other miscellaneous expenses	5.55	6.26	3.41	4.42
Total other expenses	**97.61**	**188.23**	**98.21**	**57.56**

33 Income tax expense

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
I. Amounts recognised in statement of profit and loss:				
Current period expense				
Current tax on profits for the period/year	311.07	260.23	118.90	6.15
Changes in estimates related to prior periods	(31.16)	(0.35)	0.90	0.27
	279.91	**259.88**	**119.80**	**6.42**
Deferred tax expense/(credit)				
Origination and reversal of temporary differences (refer note 7)	7.64	(35.66)	28.02	(27.63)
	7.64	**(35.66)**	**28.02**	**(27.63)**
Total tax expense recognised during the period/year	**287.55**	**224.22**	**147.82**	**(21.21)**
II. Amounts recognised in other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurements gain/(loss) on post-employment defined benefit plan	0.24	0.57	0.60	(0.06)
	0.24	**0.57**	**0.60**	**(0.06)**

III. Reconciliation of income tax expense and the accounting profit	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
The reasons for the difference between the actual income tax expense for the period/year and the standard rate of corporate tax applied to profits for the period/year are as follows:				
Profit/(Loss) for the period/year	1,016.12	879.03	308.58	(62.60)
Income tax expense	287.55	224.22	147.82	(21.21)
Profit/(Loss) before income taxes	**1,303.67**	**1,103.25**	**456.40**	**(83.81)**
	328.11	**277.67**	**114.87**	**(21.09)**
Tax using the Company's domestic tax rate of 25.168% (March 31, 2026: 25.168%, March 31, 2025: 25.168%, March 31, 2024: 25.168%)				
Effect of expenses that are not deductible in determining taxable profit	1.39	0.88	0.27	-
Effect of additional expenses that is deductible in determining taxable profit	(17.69)	(61.45)	-	-
Others (net)	(24.26)	7.12	32.68	(0.12)
Total income tax expense	**287.55**	**224.22**	**147.82**	**(21.21)**

Uncertain tax position

No material uncertain tax positions exist as at period-end/year-end.

34 Earnings per share

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
A. Basic earnings per share (₹)				
i. Profit for basic earning per share of ₹2 each				
Net profit after tax attributable to equity shareholders	1,016.12	879.03	308.58	(62.60)
Profit attributable to the equity shareholders used in calculating basic earnings per equity share	**1,016.12**	**879.03**	**308.58**	**(62.60)**
ii. Weighted average number of equity shares (for basic)				
Opening number of equity shares	1,02,744	1,02,744	1,02,744	1,02,744
Effect of fresh issue of shares	-	-	-	-
Shares issued under Bonus and Split	1,43,88,26,976	-	-	-
Impact of Bonus and Split * #	-	1,43,88,26,976	1,43,88,26,976	1,43,88,26,976
Shares issued under convertible preference shares	1,00,81,304	-	-	-
	1,44,90,11,024	**1,43,89,29,720**	**1,43,89,29,720**	**1,43,89,29,720**
B. Diluted earnings per share (₹)				
i. Profit for diluted earning per share of ₹2 each				
Net profit after tax attributable to equity shareholders	1,016.12	879.03	308.58	(62.60)
Interest on financial liability at FVTPL, net of tax	-	29.28	61.97	61.17
Gain on derecognition of financial liability, net of tax	-	-	(85.32)	-
Profit attributable to the equity shareholders used in calculating diluted earnings per equity share	**1,016.12**	**908.31**	**285.23**	**(1.43)**
iii. Weighted average number of equity shares (for diluted)				
Equity Shares	1,02,744	1,02,744	1,02,744	1,02,744
Shares issuable under convertible debts and preference shares	-	30,661	18,752	-
Shares issued under Bonus and Split	1,43,88,26,976	-	-	-
Impact of Bonus and Split * #	-	1,86,76,65,049	1,70,14,24,881	1,43,88,26,976
Shares issued under convertible preference shares	61,39,99,112	-	-	-
	2,05,29,28,832	**1,86,77,98,454**	**1,70,15,46,377**	**1,43,89,29,720**
Basic earnings per share *	0.70	0.61	0.21	(0.04)
Diluted earnings per share *	0.49	0.49	0.17	(0.04)

C Information regarding the classification of securities

Shares issuable under convertible debts and preference shares
Refer to note 41 for details of shares issuable under employee share options.

* Subsequent to the reporting period, the Board of Directors, vide resolution dated July 4, 2026, and the shareholders, vide resolution dated July 11, 2026, approved a bonus issue of equity shares in the ratio of 2,800:1 and a sub-division of equity shares from a face value of ₹10 per share to ₹2 per share. In accordance with Ind AS 33, the effect of the bonus issue and share split has been considered retrospectively in the calculation of basic and diluted earnings per share for all periods presented. Accordingly, the earnings per share information disclosed herein has been restated to give effect to the aforesaid corporate actions.

\# In view of losses for the year ended March 31, 2024, impact of all anti-dilutive instruments have been ignored in the calculation of diluted EPS. Accordingly there is no variation between basic and diluted EPS.

Notes:
The Board of Directors of the Company in its meeting held on July 04, 2026 and shareholders of the Company in the Annual General Meeting held on July 11, 2026 approved the issuance of bonus equity share of ₹10 each in the ratio of 2800:1 and also approved the sub-division from face value of ₹10 each into ₹2 per share. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

35 Auditors' remuneration

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
As auditor :				
Statutory audit	1.30	2.60	0.60	0.22
Tax audit	-	-	0.40	0.09
Other services	-	-	0.18	0.04
Total Auditors' remuneration	**1.30**	**2.60**	**1.18**	**0.35**

36 Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors (BOD), which has been identified as being the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance.

The Group's business activity falls within a single operating segment i.e. research & development and manufacturing of Unmanned Vehicles. The CODM evaluates the Group's performance and allocates resources based on the analysis of the various performance indicator of the Group as a single unit.

Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 "Operating Segments".

Information about geographical areas

The Group has operations majorily in India; hence there are no separately reportable geographical segments for the Group as per the requirements of Ind AS 108 – "Operating Segments".

37 Corporate social responsibilty expenditure

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
(a) Amount required to be spent by the Group during the period/year	5.34	3.38	-	-
(b) Amount approved by the Board to be spent by the Group during the period/year	-	3.38	-	-
(c) Amount of expenditure incurred during the period/year	-	3.38	-	-
Short / (Excess) amount spent under section 135(5)	**5.34**	**-**	**-**	**-**

Details of other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)

Opening Balance as at April 01, 2026	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the period	Amount spent during the period	Closing balance as at September 30, 2026
-	-	5.34	-	5.34

38 Capital Commitments	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
(a) Capital commitments				
Estimated amount of contracts remaining to be executed on capital account and not provided	366.66	63.37	224.22	15.00
	366.66	**63.37**	**224.22**	**15.00**

39 Capital management

The Group's objectives when maintaining capital are:
(a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the net debt to capital ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents and other bank balances.

The debt-to-adjusted-capital ratios were as follows:

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Borrowings and lease liabilities	1,985.06	824.20	469.60	728.19
Less: Cash and cash equivalents and other bank balances	2,119.76	2,099.55	1,870.44	159.26
Net debt *	**-**	**-**	**-**	**568.93**
Total equity as per balance sheet	6,518.04	4,514.42	2,679.78	(14.37)
Total equity	**6,518.04**	**4,514.42**	**2,679.78**	**(14.37)**
Net debt to capital ratio	**-**	**-**	**-**	**(39.60)**

No changes were made in the objectives, policies or processes for managing capital during the current and previous periods.
* Net debt is zero considering the fact that cash and bank balances are higher than borrowings of the Company.

Loan covenants

There are no financial covenants mentioned under the terms of the borrowing facilities.

40 Fair value measurements

(a) The carrying amounts of financial assets and liabilities by categories

Consolidated As at September 30, 2026	FVTPL	FVTOCI	Amortized cost
Financial assets			
Investments	-	30.11	-
Trade receivables	-	-	4,377.61
Cash and cash equivalents	-	-	25.08
Bank balances other than cash and cash equivalents	-	-	2,094.68
Other financial assets	-	-	432.08
Total financial assets	**-**	**30.11**	**6,929.45**
Financial liabilities			
Borrowings	-	-	1,704.63
Lease liabilities	-	-	280.43
Trade payables	-	-	384.59
Other financial liabilities	-	-	702.75
Total financial liabilities	**-**	**-**	**3,072.40**

Standalone As at March 31, 2026	**FVTPL**	**FVTOCI**	**Amortized cost**
Financial assets			
Investments	-	30.11	-
Trade receivables	-	-	2,352.08
Cash and cash equivalents	-	-	965.25
Bank balances other than cash and cash equivalents	-	-	1,134.30
Other financial assets	-	-	194.23
Total financial assets	**-**	**30.11**	**4,645.86**
Financial liabilities			
Borrowings	195.63	-	350.57
Lease liabilities	-	-	278.00
Trade payables	-	-	538.25
Other financial liabilities	-	-	4.51
Total financial liabilities	**195.63**	**-**	**1,171.33**
Standalone As at March 31, 2025			
Financial assets			
Investments	-	-	-
Trade receivables	-	-	554.98
Cash and cash equivalents	-	-	395.73
Bank balances other than cash and cash equivalents	-	-	1,474.71
Other financial assets	-	-	221.83
Total financial assets	**-**	**-**	**2,647.25**
Financial liabilities			
Borrowings	156.50	-	127.79
Lease liabilities	-	-	185.31
Trade payables	-	-	207.92
Total financial liabilities	**156.50**	**-**	**521.02**
Standalone As at March 31, 2024			
Financial assets			
Investments	-	-	-
Trade receivables	-	-	128.52
Cash and cash equivalents	-	-	153.12
Bank balances other than cash and cash equivalents	-	-	6.14
Other financial assets	-	-	13.18
Total financial assets	**-**	**-**	**300.96**
Financial liabilities			
Borrowings	604.10	-	117.99
Lease liabilities	-	-	6.10
Trade payables	-	-	18.45
Other financial liabilities	-	-	0.06
Total financial liabilities	**604.10**	**-**	**142.61**

(b) Fair value hierarchy

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible.

Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

Consolidated As at September 30, 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value - recurring fair value measurements				
At FVTPL				
At FVTOCI				
Investments	-	-	30.11	30.11
Total	-	-	**30.11**	**30.11**
Financial liabilities measured at fair value - recurring fair value measurements				
At FVTPL				
Borrowings	-	-	-	-
At FVTOCI				
Total	**-**	**-**	**-**	**-**

Standalone As at March 31, 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value - recurring fair value measurements				
At FVTPL				
At FVTOCI				
Investments	-	-	30.11	30.11
Total	-	-	**30.11**	**30.11**
Financial liabilities measured at fair value - recurring fair value measurements				
At FVTPL				
Borrowings	-	-	195.63	195.63
At FVTOCI				
Total	**-**	**-**	**195.63**	**195.63**

Standalone As at March 31, 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value - recurring fair value measurements				
At FVTPL				
At FVTOCI				
Investments	-	-	-	-
Total	-	-	-	-
Financial liabilities measured at fair value - recurring fair value measurements				
At FVTPL				
Borrowings	-	-	156.50	156.50
At FVTOCI				
Total	**-**	**-**	**156.50**	**156.50**

Standalone As at March 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value - recurring fair value measurements				
At FVTPL				
At FVTOCI				
Investments	-	-	-	-
Total	-	-	-	-
Financial liabilities measured at fair value - recurring fair value measurements				
At FVTPL				
Borrowings	-	-	604.10	604.10
At FVTOCI				
Total	**-**	**-**	**604.10**	**604.10**

(c) Methods and assumptions

The following methods and assumptions were used to estimate the fair values:

(a) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(b) The Group has classified the 0.01% Compulsory Convertible Preference Shares ('CCPS') of ₹ 10/- each fully paid up ("CCPS") as a financial liability and consequently measures the instrument at fair value through profit or loss ("FVTPL") in accordance with Ind AS 109. The fair value of the CCPS has been determined using a Discounted Cash Flow ("DCF") methodology, wherein the enterprise value of the Group is estimated based on the present value of expected future free cash flows projected over the forecast period and discounted using an appropriate weighted average cost of capital.

(c) The Group has classified the 0.01% Optionally Convertible Redeemable Preference Shares ('OCRPS') of ₹ 100/- each fully paid up ("OCRPS") as a financial liability and consequently measures the instrument at fair value through profit or loss ("FVTPL") in accordance with Ind AS 109. The fair value of the OCRPS has been determined using a Discounted Cash Flow ("DCF") methodology, wherein the enterprise value of the Group is estimated based on the present value of expected future free cash flows projected over the forecast period and discounted using an appropriate weighted average cost of capital.

(d) The Group has classified the 0.01% Compulsorily Convertible Debentures ('CCD') of ₹ 100/- each fully paid up ("CCD") as a financial liability and consequently measures the instrument at fair value through profit or loss ("FVTPL") in accordance with Ind AS 109. The fair value of the CCD has been determined using a Discounted Cash Flow ("DCF") methodology, wherein the enterprise value of the Group is estimated based on the present value of expected future free cash flows projected over the forecast period and discounted using an appropriate weighted average cost of capital.

(d) There have been no transfers between Level 1, Level 2 and Level 3 during the current and any previous periods.

41 Employee share options

Employees' share-based payment plan

a) Description of share-based payment arrangements

The Group has the following share-based payment arrangement for employees:

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited) Employees' Equity Linked Incentive Plan 2021 ('the 2021 plan')

The 2021 plan was approved by the Board of Directors on December 01, 2021 and by the shareholders on March 02, 2022. The plan creates a right for the employees of the Group (collectively referred to as "eligible participants") to purchase or subscribe at a future date the shares underlying the option at a pre-determined price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of ₹ 2/- each for every option at an exercise price of face value being ₹2/- each.
Stock option cost recorded in these financial statements is based on the fair value of the stock options.

Pursuant to the terms of the Plan and after giving effect to the applicable share bonus entitlement, each option, upon exercise, entitles the holder to 2,800 fully paid-up equity shares of ₹2/- each.

Below is summary of options granted under the scheme:

b) Reconciliation of outstanding share options	**Consolidated For the six month period ended September 30, 2026**	**Standalone For the year ended March 31, 2026**	**Standalone For the year ended March 31, 2025**	**Standalone For the year ended March 31, 2024**
Outstanding at the beginning of the period/year	657	-	-	**3,274**
On account of sub-division of shares*	2,628	-	-	-
Granted during the period/year	-	657	-	-
Exercised during the period/year	-	-	-	-
Forfeited and expired during the period/year	-	-	-	(3,274)
Outstanding at the closing of the period/year	**3,285**	**657**	**-**	**-**
Bonus Ratio	2,800			
No. of equity shares arising out of options	**92,01,285**			

Of the total number of options outstanding at September 30, 2026, 810 (March 31, 2026: Nil; March, 31 2025: Nil; March 31, 2024: Nil) had vested and were exercisable.

c)The fair values per option for options granted as on date of grant is as below:

	Number of options	**Fair value per option in ₹**	**Contractual life**
April 01, 2026 to September 30, 2026	2,295	30,080	1 to 5 years
	990	45,373	1 to 2 years

d) Information relevant to the determination of fair value of options granted during the period under the equity share based remuneration scheme operated by the Group:

	Consolidated For the six month period ended September 30, 2026	**Standalone For the year ended March 31, 2026**	**Standalone For the year ended March 31, 2025**	**Standalone For the year ended March 31, 2024**
Equity settled				
Exercise price being face value per share (in ₹)	2	10	NA	NA
Valuation model	Black Scholes model	Black Scholes model	NA	NA

* Pursuant to the shareholders' resolution of the Company dated July 11, 2026, the Company passed the Shareholders resolution on July 11, 2026, each fully paid-up equity share of the Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each.

e) Expense/(reversal) recognised in the profit and loss (Refer note 29)

	Consolidated For the six month period ended September 30, 2026	**Standalone For the year ended March 31, 2026**	**Standalone For the year ended March 31, 2025**	**Standalone For the year ended March 31, 2024**
Equity settled scheme	26.22	40.97	-	(0.55)
	26.22	**40.97**	**-**	**(0.55)**

42 Financial risk management

(a) General objectives, policies and processes

The Group is exposed through its operations to the following financial risks: (i) Credit risk; (ii) Market risk comprising of interest rate risk, foreign exchange risk and other price risk; and (iii) Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has the overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group financial controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. .

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(b) Credit Risk:-

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group monitors the credit ratings of counterparties regularly and at the reporting date does not expect any significant losses from non-performance by the counterparties.

The Group's maximum exposure to credit risk for the components of the balance sheet at September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024 is the carrying amounts of financial assets.

Trade receivables and contract assets

The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Group has established a credit policy under which each new customer is analysed individually for credit-worthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Group.

The Group determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are compared according to their credit characteristics.

The Group does not hold any collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

To measure the expected credit losses, trade receivables have been compared based on the shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 180 days past due.

Impairment losses on trade receivables are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Set out below is the information about the credit risk exposure of the Group's trade receivables using provision matrix:

Consolidated As at September 30, 2026	**Trade receivables**						**Total**
	Not due	**Less than 6 month**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Expected credit loss (ECL)							
Gross carrying amount	2,437.72	1,931.34	0.61	39.38	27.66	8.10	4,444.81
ECL-simplified approach							(67.20)
Net carrying amount							**4,377.61**

Standalone As at March 31, 2026	**Trade receivables**						**Total**
	Not due	**Less than 6 month**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Expected credit loss (ECL)							
Gross carrying amount	1,836.44	0.92	539.21	27.82	0.04	14.85	2,419.28
ECL-simplified approach							(67.20)
Net carrying amount							**2,352.08**

Standalone As at March 31, 2025	**Trade receivables**						**Total**
	Not due	**Less than 6 month**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Expected credit loss (ECL)							
Gross carrying amount	544.19	0.19	27.63	0.04	0.26	14.59	586.90
ECL-simplified approach							(31.92)
Net carrying amount							**554.98**

Standalone As at March 31, 2024	**Trade receivables**						**Total**
	Not due	**Less than 6 month**	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Expected credit loss (ECL)							
Gross carrying amount	121.08	0.02	14.39	0.26	0.14	14.65	150.54
ECL-simplified approach							(22.02)
Net carrying amount							**128.52**

Reconciliation of loss allowance provision of trade receivables	**Amount**
Loss allowance as at April 01, 2026 (Standalone)	**67.20**
Increase in loss allowance recognised in profit or loss during the period	-
Receivables written off during the period as uncollectible	-
Loss allowance as at September 30, 2026 (Consolidated)	**67.20**
Loss allowance as at April 01, 2025 (Standalone)	**31.92**
Increase in loss allowance recognised in profit or loss during the year	35.28
Receivables written off during the year as uncollectible	-
Loss allowance as at March 31, 2026 (Standalone)	**67.20**
Loss allowance as at April 01, 2024 (Standalone)	**22.02**
Increase in loss allowance recognised in profit or loss during the year	23.80
Receivables written off during the year as uncollectible	(13.90)
Loss allowance as at March 31, 2025 (Standalone)	**31.92**
Loss allowance as at April 01, 2023 (Standalone)	**14.61**
Increase in loss allowance recognised in profit or loss during the year	7.41
Receivables written off during the year as uncollectible	-
Loss allowance as at March 31, 2024 (Standalone)	**22.02**

Other Financial Assets

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(c) Market risk

Market risk arises from the Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk from borrowings at variable rate.

Interest rate sensitivity

The Group analyses the interest rate exposure on a quarterly basis. A sensitivity analysis is performed by applying a simulation technique to the liabilities that represent major interest-bearing positions.

Various scenarios are run taking into consideration refinancing, renewal of the existing positions, alternative financing and hedging. The gain or loss potential is then compared to the limits determined by management.

There are no fixed rate long term borrowings during the period.

Consolidated As at September 30, 2026

Particulars	**Impact on Profit or (loss) before tax**	**Impact on equity, net of tax**
Interest Rate - Increase by 100 basis points	(4.75)	(3.56)
Interest Rate - Decrease by 100 basis points	4.75	3.56

Standalone As at March 31, 2026

Particulars	**Impact on Profit or (loss) before tax**	**Impact on equity, net of tax**
Interest Rate - Increase by 100 basis points	(5.46)	(4.09)
Interest Rate - Decrease by 100 basis points	5.46	4.09

Standalone As at March 31, 2025

Particulars	**Impact on Profit or (loss) before tax**	**Impact on equity, net of tax**
Interest Rate - Increase by 100 basis points	(2.84)	(2.13)
Interest Rate - Decrease by 100 basis points	2.84	2.13

Standalone As at March 31, 2024

Particulars	**Impact on Profit or (loss) before tax**	**Impact on equity, net of tax**
Interest Rate - Increase by 100 basis points	(7.22)	(5.40)
Interest Rate - Decrease by 100 basis points	7.22	5.40

(ii) Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is predominantly exposed to currency risk.

As at the year-end, the Group's net exposure to foreign exchange risk related to Trade payables was as follows:

Period	Currency	Amount in millions	Amount in ₹ millions
H1 FY 2026-27 (Consolidated)	USD	0.45	43.34
	GBP	0.07	8.79
FY 2025-26 (Standalone)	USD	0.90	85.40
	EUR	1.02	111.56
	GBP	0.05	6.60
FY 2024-25 (Standalone)	GBP	0.03	3.32
	USD	0.05	4.64
	YEN	3.78	2.15
	EURO	0.00	0.04
FY 2023-24 (Standalone)	GBP*	0.00	0.21
	USD	0.06	4.76
	YEN	0.21	0.12

* Amounts less than ₹5,000 are shown as 0.00.
Foreign exchange rate sensitivity is immaterial and not provided.

(iii) Other price risk
The Group holds some equity investments in other companies. The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

(d) Liquidity Risk
Liquidity risk arises from the Group's management of working capital and the finance costs and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash and cash equivalents and other bank balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its overdraft facility. The liquidity risk of Group is managed by the Group treasury function.

Consolidated As at September 30, 2026	Contractual cash flows			
	Less than 1 yr	Between 1 to 2 yrs	Between 2 to 5 yrs	More than 5 yrs
Non-Derivatives				
Lease liabilities	29.01	31.66	113.51	1,794.94
Borrowings*	1,631.30	20.00	53.33	-
Trade payables	384.59	-	-	-
Other financial liabilties	702.75	-	-	-
Total	**2,747.65**	**51.66**	**166.84**	**1,794.94**

Standalone As at March 31, 2026	Contractual cash flows			
	Less than 1 yr	Between 1 to 2 yrs	Between 2 to 5 yrs	More than 5 yrs
Non-Derivatives				
Lease liabilities	22.87	30.21	108.31	1,818.64
Borrowings*	350.57	-	-	-
Trade payables	538.25	-	-	-
Other financial liabilties	4.51	-	-	-
Total	**916.20**	**30.21**	**108.31**	**1,818.64**

Standalone As at March 31, 2025	Contractual cash flows			
	Less than 1 yr	Between 1 to 2 yrs	Between 2 to 5 yrs	More than 5 yrs
Non-Derivatives				
Lease liabilities	20.79	22.87	83.28	179.61
Borrowings*	127.79	-	-	-
Trade payables	207.92	-	-	-
Other financial liabilties	-	-	-	-
Total	**356.50**	**22.87**	**83.28**	**179.61**

Standalone As at March 31, 2024	Contractual cash flows			
	Less than 1 yr	Between 1 to 2 yrs	Between 2 to 5 yrs	More than 5 yrs
Non-Derivatives				
Lease liabilities	2.79	3.00	1.03	-
Borrowings*	117.99	-	-	-
Trade payables	18.46	-	-	-
Other financial liabilties	0.06	-	-	-
Total	**139.30**	**3.00**	**1.03**	**-**

*Includes contractual interest payment based on interest rate prevailing at the end of the reporting period.
The interest payments on variable interest rate borrowings in the table above reflect interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration may be different from the amount in the above table as the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

43 Related party disclosures

In accordance with the requirements of Ind AS 24 Related Party Disclosures , names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

(A) Names of related parties and description of relationship

i)	Related Companies	Sagar Ship Repairs Private Limited	- Wholly Owned Subsidiary (w.e.f May 09, 2026)
ii)	Key Management Personnel and Directors	Nikunj Parashar	- Chairman & Managing Director
		Manoj Agrawal	- Non Executive Director (Executive Director upto 05.07.2026 and change in designation w.e.f. 06.07.2026)
		Mridul Babbar	- Non Executive Director (Whole-Time Director upto 05.07.2026 and change in designation w.e.f. 06.07.2026)
		Anurag Gupta	- Director (resigned w.e.f. March 21, 2024)
		Komal M Hingu	- Company Secretary (appointed w.e.f. May 26, 2023 and resigned w.e.f. April 30, 2025)
		Shraddha Khare	- Company Secretary (appointed w.e.f. July 06, 2026)
		Ankur Taparia	- Chief Financial Officer (appointed w.e.f. January 23, 2026)
		Ajendra Bahadur Singh	- Independent Director (appointed w.e.f. July 06, 2026)
		Dr. Tessy Thomas	- Independent Director (appointed w.e.f. July 06, 2026)
		Konark Kavoorguthu Rai	- Independent Director (appointed w.e.f. July 06, 2026)
iii)	Entities in which key management personnel exercises significant influence	Sagar Ship Repairers & Marine Services	- Entities in which key management personnel exercises significant influence
iv)	Relative of key management personnel	Ankit Desai	- Relative of Director
		Saroj Singh	- Relative of Director
		Nilesh Agrawal	- Relative of Director
		Ramkamal Prasad Singh	- Relative of Director

(B) Transactions between the Group and its related parties

Transactions	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Rent expenses				
Ramkamal Prasad Singh	10.91	20.79	9.58	-
Nilesh Agrawal	0.00	-	-	-
Saroj Singh	-	-	1.59	2.60
Conversion of Series B1 CCPS to Equity Shares				
Nikunj Parashar	4.37	-	-	-
Mridul Babbar	1.33	-	-	-
Manoj Agrawal	1.72	-	-	-
Managerial remuneration#				
Short term employee benefits expense	22.79	13.75	9.78	11.13
Sitting Fees				
Ajendra Bahadur Singh	0.60	-	-	-
Dr. Tessy Thomas	0.60	-	-	-
Konark Kavoorguthu Rai	0.60	-	-	-
Purchase of Equity Shares				
Ramkamal Prasad Singh	0.10	-	-	-
Purchase consideration towards business acquisition				
Ramkamal Prasad Singh	750.00	-	-	-
Loan taken				
Manoj Agrawal	-	-	10.20	19.95
Sagar Ship Repairers & Marine Services	-	-	-	2.00
Loan repaid				
Manoj Agrawal	-	-	27.30	2.85
Sagar Ship Repairers & Marine Services	-	-	-	2.00
Short term borrowings written back				
Ankit Desai	-	-	0.04	-
Nilesh Agrawal*	-	-	0.00	-
Deposit given				
Ramkamal Prasad Singh	-	-	11.29	-
Deposit repaid				
Saroj Singh	-	-	1.99	-
Interest expenses				
Sagar Ship Repairers & Marine Services	-	-	-	0.01
Purchases				
Sagar Ship Repairers & Marine Services	-	-	2.14	3.75
Labour charges				
Sagar Ship Repairers & Marine Services	-	2.68	-	5.07
Revenue from contracts with customers				
Sagar Ship Repairers & Marine Services	-	0.62	-	-
Issue and allotment of Series B1 CCPS shares to key managerial personnel**	-	7.42	-	-

(C) Amount outstanding as on Balance sheet date

Transactions	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Security deposit				
Ramkamal Prasad Singh	11.29	11.29	11.29	-
Saroj Singh	-	-	-	1.99
Borrowings guaranteed by KMP and relatives of KMP				
Working capital facilities from banks	395.27	350.57	127.79	100.85
Term loan from Banks	80.00			
Amount payable towards business acquisition				
Ramkamal Prasad Singh	679.66	-	-	-
Rent Payable				
Nilesh Agrawal*	0.00	-	-	-
Salary Payable				
Ramkamal Prasad Singh	0.47	-	-	-
Short term borrowings				
Manoj Agrawal	-	-	-	17.10
Ankit Desai	-	-	-	0.04
Nilesh Agrawal*	-	-	-	0.00
Trade receivables				
Sagar Ship Repairers & Marine Services	-	6.77	6.77	6.77

* Amounts less than ₹5,000 are shown as 0.00.

Managerial remuneration excludes gratuity and Employee share-based compensation expense, as such costs are recognized on the basis of actuarial valuation and share-based payment valuation, respectively, and are not specifically allocable to individual key management personnel.

** represents 380 Series B1 CCPS of face value ₹ 10 each issued to KMP pursuant to Board approval dated March 26, 2026 and Shareholder's approval dated March 27, 2026.

(D) Terms and conditions

(i) All transactions were made at market prices. Outstanding balances at the period-end with related parties are unsecured and interest free.

(ii) The Group has not made any allowance for bad or doubtful debts in respect of related party trade receivables..

43.1 Related party transactions within the consolidated entities

(A) Transactions during the period:

Transactions	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Loan given				
Sagar Ship Repairs Private Limited	117.00	-	-	-
Interest income				
Sagar Ship Repairs Private Limited	3.49	-	-	-

(B) Amount outstanding as on Balance sheet date

Transactions	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Loans & Advances				
Sagar Ship Repairs Private Limited	117.00	-	-	-
Interest accrued on loan				
Sagar Ship Repairs Private Limited	3.49	-	-	-

44 Employee benefits

A Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees, towards provident fund and employees' state insurance scheme which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Contribution to Provident Fund	6.23	2.08	1.20	0.45
Contribution to Employee State Insurance Scheme*	-	0.00	0.01	0.03
	6.23	**2.08**	**1.21**	**0.48**

* Amounts less than ₹5,000 are shown as 0.00.

B Defined benefit plan - Gratuity

The Group provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the relevant regulations covering eligible employees. The Gratuity Scheme provides for a lump sum payment to employees who have completed at least five years of service with the Group, based on salary and tenure of employment. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary. The Gratuity Scheme is a non-funded scheme and the Group intends to discharge this liability through its internal resources.

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
i Statement showing changes in present value of obligation				
Balance at the beginning of the period/year	17.66	11.03	6.60	5.27
Transfer on account of acquisition	9.85	-	-	-
Current service cost	2.26	3.61	1.59	1.19
Interest cost	0.89	0.74	0.47	0.39
Benefits paid	-	-	-	-
Actuarial loss / (gain) on obligations	0.97	2.28	2.37	(0.25)
Balance at the end of the period/year	**31.63**	**17.66**	**11.03**	**6.60**
ii Amounts recognised in the Balance Sheet are as follows				
Present value of obligation at the end of the period/year	31.63	17.66	11.03	6.60
Fair value of plan assets at the end of the period/year	-	-	-	-
Balance at the end of the period/year	**31.63**	**17.66**	**11.03**	**6.60**

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
iii Amounts recognised in the Statement of Profit and Loss are as follows				
Current service cost	2.26	3.61	1.59	1.19
Interest cost	0.89	0.74	0.47	0.39
Recognised in the Statement of Profit and Loss	**3.15**	**4.35**	**2.06**	**1.58**
iv Amounts recognised in other comprehensive income are as follows				
Actuarial loss / (gain) on obligations	(0.97)	(2.28)	(2.37)	0.25
Net periodic benefit cost recognised in other comprehensive income	**(0.97)**	**(2.28)**	**(2.37)**	**0.25**

v Principal actuarial assumptions used in determining gratuity benefit obligations for the Group's plans are as follows

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Discount rate (per annum)	7.21% - 7.26%	7.06%	6.73%	7.20%
Rate of increase in compensation levels (per annum)	10.00%	10.00%	10.00%	10.00%
Attrition rate (per annum)	10.00%	10.00%	10.00%	10.00%
Retirement age	58 years	58 years	58 years	65 years
Leave availment rate (in service)	5.00%	5.00%	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Expected Rate of return on plan assets	Not applicable	Not applicable	Not applicable	Not applicable

vi Sensitivity analysis

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Discount rate (Increase in 100 basis point movement)	(1.94)	(1.24)	(0.90)	(0.57)
Discount rate (Decrease in 100 basis point movement)	2.24	1.40	1.01	0.49
Salary Escalation Rate (Increase in 100 basis point movement)	1.50	0.87	0.71	0.39
Salary Escalation Rate (Decrease in 100 basis point movement)	(1.45)	(0.80)	(0.67)	(0.39)
Withdrawal Rate (Increase in 100 basis point movement)	(0.10)	(0.04)	(0.16)	(0.06)
Withdrawal Rate (Decrease in 100 basis point movement)	0.10	0.04	0.17	0.05

vii Maturity analysis

	Consolidated For the six month period ended September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
The expected maturity analysis of undiscounted benefits obligations are as follows:				
Within 1 year	3.51	1.61	0.63	0.45
Between 1 to 2 years	2.79	1.55	0.79	0.48
Between 2 to 5 years	11.76	5.90	3.32	1.68
Later than 5 years	42.12	27.05	18.68	11.23

C Liabilities for compensated absences

The liabilities for compensated absences relate to the Group's liabilities for earned leave which are classified as other long-term employee benefits. The entire amount of the above liabilities are presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

The liabilities for compensated absences not expected to be settled within the next 12 months amounts to ₹ 1.01 millions (March 31, 2026: ₹ 4.10 millions)
Expense recognised in profit and loss for the year (note 29) amounts to ₹ (3.60) millions (March 31, 2026: ₹ 3.56 millions)

45 Events after reporting period

a) Subsequent to the reporting date, the Board of Directors of the Group, at its meeting held on November 04, 2026, considered and approved a pre-IPO placement comprising the fresh issue of 3,08,41,986 fully paid-up equity shares having a face value of ₹ 2 each, at a premium of ₹ 95.27 per equity share, aggregating to ₹ 3,000 millions.

The aforesaid pre-IPO placement was subsequently approved by the shareholders of the Group at the Extra-ordinary General Meeting held on November 06, 2026.

46 Acquisition of Maintenance, Repair and Overhaul Business from Sagar Ship Repairers & Marine Services

During the current period, the Subsidiary of the Group acquired the Maintenance, Repair and Overhaul ("MRO") business of Sagar Ship Repairers & Marine Services on a slump sale basis pursuant to a Business Transfer Agreement dated May 10, 2026, for a consideration of ₹750.00 million.

The acquisition has been accounted for as a business combination in accordance with Ind AS 103, "Business Combinations", using the acquisition method. Accordingly, the identifiable assets acquired and liabilities assumed have been recognised at their acquisition-date fair values.

The details of the identifiable assets acquired and liabilities assumed at their respective fair values, the purchase consideration and the resultant goodwill are as follows:

Particulars	Fair value recognised on acquisition
Assets	
Non-current assets	
Intangible assets	
- Customer Relationships, Order backlog Technical knowhow etc.,	553.65
Intangible assets	
Current assets	
Inventory	11.01
Financial assets	
- Cash and cash equivalents	57.92
- Trade receivables	36.88
Total assets	**659.46**
Liabilities	
Non-current liabilities	
Provisions	9.85
Total non-current liabilities	
Current liabilities	
Financial liabilities	
(i) Borrowings	58.76
(ii) Trade payables	
a. total outstanding dues of micro enterprises and small enterprises	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	10.76
(iii) Other financial liabilities	3.78
Total current liabilities	**83.15**
Total liabilities	
Total identifiable net assets at fair value	**576.31**
Purchase consideration	**750.00**
Goodwill	**173.69**

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure VI Notes to Restated Financial Information
(All amounts are in ₹ millions, except share data and unless otherwise stated)

47 Ratio Analysis

Particulars	Numerator	Denominator	Consolidated As at September 30, 2026*	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024	% of change September 30, 2026	% of change March 31, 2026	% of change March 31, 2025	Reason for variance if above 25% for March 31, 2026	Reason for variance if above 25% for March 31, 2025
a) Current ratio	Current Assets	Current Liabilities	2.53	4.57	6.05	3.59	(44.55)	(24.49)	68.52	NA	Increase is on account of increase in Current assets.
b) Debt-Equity ratio	Total Debt + Lease liability	Shareholder's Equity	0.30	0.18	0.18	-50.68	66.81	4.18	(100.35)	NA	Increase is due to increase in Shareholder's equity.
c) Debt Service Coverage ratio	Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of fixed assets etc.	Interest expense + Principal repayments made during the year for long term loans	32.08	19.96	1.83	0.47	60.76	990.66	287.31	Increase is on account of increase in Profit.	Decrease is on account of increase in Total Debt.
d) Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	18.42%	24.44%	23.15%	-365.86%	(24.62)	5.54	(106.33)	NA	Increase is on account of increase in net profit.
e) Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.27	13.15	4.01	2.31	(75.14)	228.06	73.24	Increase is on account of increase in COGS.	Increase is on account of increase in COGS.
f) Trade Receivable Turnover Ratio	Net credit sales = gross credit sales - sales return	Average Trade Receivable	0.66	1.75	3.04	4.40	(62.29)	(42.38)	(30.89)	Decrease is on account of increase in Trade receivables.	Decrease is on account of increase in Trade receivables.
g) Trade Payable Turnover Ratio	Net credit purchases = gross credit purchases - purchase return	Average Trade Payables	1.90	2.62	2.89	17.28	(27.48)	(9.51)	(83.25)	NA	Decrease is on account of increase in Trade payables.
h) Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets–Current liabilities	0.49	0.69	0.46	1.05	(28.99)	51.19	(56.50)	Increase is on account of increase in Revenue	Decrease is on account of increase in Working capital.
i) Net Profit ratio	Net Profit	Net sales = Total sales - sales return	45.72%	34.53%	29.71%	-15.85%	32.42	16.23	(287.45)	NA	Increase is on account of increase in Revenue.
j) Return on Capital Employed	Earnings before interest and taxes	Capital employed = Tangible net worth + total debt - deferred tax asset	19.10%	26.56%	21.82%	7.92%	(28.08)	21.68	175.45	NA	Increase is on account of increase in EBIT.
k) Return on investment Ratio	Interest income (excluding dividend)	Average cash and cash equivalents and other marketable securities	3.80%	4.58%	3.04%	1.36%	(17.08)	50.80	124.09	Increase is on account of increase in Interest income.	Increase is on account of increase in Interest income.

***** Explanation for variance more than 25% not applicable due to the restated consolidated financial information for the current period are from April 01,2026 to September 30,2026 and hence are not comparable with the numbers disclosed as comparatives which are for a period of twelve months from April 01, 2025 to March 31, 2026.

48 Other statutory information

(i) Details of benami property held

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

(ii) Borrowings secured against current assets

The Group has borrowings secured against current assets and statements of current assets filed by the Group with banks are in agreement with the books of accounts.

(iii) Wilful defaulter

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Group does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

(vi) Undisclosed income

The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income-tax Act, 1961.

(vii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous years.

(viii) Registration of charges or satisfaction with ROC

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial years.

(x) Utilisation of borrowed funds and share premium

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:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(xi) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

(xii) Title deeds of immovable properties

Title deeds of all immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

(xiii) Revaluation

During the current year and any of the previous years, the Group has not revalued its property, plant and equipment (including right-of-use assests) or intangibles or both.

49 During the period ended September 30, 2026, the Group was granted an Licence for the manufacture of Vessel of war surface and underwater by the Government of India. This licence enables the Group to undertake manufacturing activities vessel of war surface and underwater, subject to compliance with the terms and conditions specified therein and applicable regulatory requirements.

50 These Restated financial statements were approved for issue by the Board of Directors on November 12, 2026.

As per our report of even date attached

For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number – 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No. : 205226
Place: Hyderabad
Date : November 12, 2026

For and on behalf of the Board of Directors of
Sagar Defence Engineering Limited
(formerly known as Sagar Defence Engineering Private Limited)

Nikunj Parashar
Managing Director
DIN : 07139877
Place: Pune
Date : November 12, 2026

Manoj Agrawal
Director
DIN : 02509181
Place: Pune
Date : November 12, 2026

Ankur Taparia
Chief Financial Officer
Place: Pune
Date : November 12, 2026

Shraddha Khare
Company Secretary
M. No:- A80831
Place: Pune
Date : November 12, 2026

Statement of restatement adjustments

These restated financial statements, as at and for the six month period ended September 30, 2026, have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs (MCA) pursuant to Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act. The Company has prepared the restated financial statements which comply with Ind AS applicable as at and for the six month period ended September 30, 2026, together with the comparative period data as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 as described in the summary of material accounting policies. In preparing these restated financial statements, the Company's opening balance sheet was prepared as at April 01, 2023, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2023 and the financial statements as at and for the six month period ended September 30, 2026.
For periods up to and including the year ended March 31, 2025, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP"). The Restated Financial Information have been compiled from the Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2025 and Audited Special Purpose Financial Statements of the Company as at and for the year ended March 31, 2024 (refer basis of preparation para under Note 2(A)(a).

Ind AS adjustments -

Exceptions to retrospective application of Ind AS
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS: The Group has applied the following exemptions:

Mandatory Exceptions:

a. Estimates:
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were an error.
Estimates as at March 31, 2025 and March 31, 2024 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Group made estimates in accordance with Ind AS at the date of transition as these were not required under previous GAAP. When the Group needs to make estimates under Ind AS that were not required under previous GAAP or vice-versa, the estimates must reflect conditions at the date of transition to Ind AS. On an assessment of the estimates made under previous GAAP, the Group has concluded that there is no necessity to revise the estimates under Ind AS.

b. De-recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial instrument
The Group has classified the financial assets & financial liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d. Impairment of financial assets
Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Group has applied this exception prospectively.

e. Remeasurements of post employment obligations
Under IndAS remeasurements i.e. actuarial gains and losses and the return on assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in the other comprehensive income instead of profit or loss. Under the previous GAAP, the remeasurements were forming part of the profit or loss for the year.

f. Retained earnings
Retained earnings as at April 1, 2023 has been adjusted consequent to the above Ind AS transition adjustments.

g. Other Comprehensive Income
Under IndAS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss inlucdes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concpet of other comprehensivecome did not exist under previous GAAP.

Optional Exemptions:

a. Deemed Cost:
Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS.
Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. The Group has elected carrying value as deemed cost at the transition date.

b. Leases
Ind AS 101 allow a first-time adopter to assess whether a contract existing at the date of transition to Ind AS contains a lease on the basis of facts and circumstances existing at that date. The Group has availed this exemption.
While recognising lease liabilities and right-of-use assets, Ind AS 101 permits a first time adopter to apply the following approach to all of its leases:
i) measure lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS.
ii) measure a right-of-use asset at the date of transition to Ind AS at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of transition to Ind AS.

Also, Ind AS 101 permits a first-time adopter to do one or more of the following at the date of transition to Ind AS, applied on a lease-by-lease basis

i) apply a single discount rate to a portfolio of leases with reasonably similar characteristics
ii) not to apply the requirements to leases for which the underlying asset is of low value
iii) exclude initial direct costs from the measurement of the right-of-use asset
iv) use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The Group has availed these exemptions. The Group being a first time adopter has decided to apply the exemption of recognizing all cumulative actuarial gains or losses at the date of transition to Ind AS an adjustment to opening retained earnings and thereafter as a separate component of equity.

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per as per audited IGAAP Financials and as per the restated statement of assets and liabilities is as follow:

As at April 01, 2023

	As per GAAP	Ind AS Adjustments	As per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	31.47	-	31.47
Right of Use Asset	-	7.57	7.57
Other Intangible Asset	0.00	-	0.00
Intangible assets under development	14.75	-	14.75
Financial Assets			
Other Financial Assets	20.16	(3.87)	16.29
Income tax assets	-	-	-
Deferred tax assets (net)	(0.48)	30.26	29.78
Other non-current assets	2.00	(2.00)	-
Total non-current assets	**67.90**	**31.96**	**99.86**
Current assets			
Inventories	78.26	-	78.26
Financial Assets			
Trade receivables	65.72	(14.61)	51.11
Cash and cash equivalents	218.75	-	218.75
Bank balance other than cash and cash equivalents	53.33	-	53.33
Other Financial Assets	-	6.04	6.04
Other current assets	64.80	(1.21)	63.59
Total current assets	**480.86**	**(9.78)**	**471.08**
Total assets	**548.76**	**22.18**	**570.94**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	121.60	(120.57)	1.03
Other equity	176.83	(129.27)	47.56
Total equity	**298.43**	**(249.84)**	**48.59**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	220.00	262.98	482.98
Lease liabilities	-	5.88	5.88
Provisions	4.66	-	4.66
Deferred tax liabilities [net]	-	-	-
Other non current liabilities	-	8.25	8.25
Total non-current liabilities	**224.66**	**277.11**	**501.77**
Current liabilities			
Financial Liabilities			
Borrowings	0.04	-	0.04
Lease liabilities	-	2.12	2.12
Trade payables			
total outstanding dues of micro enterprises and small enterprises	0.82	-	0.82
total outstanding dues of creditors other than micro and small enterprises	11.71	-	11.71
Other financial liabilities	-	-	-
Other current liabilities	8.89	(8.25)	0.64
Provisions	4.21	(2.10)	2.11
Current Tax liabilities	-	3.14	3.14
Total current liabilities	**25.67**	**(5.09)**	**20.58**
Total liabilities	**250.33**	**272.02**	**522.35**
Total equity and liabilities	**548.76**	**22.18**	**570.94**

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure VII - Statement of Adjustments to Restated Financial Information
(All amounts are in ₹ millions, except share data and unless otherwise stated)

Standalone As at March 31, 2024

	As per GAAP	Ind AS Adjustments	As per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	73.55	-	73.55
Capital work-in-progress			-
Right of Use Asset	-	5.30	5.30
Other Intangible Asset	86.64	-	86.64
Intangible assets under development	4.04	-	4.04
Financial Assets			
Other Financial Assets	23.14	(14.17)	8.97
Income tax assets	-	5.06	5.06
Deferred tax assets (net)	(6.50)	63.85	57.35
Other non-current assets	1.98	(1.78)	0.20
Total non-current assets	**182.85**	**58.26**	**241.11**
Current assets			
Inventories	118.36	-	118.36
Financial Assets			
Trade receivables	150.54	(22.02)	128.52
Cash and cash equivalents	147.59	5.53	153.12
Bank balance other than cash and cash equivalents	-	6.14	6.14
Other Financial Assets	121.65	(117.44)	4.21
Other current assets	0.11	110.68	110.79
Total current assets	**538.25**	**(17.11)**	**521.14**
TOTAL	**721.10**	**41.15**	**762.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	121.60	(120.57)	1.03
Other equity	210.92	(226.32)	(15.40)
Total equity	**332.52**	**(346.89)**	**(14.37)**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	220.00	384.10	604.10
Lease liabilities	-	4.04	4.04
Provisions	6.15	-	6.15
Other non current liabilities	-	17.22	17.22
Total non-current liabilities	**226.15**	**405.36**	**631.51**
Current liabilities			
Financial Liabilities			
Borrowings	117.99	-	117.99
Lease liabilities	-	2.06	2.06
Trade payables			
total outstanding dues of micro enterprises and small enterprises	0.72	-	0.72
total outstanding dues of creditors other than micro and small enterprises	17.74	-	17.74
Other financial liabilities	-	0.06	0.06
Other current liabilities	19.33	(16.97)	2.36
Provisions	6.65	(2.47)	4.18
Total current liabilities	**162.43**	**(17.32)**	**145.11**
Total liabilities	**388.58**	**388.04**	**776.62**
Total equity and liabilities	**721.10**	**41.15**	**762.25**

Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited IGAAP financials and as per restated financial information is as follows:

Year ended March 31, 2024

	As per GAAP	Ind AS Adjustments	As per Ind AS
Income			
Revenue from operations	385.43	9.58	395.01
Other income	15.51	(9.67)	5.84
	400.94	**(0.09)**	**400.85**
Expenses			
Cost of materials consumed	218.18	9.36	227.54
Changes in inventories of stock in trade	-	-	-
Employee benefits expense	56.35	0.64	56.99
Finance costs	6.12	122.04	128.16
Depreciation expense	12.16	2.25	14.41
Other expenses	61.05	(3.49)	57.56
	353.86	**130.80**	**484.66**

Profit before tax	**47.08**	**(130.89)**	**(83.81)**
Tax expenses / (credit)			
Current tax	6.15	-	6.15
Tax relating to earlier periods	0.27	-	0.27
Deferred tax	6.02	(33.65)	(27.63)
	12.44	**(33.65)**	**(21.21)**
Net profit after tax	**34.64**	**(97.24)**	**(62.60)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurement loss / (gain) of defined benefit plans	-	0.25	0.25
Income tax relating to items that will not be reclassified to profit or loss	-	(0.06)	(0.06)
Other comprehensive income for the year, after tax	-	0.19	0.19
Total comprehensive income for the year	**34.64**	**(97.05)**	**(62.41)**

Reconciliation of cash flow statement for the year ended March 31, 2025

	Previous GAAP	Ind AS Adjustment	Standalone As at March 31, 2025
Net cash flow from operating activities	166.59	35.27	201.86
Net cash flow from investing activities	(1,856.75)	(23.90)	(1,880.65)
Net cash flow from financing activities	1,932.77	(11.37)	1,921.40
Net increase / (Decrease) in cash and cash equivalents	**242.61**	**-**	**242.61**
Cash and cash equivalents as at April 01, 2024	153.12	-	153.12
Cash and cash equivalents as at March 31, 2025	**395.73**	**-**	**395.73**

Reconciliation of cash flow statement for the year ended March 31, 2024

	Previous GAAP	Ind AS Adjustment	Standalone As at March 31, 2024
Net cash flow from operating activities	(112.22)	6.35	(105.87)
Net cash flow from investing activities	(124.66)	52.79	(71.87)
Net cash flow from financing activities	117.92	(5.81)	112.11
Net increase / (Decrease) in cash and cash equivalents	**(118.96)**	**53.33**	**(65.63)**
Cash and cash equivalents as at April 01, 2023	272.08	(53.33)	218.75
Cash and cash equivalents as at March 31, 2024	**153.12**	**-**	**153.12**

Reconciliation of total equity as at March 31, 2024 and April 01, 2023

	Standalone As at March 31, 2024	As at April 1, 2023
Total equity (shareholder's fund) as per previous GAAP:	**332.52**	**298.43**
Ind AS Adjustments:		
Lease Impact as per Ind AS 116	(1.21)	(1.00)
Effect of ECL as per Ind AS 109	(22.02)	(14.61)
Financial instruments reclassification and remeasurement under Ind AS 109	(387.88)	(264.49)
Deferral of bank guarantee expenses as per Ind AS 109	0.31	-
Tax Adjustments on above	63.91	30.26
Ind AS Equity	**(14.37)**	**48.59**

Reconciliation of total comprehensive income for the year ended March 31, 2025 and March 31, 2024

	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Net Profit After Tax under previous GAAP	**333.39**	**34.64**
Adjustments for:		
Lease Impact as per Ind AS 116	7.10	0.22
Effect of ECL as per Ind AS 109	(9.90)	(7.41)
Financial instruments reclassification and remeasurement under Ind AS 109	(5.33)	(121.34)
Effect of Actuarial Gain/loss	1.91	(0.64)
Provision for warranty	(3.56)	(2.24)
Effect of deferral of Bank guarantee expenses	19.93	0.32
Effect of foreign exchanges	(4.10)	0.20
Tax adjustment	(30.86)	33.65
Net Profit after tax as per Ind AS	**308.58**	**(62.60)**
Remeasurements of post-employment defined benefit plans	(2.37)	0.25
Income tax effect on above	0.60	(0.06)
Other comprehensive income/(loss) for the year (net of tax)	**(1.77)**	**0.19**
Total comprehensive income/(loss) for the year	**306.81**	**(62.41)**

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure VII - Statement of Adjustments to Restated Financial Information
(All amounts are in ₹ millions, except share data and unless otherwise stated)

Part A: Statement of restatement adjustments to Audited Financial Statements

I. Reconciliation of total equity as per the audited financial statement as at March 31, 2026 and special purpose financial statement as at March 31, 2025 and special purpose financial statement as at March 31, 2024 and with the total equity as per the Restated Financial Information:

	Consolidated As at September 30, 2026	Standalone As at March 31, 2026	Standalone As at March 31, 2025	Standalone As at March 31, 2024
Total equity as per the Audited financial statements/Special Purpose financial statements	6,518.04	4,514.42	2,679.78	(14.37)
Adjustments	-	-	-	-
Total impact of adjustments	**-**	**-**	**-**	**-**
Total equity as per Restated Financial Information	**6,518.04**	**4,514.42**	**2,679.78**	**(14.37)**

II. Reconciliation of profit after tax as per the audited financial statement for the year ended March 31, 2026, and special purpose financial statement for the year ended March 31, 2025 and special purpose financial statement for the year ended March 31, 2024 and with the profit after tax as per the Restated Financial Information:

	Consolidated As at September 30, 2026	Standalone For the year ended March 31, 2026	Standalone For the year ended March 31, 2025	Standalone For the year ended March 31, 2024
Net profit for the year as per the Audited financial statements/Special Purpose financial statements	1,016.12	879.03	308.58	(62.60)
Adjustments	-	-	-	-
Total impact of adjustments	**-**	**-**	**-**	**-**
Net profit for the year as per Restated Financial Information	**1,016.12**	**879.03**	**308.58**	**(62.60)**

Part B: Material regroupings and audit qualifications

There are no regroupings required to be made to the Restated Statement of Assets and Liabilities as at March 31, 2025 and March 31, 2024, the Restated Statement of Profit and Loss and the Restated Statements of Cash Flows for the years ended March 31, 2025 and March 31, 2024 wherever required, by reclassification of the corresponding items of assets, liabilities, income, expenses and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Financial Information for the year ended March 31, 2026 prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Further, there are no qualifications in the audit reports on the financial statements of the Group as at March 31, 2026, March 31, 2025 and March 31, 2024 respectively which requires any adjustments to the Restated Financial Information. However, items relating to modification and emphasis of matter and other matter and other legal and regulatory matters which do not require any corrective adjustments in the Restated Financial Information, have been disclosed hereunder:

For the period Ended September 30, 2026 –
"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use.
We draw attention to Note 2(A) to the Special Purpose Consolidated Interim Financial Statements, which describe the basis of its accounting. These Special Purpose Consolidated Interim Financial Statements have been prepared by the management of the Holding Company, solely for the purpose of the preparation of the Restated Financial Information of the Group for the six months period ended September 30,2026, to be included in the Updated Draft Red Herring Prospectus-I ('UDRHP-I'), Red Herring Prospectus and Prospectus to be filed by the Holding Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai-I at Mumbai as applicable, in connection with the proposed Initial Public Offering of equity shares of the Holding Company, as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, these Special Purpose Consolidated Interim Financial Statements may not be suitable for another purpose.

For the Year Ended March 31, 2025 –
"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use
We draw attention to Note 2 to the Special Purpose Ind AS Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Ind AS Financial Statements. These Special Purpose Ind AS Financial Statements have been prepared by the management of the Group solely for the purpose of preparation of the Restated Financial Information of the Group for the year ended March 31, 2025, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP)/Updated Draft Red Herring Prospectus- I / Updated Draft Red Herring Prospectus – II/ Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Group with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Group, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Group, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Group Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Ind AS Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.
Our opinion is not modified in respect of this matter."

"Other Matters:
The Company has prepared a separate set of general purpose financial statements for the year ended March 31, 2025 in accordance with the Accounting Standards notified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India ("Indian GAAP"), on which we issued our auditor's report dated May 23, 2025 and expressed an unmodified opinion on those financial statements.
The Special Purpose Ind AS Financial Statements of the Company for the year ended March 31, 2025 have been prepared by the Management in accordance with the basis of preparation stated in Note 2 to the Special Purpose Ind AS Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Financial Statements.
Our opinion is not modified in respect of above matters."

Sagar Defence Engineering Limited (formerly known as Sagar Defence Engineering Private Limited)
Annexure VII - Statement of Adjustments to Restated Financial Information
(All amounts are in ₹ millions, except share data and unless otherwise stated)

For the Year Ended March 31, 2024 -

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2024, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP)/ Updated Draft Red Herring Prospectus- I / Updated Draft Red Herring Prospectus – II/Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.

Our opinion is not modified in respect of this matter."

"Other Matters:

The Company has prepared a separate set of general purpose financial statements for the year ended March 31, 2024 in accordance with the Accounting Standards notified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India ("Indian GAAP"), on which we issued our auditor's report dated September 30, 2024 and expressed an unmodified opinion on those financial statements.

The Special Purpose Financial Statements of the Company for the year ended March 31, 2024 have been prepared by the Management in accordance with the basis of preparation stated in Note 2 to the Special Purpose Financial Statements solely for the purpose of preparation of Restated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Financial Statements.

Our opinion is not modified in respect of above matters."

As per our report of even date attached
For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number – 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No. : 205226
Place: Hyderabad
Date : November 12, 2026

For and on behalf of the Board of Directors of
Sagar Defence Engineering Limited
(formerly known as Sagar Defence Engineering Private Limited)

Nikunj Parashar
Managing Director
DIN : 07139877
Place: Pune
Date : November 12, 2026

Manoj Agrawal
Director
DIN : 02509181
Place: Pune
Date : November 12, 2026

Ankur Taparia
Chief Financial Officer
Place: Pune
Date : November 12, 2026

Shraddha Khare
Company Secretary
M. No:- A80831
Place: Pune
Date : November 12, 2026

OTHER FINANCIAL INFORMATION

The accounting ratios required to be disclosed under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations derived from our Restated Financial Information are given below:

Particulars	As at and for the six months period ended September 30, 2026	As at and for the financial year ended March 31, 2026	As at and for the financial year ended March 31, 2025	As at and for the financial year ended March 31, 2024
Basic earnings per Equity Share (in ₹)[1] [3]	0.70	0.61	0.21	(0.04)
Diluted earnings per share (in ₹)[2]	0.49	0.49	0.17	(0.04)
Return on Net Worth (%)[4]	15.59%[8]	19.47%	11.52%	NA[5]
Net Asset Value per Equity Share (in ₹)[6]	3.17	3.14	1.86	(0.01)
EBITDA (in ₹ million)[7]	1,339.89	1,209.28	495.47	52.92

Notes:

1. *Basic EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / weighted average number of Equity Shares during the period/ year.*
2. *Diluted EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of dilutive Equity Shares during the period/ year.*
3. *Our Company has, pursuant to a board resolution dated July 4, 2026 and shareholders resolution dated July 11, 2026 issued bonus shares in the ratio of 2,800 Equity Shares for every 1 Equity Share. Further, pursuant to a board resolution dated July 4, 2026 and Shareholders resolution dated July 11, 2026, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹2 each. EPS is considered post bonus issue and sub-division*
4. *Return on net worth is % computed as restated net profit after tax attributable to equity holders of our Company divided by restated net worth for equity shareholders of our Company.*
5. *Return on Net Worth is not applicable as Net Worth is negative.*
6. *Net Asset Value per Equity Share is Net Worth at the end of the period/ year divided by Number of Equity Shares outstanding at the end of the period/ year. Number of Equity Shares outstanding at the end of the period/ year is an aggregate of number of Equity Shares after impact of sub-division and bonus shares.*
7. *EBITDA is calculated as profit for the period/ year, plus tax expense, finance cost and depreciation and amortisation expense less other income.*
8. *Not annualised*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024 (collectively, the "**Audited Financial Statements**") is available on our website at www.sagardefence.com/investor-relations/ in accordance with the applicable provisions in this regard under SEBI ICDR Regulations.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Updated Draft Red Herring Prospectus - I; or (ii) a 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 or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which it or its shareholders have significant influence 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.

None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Non-GAAP Financial Measures

Certain Non-GAAP financial measures relating to our financial performance, namely EBITDA, EBITDA Margin, Earnings before Interest and Taxes, RONW, Net Asset Value per Equity Share, ("**Non-GAAP Financial Measures**") and certain other industry metrics and financial parameters have been included in this Updated Draft Red Herring Prospectus – I. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with Ind-AS. We present these Non-GAAP Financial Measures because they are used by our management to evaluate our operating performance and formulate business plans. Further, these Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the period/ year 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, or IFRS.

These Non-GAAP Financial Measures are not defined under Ind-AS and are not presented in accordance with Ind-AS. The Non-GAAP Financial Measures have limitations as analytical tools. Further, these Non-GAAP Financial Measures may differ from the similar information used by other companies, including industry peers, and therefore their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to profit before tax or any other measure of performance or as an indicator of our operating performance, liquidity or profitability or results of operations. 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 because they are widely used measures to evaluate a company's operating performance. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors – 70. We have in this Updated Draft Red Herring Prospectus - I included certain non-generally accepted accounting principle financial measures ("Non-GAAP") and certain other industry measures related to our operations and financial performance. These Non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies* " on pages 396 and 55, respectively.

Reconciliation of Non-GAAP Financial Measures

Reconciliation for the following Non-GAAP financial measures included in this Updated Draft Red Herring Prospectus - I are set out below:

Reconciliation of EBITDA, EBITDA Margin

(₹ in millions, unless specified)

Particulars	For the six months period ended September 30, 2026*	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Restated Profit after tax (A)	1,016.12	879.03	308.58	(62.60)
Finance cost (B)	62.29	119.08	149.47	128.16
Depreciation and Amortization(C)	64.15	90.59	40.92	14.41
Tax expenses (D)	287.55	224.22	147.82	(21.21)
Other Income (E)	90.22	103.64	151.32	5.84
Earning before Interest and Taxes and Depreciation (EBITDA) (F)=(A+B+C+D-E) (1)	1,339.89	**1,209.28**	**495.47**	**52.92**
Revenue from Operation (G)	2,222.41	2,545.88	1,038.77	395.01
EBITDA Margin% (F/G) (2)	**60.29%**	**47.50%**	**47.70%**	**13.40%**

Notes:

(1) EBITDA is calculated as profit for the period/ year, plus tax expense, finance costs and depreciation and amortisation expense less other income.

(2) EBITDA Margin = EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

** Note annualized*

Reconciliation of Earnings before Interest and Taxes

(₹ in millions, unless specified)

Particulars	For the six months period ended September 30, 2026	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Restated Profit after tax (A)	1,016.12	879.03	308.58	(62.60)
Finance cost (B)	62.29	119.08	149.47	128.16
Tax expenses (C)	287.55	224.22	147.82	(21.21)
Other Income (D)	90.22	103.64	151.32	5.84
Earning before Interest and Taxes (A+B+C-D) (1)	**1,275.74**	**1,118.69**	**454.55**	**38.51**

Notes:

(1) Earnings before Interest and tax represents the restated profit generated from our Company's operations before considering finance costs, income tax expenses and other income.

Reconciliation of Return on Net Worth ("RONW")

(₹ in millions, unless specified)

Particulars	For the six months period ended September 30, 2026	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Equity share capital (A)	4,107.78	1.03	1.03	1.03
Instruments in the nature of Equity (B)	-	0.21	0.17	-
Other equity (C)	2,410.26	4,513.18	2,678.58	(15.40)
Net Worth (D=A+B+C)	**6,518.04**	**4,514.42**	**2,679.78**	**(14.37)**
Restated Profit after tax for the period/ year (E)	1,016.12	879.03	308.58	(62.60)
Return on Net Worth (%) (E/D)(1)	**15.59%**	**19.47%**	**11.52%**	**NA(2)**

Notes:

(1) RONW % = Return on Net worth is computed as profit for the period/ year attributable to owners of our Company divided by Net Worth for the relevant Financial year

(2) Return on Net Worth is not applicable as Net Worth is negative.

Reconciliation of Net Asset Value per Equity Share

(₹ in millions, unless specified)

Particulars	For the six months period ended September 30, 2026	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Net Worth (A) [(1)]	6,518.04	4,514.42	2,679.78	(14.37)
Number of Equity Shares outstanding as at the end of the period/ year (B)	2,053,889,271	1,438,929,720	1,438,929,720	1,438,929,720
Net Asset Value per Equity Share (A/B)[(2)]	3.17	3.14	1.86	(0.01)

Notes:

(1) Net worth is 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, 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. Net worth is calculated as equity share capital plus Instrument entirely equity in nature plus other equity.

(2) NAV per Equity Share = Net Asset Value per Equity Share is Net Worth at the end of the period/ year divided by Number of Equity Shares outstanding at the end of the period/ year. Number of Equity Shares outstanding at the end of the period/ year is an aggregate of number of Equity Shares after impact of sub-division and bonus shares.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24, read with the SEBI ICDR Regulations for the six months period ended September 30, 2026 and for Fiscals ended March 31, 2026, March 31, 2025 and March 31, 2024 and as reported in the Restated Financial Information, see "*Restated Financial Information – Notes to Restated Financial Information – Note 43 – Related Party Disclosures*" on page 378.

FINANCIAL INDEBTEDNESS

Our Company has availed certain financing/credit facilities in the ordinary course of business for purposes of cash credit. Our Board is empowered to borrow money in accordance with Sections 179 and 180 of the Companies Act, 2013 and our Articles of Association. For details regarding the borrowing powers of our Company, see "*Our Management – Borrowing powers of our Board of Directors*" on page 294.

A brief summary of the financial indebtedness of our Company as on September 30, 2026, is set forth in the table below:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as at September 30, 2026*
Secured borrowings		
Term loans	80.00	80.00
Working capital facilities		
- Fund based	400.00	395.27
- Non-fund based	1,150.00	-@
Unsecured borrowings	-	-
Total	1,630.00	475.27

* *As certified by S C Mehra & Associates LLP, Chartered Accountants by way of their certificate dated November 19, 2026.*

@ *Non-fund-based limit of Rs. 1,150 million is utilised against sanctioned limits.*

Key terms of our Company's borrowings are disclosed below:

- ***Tenor***: The facilities availed by our Company are repayable on demand or as per the prescribed repayment schedule.
- ***Interest rate***: The applicable rate of interest for the facilities availed by us are typically linked to benchmark rates, such as external benchmark-based lending rate over a specific period of time plus a specified spread per annum and are subject to mutual discussions between the lender and our Company.
- ***Security***: Our borrowings are secured by way of hypothecation of current assets and plant and machinery and personal guarantee of the directors.
- ***Pre-payment*:** Our borrowings typically have pre-payment provisions which allow for pre-payment of the outstanding amount at any given point in time, subject to the conditions specified in the borrowing arrangements. The prepayment charges range up to 2% to such higher rate on the pre-paid amount based on lenders extant guidelines or as may be at the discretion of the lender.
- ***Restrictive Covenants:*** The financing arrangements entered into by us entail various restrictive conditions and covenants restricting certain corporate actions, for which our Company requires prior written consent of the lenders include:

  a) formulation of any scheme of amalgamation, merger, demerger, compromise or arrangement;

  b) undertaking any new project, expansion, or acquisition of fixed assets that may impact our Company's financial covenants or result in diversion of working capital;

  c) making any investments, loans, advances, or deposits to or in any other concern;

  d) availing of additional borrowings or credit facilities from any bank or financial institution;

  e) issuing guarantees or letters of comfort in favour of any third party;

  f) declaration or paying of dividends if any default subsists under the facility;

  g) creating any charge, lien, or encumbrance over any assets of our Company;

  h) entering into long-term contractual obligations or making changes to the management or control of our Company; and

  i) opening a current account with any other bank outside the existing arrangement.

- ***Events of default:*** As per the terms of our borrowing, the following, among others, constitute events of default:

  a) non-utilization/ part utilization of the limits;

  b) deterioration in the loan accounts in any manner whatsoever;

  c) non-compliance of terms and conditions of sanction; and

d) opening/ maintaining current account with banks outside the lending arrangement/ consortium/ without the lender's approval.

- ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangement, the following, *inter alia*, are the consequences of occurrence of events of default, whereby our lenders may:

  a) call up the sanctioned facilities;

  b) terminate the sanctioned facilities; and

  c) declare all amounts outstanding in respect of the facility to be due and payable immediately irrespective of the maturity date

This is an indicative list and there may be additional terms that may require the consent of the lenders, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above.

For the purpose of the Offer and as on date of this Updated Draft Red Herring Prospectus - I, our Company has obtained necessary consent from our lender as required under the relevant loan documentations for undertaking activities relating to the Offer. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – 37. We are exposed to indebtedness risks. Our total borrowings and lease liabilities were ₹1,985.06 million, ₹824.20 million, ₹469.60 million and ₹728.19 million as at September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024, respectively, and our inability to service or refinance such indebtedness could adversely affect our financial condition*" on page 42.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations included in the Restated Financial Information.

This section should be read together with "Risk Factors", "Industry Overview", "Our Business", "Other Financial Information" and "Restated Financial Information" on pages 21, 161, 237, 391 and 311, respectively.

This section contains forward-looking statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" on page 21 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.

Unless stated otherwise, all financial information in this section is based on or derived from the "Restated Financial Information" included on page 311 of this Updated Draft Red Herring Prospectus - I. Our Company's financial year ends on March 31 of every year, so all references to a particular Fiscal or year ended are to the twelve-month period ended March 31 of that year. This section presents a discussion of our financial and operational performance for the six months period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled, "Research Report on the Unmanned Systems Industry" (**"CAREEdge Report**") dated November 13, 2026 prepared by CARE Analytics and Advisory Private Limited, which has been commissioned and exclusively paid for by us pursuant to an engagement letter dated June 12, 2026 and prepared exclusively in connection with the Offer. The CAREEdge Report will be available on our website from the date of this Updated Draft Red Herring Prospectus-I until the Bid/Offer Closing Date. For further information, see "Risk Factors – 61. Industry information included in this Updated Draft Red Herring Prospectus - I has been derived from the CAREEdge Report, and any reliance on information from the CAREEdge Report for making an investment decision in the Offer is subject to inherent risks" on page 52.*

Also see "Certain Conventions, Presentation of Financial, Industry and Market Data - Industry and Market Data" on page 17 for additional details regarding the industry and market data used in this Updated Draft Red Herring Prospectus - I.

OVERVIEW OF OUR BUSINESS

We are a vertically integrated Indian deep-tech company that designs, develops, manufactures and supports multi-domain unmanned platforms across the maritime surface, maritime sub-surface, aerial and land domains *(Source: CAREEdge Report).* Our platforms are physical vehicles and robotic systems capable of navigating their environment, executing complex missions and making operational decisions without real-time human intervention. *(Source: CAREEdge Report)* They are driven by our proprietary AI-enabled autonomy software and serve sovereign and commercial applications across defence, scientific and industrial sectors. We undertake research and development, design, prototyping, systems integration, manufacture, testing, deployment and after-sales support principally through our facilities at Chakan, Pune, Maharashtra. Our customers include departments and agencies of the Government of India, government-controlled entities, research organisations and a limited number of commercial and international customers. For a fuller description of our products, technology, facilities and customers, see "*Our Business*" on page 237.

The table below summarises selected indicators of the scale, profitability, working-capital profile and investment requirements of our business:

Particulars	As at / Six months period ended September 30, 2026	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Revenue from operations (₹ million)	2,222.41	2,545.88	1,038.77	395.01
Year-on-year revenue growth (%)	NA[#]	145.09	162.97	NA
Sale of products as % of revenue from operations	97.74	99.10	95.67	96.44
EBITDA (₹ million)[(1)]	1,339.89	1,209.28	495.47	52.92
EBITDA margin (%)[(2)]	60.29	47.50	47.70	13.40
Profit / (loss) for the period/year (₹ million)	1,016.12	879.03	308.58	(62.60)
Profit After Tax margin (%)[(3)]	45.72	34.53	29.71	(15.85)
Return on Capital Employed (%)[(4)]	18.28*	24.31	16.37	6.88
Return on Net Worth (%)[(5)]	15.59*	19.47	11.52	NA
Total Debt to Equity (times) [(6)]	0.30	0.18	0.18	(50.67)
Trade receivable days	277	208	120	83
Total capital expenditure (₹ million)	189.60	637.47	240.69	130.15
Employees	442	330	142	92

**Not annualised*

[#] *NA because comparable data for FY23 and H1FY26 is not available*

Notes:

(1) EBITDA is calculated as profit for the period/year, plus tax expense, finance costs and depreciation and amortisation expense less other income.
(2) EBITDA margin (%) is calculated as EBITDA divided by revenue from operations for the relevant period/ Fiscal.
(3) Profit after tax margin (%) is computed as profit for the period/year divided by revenue from operations for the relevant period/ Fiscal.
(4) Return on Capital Employed (%) is computed as EBIT divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation and Amortization; Capital Employed is calculated as Total Equity minus Other Intangible Assets, Intangible assets under development and Deferred tax assets plus Long Term and Short-Term Borrowing
(5) Return on Net Worth (RoNW) (%) is computed as profit for the period/ year attributable to owners of the Company divided by Net Worth for the relevant period/ Fiscal.
(6) Total Debt to Equity is calculated as Total Debt divided by Total Equity. Total Debt is calculated as the sum of Non-current and Current borrowings and current and non-current lease liabilities.
(7) Return on Net Worth is not applicable as Net Worth is negative.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

During the six months period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, our business moved from a development and qualification phase into commercial execution and repeat-order delivery. That transition produced a rapid increase in revenue and profitability. It also changed the composition of our balance sheet and cash flows, as trade receivables, performance guarantees, capital expenditure and research and development investment increased with the scale and complexity of the programmes under execution. The factors below explain the principal movements in our results and the matters that are likely to affect the timing, level and quality of our revenue, margins and cash flows. This discussion should be read together with "*Risk Factors*", "*Our Business*", "*Industry Overview*" and "*Restated Financial Information*" on pages 21, 237, 161 and 311, respectively.

Government defence procurement priorities, indigenisation and customer concentration

Demand for our platforms is substantially influenced by the procurement priorities, budget allocations and programme schedules of the Government of India and its departments and agencies. According to the CAREEdge Report, defence remains the largest allocation among major sectors and a key government priority, with the Ministry of Defence receiving ₹7,846.8 billion in the budget estimates for Fiscal 2027, up from ₹5,006.8 billion in Fiscal 2022, reflecting a CAGR of 9.4% over Fiscal 2022 to Fiscal 2027. Further, defence remained the largest application within India's unmanned systems market during Fiscal 2021 to 2026, supported by the growing deployment of unmanned platforms for intelligence, surveillance and reconnaissance (ISR), border monitoring, precision engagement, logistics, explosive-ordnance disposal and maritime-domain awareness (*Source: CAREEdge Report*). The Indian defence unmanned systems market increased from US$465.8 million in Fiscal 2021 to US$1,057.7 million in Fiscal 2026, registering a CAGR of 17.8% during the period. Defence applications accounted for approximately 88.0% of the overall Indian unmanned systems market in Fiscal 2021 and around 82.0% in Fiscal 2026 (*Source: CAREEdge Report*). A strong push towards indigenisation under initiatives such as '*Atmanirbhar Bharat'*, Defence Acquisition Procedure, positive indigenisation lists, and increased capital procurement allocation for domestic players has expanded the role of private companies, MSMEs, and defence startups alongside traditional public sector entities, creating a more diversified and competitive industrial base. Simultaneously, increasing investments in advanced technologies such as drones, autonomous systems, electronic warfare, AI-enabled defence platforms, and space-based assets are reshaping India's defence manufacturing landscape (*Source: CAREEdge Report*). Our core autonomy software, platform design and systems-integration capabilities are controlled in-house in India, although we procure components and sub-systems from domestic and international suppliers. The effect of the policy framework on our results therefore depends not only on the continuation of indigenisation measures, but also on the timing of Acceptance of Necessity approvals, tenders, trials, budget releases and contract awards in the relevant programmes.

Government customers also account for a high proportion of our revenue. The Government of India was our largest customer and contributed ₹1,900.81 million, or 85.53% of revenue from operations, during the six month period ended September 30, 2026, ₹2,465.23 million, or 96.83% of revenue from operations, in Fiscal 2026 and ₹966.57 million, or 93.05%, in Fiscal 2025. This concentration has supported rapid scaling as our platforms have moved into procurement, but it also means that a change in defence budgets, procurement priorities, technical requirements or the timing of a material programme can have a disproportionate effect on our revenue and collections in a particular period. Because purchase orders are generally programme-specific and do not commit customers to minimum future volumes, our historical growth should not be treated as an assurance of comparable growth in subsequent periods. For further information, see "*Risk Factors- 1. We derive almost all of our revenue from our top customer, i.e., the Government of India. Our top customer contributed ₹1,900.81 million, ₹2,465.23 million, ₹966.57 million and ₹327.05 million, representing 85.53%, 96.83%, 93.05% and 82.80% of our revenue from operations, in the six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, respectively. The loss of, or a reduction, delay or cancellation in orders from our customers could materially and adversely affect our business, results of operations, cash flows and financial condition.*" on page 21.

Qualification, order conversion and the timing of delivery, acceptance and revenue recognition

Autonomous defence systems pass through a lengthy qualification process before serial procurement. This process may include prototype development, user trials, field or sea evaluations, endurance and environmental testing, third-party validation, formal qualification and customer acceptance. Our platforms have progressed through this pathway across multiple mission categories. The Government of India has awarded us a contract for the development of an autonomous boat swarm *(Source: CAREEdge*

Report). Qualification and successful deployment can lead to repeat or follow-on orders, while delays or changes at any stage can defer revenue and extend the period for which development expenditure, inventory and working capital remain committed.

The movement from trials to delivery and repeat-order execution was a principal factor in the increase in revenue from operations from ₹395.01 million in Fiscal 2024 to ₹1,038.77 million in Fiscal 2025, ₹2,545.88 million in Fiscal 2026 and ₹2,222.41 million during the six month period ended September 30, 2026.Our reported revenue in any period remains sensitive to the mix of contracts recognised over time and those recognised on delivery or acceptance, the achievement of milestones, customer certification and the timing of dispatch and acceptance testing. This can produce material period-to-period variation even where the underlying programme pipeline remains intact.

Product and contract mix, material content and operating margins

Our revenue is presently derived predominantly from the sale of platforms and systems. Product revenue represented 97.74%, 99.10%, 95.67%, and 96.44% of revenue from operations during the six months ended September 30, 2026 and in Fiscals 2026, 2025, 2024, respectively. Because substantially all of our revenue is derived from the sale of autonomous products, any decline in demand for our products, or any obsolescence, failure, withdrawal or non-qualification of a key platform, could adversely affect us disproportionately. Platforms differ materially in their size, payload, autonomy configuration, communications architecture, sensor content, propulsion, testing requirements and degree of customisation. The mix of platforms delivered in a period therefore affects revenue, material consumption, engineering effort, warranty exposure and margin, and unit volumes are not necessarily comparable from period to period.

Cost of materials consumed as a percentage of revenue from operations decreased from 57.60% in Fiscal 2024 to 32.38% in Fiscal 2025 and increased to 38.05% in Fiscal 2026. Cost of materials consumed as a percentage of revenue from operations was 34.51% of revenue from operations in the six months period ended September 30, 2026. The increase in Fiscal 2026 was attributed to a shift towards platforms with higher material content. Raw material purchases increased from ₹267.65 million in Fiscal 2024 to ₹327.58 million in Fiscal 2025 and ₹977.09 million in Fiscal 2026. Certain electronics, sensors, batteries, communication and propulsion components are sourced internationally; imported raw materials were ₹457.87 million in Fiscal 2026. Accordingly, our material costs and delivery schedules are also affected by component availability, lead times, supplier pricing, foreign exchange movements and the extent to which value addition is undertaken in-house.

The corresponding EBITDA margin moved from 13.40% in Fiscal 2024 to 47.70% in Fiscal 2025 and 47.50% in Fiscal 2026. The broadly stable EBITDA margin between Fiscal 2025 and Fiscal 2026 reflects the higher cost of materials as a percentage of revenue due to product mix in Fiscal 2026, offset by continued operating leverage as fixed costs were absorbed over a larger revenue base.

GENISYS, research and development and the treatment of development expenditure

Our systems are built on a unified technology stack, GENISYS (PAT US20240370040A1) ("**GENISYS**"), our proprietary autonomy and command-and-control architecture. A common software core can shorten development cycles, support deployment across multiple platforms and permit software and integration effort to be reused across programmes. We believe this has contributed to the scaling of our portfolio without a proportionate increase in every category of engineering cost. The benefit is not automatic, however. GENISYS must be continuously enhanced for new missions, payloads, threat environments, communications protocols and regulatory or customer requirements, and its performance depends on testing, data quality, cybersecurity, intellectual-property protection and the availability of specialised technical personnel.

Research and development is therefore both a source of future revenue and a continuing cost and execution commitment. Additions to intangible assets under development were ₹72.77 million during the six months ended September 30, 2026, ₹79.49 million in Fiscal 2024, ₹75.44 million in Fiscal 2025 and ₹244.15 million in Fiscal 2026, and the closing balance of intangible assets under development was ₹391.80 million at September 30, 2026. Employee costs capitalised to intangible assets under development were ₹39.78 million during the six months ended September 30, 2026, ₹6.69 million, ₹26.15 million and ₹29.93 million in Fiscals 2024, 2025 and 2026, respectively. Capitalisation reduces the amount charged to employee benefits expense in the period in which qualifying development work is performed, while subsequent amortisation or any impairment affects later periods. Autonomous systems development is iterative and technically uncertain, and at any point a programme may be paused, rescoped, curtailed, abandoned or cancelled due to technical shortfalls, failed trials, shifting customer requirements, cost overruns or resource reallocation. If a material programme were curtailed or abandoned, the resulting write-off or impairment of capitalised development expenditure, work-in-progress and related assets could be significant and would directly reduce reported profit and net worth in the relevant period. The level of capitalised development expenditure, the timing at which a programme is available for use and the commercial outcome of individual programmes can therefore materially affect both reported profitability and the comparability of results across periods.

Customer collections, working capital and conversion of profit into cash

The increase in revenue has required a substantial commitment of working capital. Defence contracts commonly require procurement and manufacturing before billing and may require delivery, inspection, acceptance testing, certification and submission of supporting documentation before payment is released. Trade receivables increased from ₹128.52 million at

March 31, 2024 to ₹554.98 million at March 31, 2025, ₹2,352.08 million at March 31, 2026. Trade receivables were ₹4,377.61 million at September 30, 2026. Trade receivable days increased from 83 days in Fiscal 2024 to 120 days in Fiscal 2025, 208 days in Fiscal 2026. Trade receivables days were 277 in the six months period ended September 30, 2026.

The effect is visible in the difference between reported profit and operating cash flow. In Fiscal 2026, profit before tax was ₹1,103.25 million, but net cash used in operating activities was ₹317.07 million, principally because trade receivables increased by ₹1,832.38 million. In Fiscal 2025, net cash generated from operating activities was ₹201.86 million, compared with net cash used of ₹105.87 million in Fiscal 2024. In the six month period ended September 30, 2026, profit before tax was ₹1,303.67 million, while net cash used in operating activities was ₹1,651.52 million.

We fund the working-capital requirement through internal accruals, customer advances where available, cash and bank balances and working-capital facilities. Short-term borrowings increased from ₹117.99 million at March 31, 2024 to ₹127.79 million at March 31, 2025, ₹350.57 million at March 31, 2026. Short-term borrowing as at September 30, 2026 was₹1,631.30 million. Our liquidity position is influenced by both the amount of available cash and facilities and the timing and certainty of collection of large government receivables.

Particulars	As at / Six month period ended September 30, 2026	As at / Fiscal 2026	As at / Fiscal 2025	As at / Fiscal 2024
Trade receivable days	277	208	120	83
Trade payable days	132	141	110	25
Net working-capital cycle (days)	201	96	101	216
Trade receivables (₹ million)	4,377.61	2,352.08	554.98	128.52
Short-term borrowings (₹ million)	1,631.30	350.57	127.79	117.99
Total capital expenditure (₹ million)	189.60	637.47	240.69	130.15
IAUD additions (₹ million)	72.77	244.15	75.44	79.49

Manufacturing capacity, headcount and the fixed-cost base

Our growth requires manufacturing, integration, testing and support capacity to be added ahead of or alongside programme execution. Total capital expenditure increased from ₹130.15 million in Fiscal 2024 to ₹240.69 million in Fiscal 2025 and ₹637.47 million in Fiscal 2026. In the six months period ended September 30, 2026, the total capital expenditure was ₹189.60 million. In the six months ended September 30, 2026 expenditure included ₹25.50 million of property, plant and equipment additions, ₹28.37 million of capital work-in-progress and ₹72.77 million of additions to intangible assets under development. We operate Plant I and Plant II at Chakan, Pune, and are developing an autonomous maritime shipyard and systems development centre in Andhra Pradesh. For further information, see "*Objects of the Offer – Details of the Objects - Funding of capital expenditure to be incurred for setting up of a Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh*" on page 119. Separately, we have entered into a memorandum of understanding with the Government of Andhra Pradesh for the proposed allotment of approximately 400 acres for a dedicated defence manufacturing facility focused on advanced strategic and national security systems.

Our employee base increased from 92 at March 31, 2024 to 142 at March 31, 2025, 330 at March 31, 2026 and 442 at September 30, 2026. Employee benefits expense increased from ₹56.99 million in Fiscal 2024 to ₹68.59 million in Fiscal 2025 and ₹179.68 million in Fiscal 2026, which included share-based compensation of ₹40.97 million. Depreciation and amortisation increased from ₹14.41 million to ₹40.92 million, ₹90.59 million over the same periods. During the six months ended September 30, 2026, employee benefits expense were ₹144.43 million

As new facilities and development programmes enter service, employee costs, depreciation, lease costs, maintenance and other fixed or semi-fixed costs may increase before the related capacity is fully utilised. The returns from these investments depend on timely completion, qualification and commercialisation of new platforms, sufficient order inflow and the ability to execute programmes at the expected cost and utilisation levels.

Capital structure and non-cash or non-recurring items affecting period-to-period comparability

The movement in reported profit / loss during Fiscals 2026, 2025 and 2024 was affected by the stage of commercialisation, financing instruments and non-recurring other income in addition to the underlying operating performance. In Fiscal 2024, the loss before tax of ₹83.81 million and loss for the year of ₹62.60 million reflected the early stage of commercial deployment, at which revenue of ₹395.01 million produced EBITDA of only ₹52.92 million with an EBITDA margin of 13.40%, as cost of materials consumed represented 57.60% of revenue and employee and other expenses represented 29.00% of revenue, together with finance costs of ₹128.16 million, of which ₹121.11 million represented non-cash notional interest recognised under Ind AS 109 on the CCPS and OCRPS that did not represent a cash interest payment. As platforms progressed through qualification into serial delivery, the step-up in revenue to ₹1,038.77 million in Fiscal 2025 and ₹2,545.88 million in Fiscal 2026 drove the

return to profitability principally through operating leverage, with EBITDA margin increasing to 47.50% as fixed costs were absorbed over a materially larger revenue base.

In Fiscal 2025, the OCRPS were redeemed and the CCDs were converted into equity, and a one-time gain of ₹114.01 million was recognised on derecognition of the relevant financial liability. The non-cash interest charge on financial liabilities was ₹116.71 million in Fiscal 2025 and reduced to ₹39.13 million in Fiscal 2026 and was nil in the six month period ended September 30, 2026. At the same time, cash interest on working-capital borrowings and lease liabilities increased as operations and facilities expanded. Investors should therefore distinguish between recurring operating costs, cash finance costs, non-cash fair-value or amortised-cost charges and one-time gains when comparing EBITDA, profit before tax and profit after tax during Fiscals 2026, 2025 and 2024 and the six month period ended September 30, 2026.

PRESENTATION OF FINANCIAL INFORMATION

The Restated C Financial Information of our Company comprise the Restated Statement of Assets and Liabilities as at September 30, 2026, March 31, 2026, March 31, 2025 and March 31, 2024; the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Cash Flows, and the Restated Statement of Changes in Equity for the six month period ended September 30, 2026 and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, the material accounting policies and other explanatory information and notes (collectively, the "**Restated Financial Information**").

These Restated Financial Information have been prepared by our Company in terms of the requirements of: (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**"); (ii) SEBI ICDR Regulations; and (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**") (the "**Guidance Note**").

The Restated Financial Information have been prepared to comply in all material respects with the Indian Accounting Standards ("**Ind AS**") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Act.

The Restated Financial Information has been compiled by our Company from audited financial statements of our Company as at and for the year ended March 31, 2026 and audited special purpose financial statements as at and for the years ended March 31, 2025 and March 31, 2024 prepared in accordance with Ind AS as specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

The Restated Financial Information: (i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications 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; (ii) does not contain any modification requiring adjustments.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Property, Plant and Equipment

Items of property, plant and equipment are initially recognised at cost. The cost includes the purchase price, directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives as follows. When significant parts of plant and equipment are required to be replaced at intervals, our Company depreciates them separately based on their specific useful lives.

The estimated useful lives of items of property, plant and equipment are as follows:

Category of Assets	Management's Estimate of Useful Life	Useful Life as per Schedule II
Plant and machinery	15 years	15 years
Computers	3 years	3 years
Furniture and fittings	10 years	10 years
Office equipment	5 years	5 years
Electrical installations	10 years	10 years
Motor Vehicles	8 years	8 years

Our Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of buildings, plant and equipment and vehicles which are different from the useful life prescribed in Schedule II to the Companies

Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress ("**CWIP**"). CWIP is stated at cost, net of accumulated impairment loss, if any.

Our Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, our Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, our Company considers climate related matters, including physical and transition risks. Specifically, our Company determines whether climate related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of our Company's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on our Company's buildings.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Leases

Identifying Leases

Our Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria: (i) There is an identified asset; (ii) Our Company obtains substantially all the economic benefits from use of the asset; and (iii) Our Company has the right to direct use of the asset.

Our Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether our Company obtains substantially all the economic benefits from use of the asset, our Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether our Company has the right to direct use of the asset, our Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, our Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, our Company applies other applicable Ind ASs rather than Ind AS 116 Leases.

Our Company as a Lessee

Our Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Our Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Our Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, our Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by our Company and payments of penalties for terminating the lease, if the lease term reflects our Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, our Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

Our Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Our Company also applies the low-value asset recognition exemption on a lease-by-lease basis, if the lease qualifies as leases of low-value assets. In making this assessment, our Company also factors below key aspects: the assessment is conducted on an absolute basis and is independent of the size, nature, or circumstances of the lessee; the assessment is based on the value of the asset when new, regardless of the asset's age at the time of the lease; the lessee can benefit from the use of the underlying asset either independently or in combination with other readily available resources, and the asset is not highly dependent on or interrelated with other assets; if the asset is subleased or expected to be subleased, the head lease does not qualify as a lease of a low-value asset.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Intangible Assets

Externally Acquired Intangible Assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

The significant intangibles recognised by our Company, and their useful economic lives, are as follows:

Intangible Asset	Useful Economic Life
Computer software	3 years

Internally Generated Intangible Assets (Development Costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that: (i) it is technically feasible to develop the product for it to be sold; (ii) adequate resources are available to complete the development; (iii) there is an intention to complete and sell the product; (iv) our Company is able to sell the product; (v) sale of the product will generate future economic benefits; and (vi) expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the statement of profit and loss as incurred.

Capitalised development costs are amortised over the periods our Company expects to benefit from selling the products developed. The amortisation expense is included within the 'depreciation and amortisation expense' in the statement of profit and loss.

The significant intangibles recognised by the Company, their useful economic lives are as follows:

Intangible Asset	Useful Economic Life
Technical know-how / Product development costs	10 years
Patents	5 years
Customer relationships	20 years

Impairment of Non-Financial Assets (Excluding Inventories and Deferred Tax Assets)

Our Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, our Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cash and Cash Equivalents

Cash and cash equivalents includes virtual wallet balance, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which our Company has applied the practical expedient, our Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which our Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Our Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that our Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories: (a) Financial assets at amortised cost (debt instruments); (b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of

cumulative gains and losses (debt instruments); (c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and (d) Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met: (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Our Company's financial assets at amortised cost includes trade receivables under other financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met: (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, our Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when our Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Our Company has elected to classify irrevocably certain equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVOCI. Management only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis. Our Company has not designated any financial assets at FVTPL.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from our Company's balance sheet) when: (a) The rights to receive cash flows from the asset have expired; or (b) Our Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) our

Company has transferred substantially all the risks and rewards of the asset, or (b) our Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When our Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, our Company continues to recognise the transferred asset to the extent of our Company's continuing involvement. In that case, our Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that our Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that our Company could be required to repay.

Impairment of Financial Assets

Our Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that our Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, our Company applies a simplified approach in calculating ECLs. Therefore, our Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Our Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, our Company applies the low credit risk simplification. At every reporting date, our Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, our Company reassesses the internal credit rating of the debt instrument. In addition, our Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Our Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, our Company may also consider a financial asset to be in default when internal or external information indicates that our Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by our Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories: (a) Financial liabilities at fair value through profit or loss; and (b) Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by our Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, our Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortised cost

This is the category most relevant to our Company. After initial recognition, interest-bearing financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by our Company are recognised at the proceeds received, net of direct issue costs. Our Company classifies a financial instrument issued by it as an equity instrument only if the following conditions are met: (a) The instrument includes no contractual obligation to deliver cash or another financial asset to another entity, nor does it include any obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer; and (b) If the instrument will, or may, be settled in our Company's own equity instruments, it is a non-derivative instrument that includes no contractual obligation for our Company to deliver a variable number of its own equity instruments. If the instrument is a derivative, then it should be settled only by our Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

All other instruments are classified as financial liabilities and accounted for using the accounting policy applicable to the financial liabilities.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Dividends on redeemable preference shares, which are classified as a financial liability, are treated as finance costs and are recognised on an accruals basis when an obligation exists at the reporting date.

Provisions and Contingent Liabilities

Our Company has recognised provisions for liabilities of uncertain timing or amount including those for warranty claims and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

A contingent liability is: (a) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company; or (b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Our Company does not recognise a contingent liability but discloses its existence and other required disclosures in notes to the financial statements, unless the possibility of any outflow in settlement is remote.

Revenue from Contracts with Customers

Performance Obligations and Timing of Revenue Recognition

A portion of our Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, our Company no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Our Company has another division which carries out consultancy services for clients, with revenue recognised on an over-time basis. This is because the designs created have no alternative use for our Company and the contracts would require payment to be received for the time and effort spent by our Company on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than our Company's failure to perform its obligations under the contract. On partially complete design contracts, our Company recognises revenue based on stage of completion of the project.

In accordance with Ind AS 115, warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Determining the Transaction Price

Most of our Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating Amounts to Performance Obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered).

Costs of Fulfilling Contracts

No judgement is needed to measure the amount of costs of obtaining contracts - it is the commission paid. The costs of fulfilling contracts do not result in the recognition of a separate asset because: (a) such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and (b) for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the asset (the design service) is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

Foreign Currency

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is our Company's functional and presentation currency.

Transactions and Balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rates between the transaction date and settlement date are recognised in the profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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 OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Borrowing Costs

Borrowing costs are capitalised, when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (qualifying asset). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Employee Benefits

Defined Contribution Schemes

Contributions to defined contribution schemes are charged to the profit and loss in the year to which they relate.

Defined Benefit Schemes

Defined benefit scheme surpluses and deficits are measured at: (a) The fair value of plan assets at the reporting date; less (b) Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations; less (c) The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include: (a) Actuarial gains and losses; (b) Return on plan assets (interest exclusive); and (c) Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Other Employee Benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are treated as short-term employee benefits and presented as current liabilities. Our Company recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities (the obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date) and calculated using the projected unit credit method and then discounted using yields available on government bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations. Remeasurement gains/losses are immediately taken to the statement of profit and loss.

Share-Based Payments

Equity-Settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Income Taxes

Tax expense comprises current income tax expense and deferred tax.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where our Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Our Company reflects the effect of uncertainty for each uncertain tax treatment by using either the most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except: (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint

ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, our Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Our Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Our Company has applied the mandatory exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes (i.e. income taxes arising from the jurisdictional implementation of OECD's Pillar Two Model Rules).

Financial Guarantee Contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Events After the Reporting Period

If our Company receives information after the reporting period, but prior to the date when the financial statements are approved for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. Our Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, our Company will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

New and Amended Standards

Our Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2025. Our Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Ind AS 21 - Lack of Exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 1, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on our Company's financial statements.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: what is meant by a right to defer settlement; that a right to defer must exist at the end of the reporting period; that classification is unaffected by the likelihood that an entity will exercise its deferral right; and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees - after the reporting period but before the financial statements are approved for issue - not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after April 1, 2025, retrospectively in accordance with Ind AS 8.

The amendments have not had an impact on the classification of our Company's liabilities.

Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on our Company's financial statements.

International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include: a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments had no impact on our Company's financial statements as our Company is not in scope of the Pillar Two model rules.

Critical Accounting Estimates and Judgements

Our Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The

estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Leases - Determining the Lease Term of Contracts with Renewal and Termination Options - Our Company as Lessee

Our Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Our Company has several lease contracts that include extension and termination options. Our Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, our Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Intangible Assets Under Development

Our Company capitalises intangible assets under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

This amount includes significant investment related to development projects to improve certain technology used in manufacturing facilities.

Provision for Expected Credit Losses of Trade Receivables and Contract Assets

Our Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns.

The provision matrix is initially based on our Company's historical observed default rates. Our Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. Our Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Defined Benefit Plans (Post-Employment Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Provision for Warranties

For certain products, our Company has incurred an obligation to fulfil if there are any issues or concerns prematurely. Revenue for the sale of the products is recognised once the good is delivered, however, a provision based on previous experience is recognised at the same time. The provision for warranties has been estimated based on historical warranty data associated with similar products and services.

Fair Value Measurement

Assets and liabilities included in our Company's financial statements may require measurement at, and/or disclosure of, fair value. The fair value measurement of our Company's financial and non-financial assets and liabilities utilises market observable

inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'): Level 1: Quoted prices in active markets for identical items (unadjusted); Level 2: Observable direct or indirect inputs other than Level 1 inputs; Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-Based Payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, our Company uses an appropriate model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

CHANGE IN ACCOUNTING POLICIES

There have been no changes in the accounting policies applied by our Company during Fiscals 2026, 2025 and 2024.

PRINCIPAL COMPONENTS OF THE RESTATED STATEMENT OF PROFIT AND LOSS

The following describes the principal components of our restated statement of profit and loss. Unless otherwise indicated, the financial information presented below has been derived from our Restated Financial Information for the six months ended September 30, 2026 and Fiscals 2026, 2025 and 2024.

Total Income

Our total income comprises revenue from operations and other income.

Revenue from Operations

Our revenue from operations comprises the following:

Sale of products

Revenue from sale of products is our primary revenue stream and comprises amounts received and receivable from customers for the delivery of our unmanned platforms across the maritime surface (unmanned surface vessels), maritime sub-surface (autonomous underwater vehicles), aerial (unmanned aerial vehicles and systems), and land domains. Our Company recognises revenue in accordance with Ind AS 115 upon transfer of control of goods or services to customers. Revenue from long-term defence contracts is recognised over time using the percentage of completion method based on costs incurred, while revenue from standard product and spare parts sales is recognised upon delivery and acceptance. Advances received are treated as contract liabilities until performance obligations are fulfilled, and variable consideration, if any, is recognised only when reversal is not probable. During Fiscal 2024 and Fiscal 2025, all revenue from sale of products was derived from domestic customers within India. In Fiscal 2026, revenue from customers outside India was ₹13.70 million, with the substantial majority of revenue continuing to be derived from domestic customers. In six months period ended September 30, 2026, revenue from customers outside India was ₹18.20 million. As our Company continues to develop its platform portfolio across new domains and explores export opportunities, the geographic composition of our revenue may change in future periods.

Sale of services

Revenue from sale of services comprises amounts received and receivable for maintenance, repair and overhaul (MRO) services, annual maintenance contracts, technical support, and after-sales services on unmanned platforms deployed in the field. Revenue is recognised over time as services are rendered. Service revenue has grown alongside the expansion of our installed base, as customers with deployed unmanned platforms increasingly draw on our MRO and support capabilities.

Other operating revenues - Government incentives

Other operating revenues include government incentives received from the Government of India under the Production Linked Incentive scheme. These incentives are recognised upon receipt.

Government incentives were ₹9.58 million in Fiscal 2024, ₹32.53 million in Fiscal 2025 and amounts less than ₹5,000 in Fiscal 2026. Any receipt in Fiscal 2026 related solely to claims pertaining to Fiscal 2025 that remained pending for receipt. The relevant PLI scheme expired in Fiscal 2025 and, accordingly, our Company does not expect any further incentives under this scheme. Our Company may, however, explore participation in any future government incentive schemes, subject to eligibility and availability.

Other Income

Our other income comprises the following:

- *Interest income on bank deposits and fixed deposits*: Interest earned on fixed deposits and other bank balances maintained as part of our treasury management, accrued using the effective interest rate method.

- *Interest income on security deposits*: Interest accrued on security deposits placed with lessors and other counterparties in the ordinary course of business.

- *Net gain on derecognition of financial liability*: A one-time, non-recurring gain of ₹114.01 million was recognised in Fiscal 2025 on account of derecognition of financial instruments (compulsorily convertible debentures / Optionally Convertible Redeemable Preference Shares), representing the difference between the carrying value of the extinguished liability and the face value of the instrument. This gain was nil in Fiscal 2024 and Fiscal 2026. For the six months period ended September 30, 2026 this gain was nil.

- *Net gain on modification of lease:* A gain of ₹0.84 million was recognised in Fiscal 2025 on account of the modification of a lease arrangement in accordance with Ind AS 116, arising from a change in the lease deed and terms resulting in derecognition of the original right-of-use asset and recognition of a new right-of-use asset, with the difference recognised as a gain. This was nil in the six months period ended September 30, 2026 and Fiscal 2024 and Fiscal 2026.

- *Foreign exchange fluctuation gains (net):* Net gains arising from the translation and settlement of foreign currency transactions and balances, amounting to ₹2.62 million, ₹2.07 million and ₹4.19 million in Fiscals 2024, 2025 and 2026, respectively. Foreign currency exposure arises principally from the procurement of imported raw materials for manufacture of our products. This was nil in the six months period ended September 30, 2026.

- *Interest on income tax refund*: A one-time amount of ₹0.15 million was recognised in Fiscal 2025 on receipt of a refund from the income tax authorities as against nil in Fiscal 2024 and Fiscal 2026. This was nil in the six months period ended September 30, 2026.

Expenses

Cost of Materials Consumed

Cost of materials consumed represents the principal cost item and comprises raw materials, electronic components, sub-assemblies, mechanical components, composites, and other materials used in manufacturing our unmanned platforms. It is computed as opening raw material stock plus purchases less closing raw material stock.

Changes in Inventories of Finished Goods

Changes in inventories of finished goods represents the net movement in the value of completed but undelivered platform units at the reporting date. A decrease in finished goods inventory increases the charge to profit and loss; an increase reduces it.

Employee Benefits Expenses

Employee benefits expense comprises all costs relating to our employees, including salaries, wages and bonus, employee share-based compensation, contributions to provident fund, Employees' State Insurance Corporation (ESIC) and other defined contribution plans, gratuity and leave encashment, and staff welfare expenses.

Salaries, wages and bonus, before capitalisation to intangible assets under development, were ₹137.05 million in the six months period ended September 30, 2026, ₹58.61 million in Fiscal 2024, ₹85.96 million in Fiscal 2025 and ₹144.71 million in Fiscal 2026. Employee share-based compensation, representing non-cash expense in respect of equity-settled options granted under our Company's employee stock option plan (ESOP), was ₹26.22 million in six months period ended September 30, 2026, ₹40.97 million in Fiscal 2026, as compared to nil in Fiscal 2025 and ₹(0.55) million in Fiscal 2024. Employee benefits expense is presented net of amounts capitalised to intangible assets under development in respect of employees engaged in qualifying platform development activities, which amounted to ₹6.69 million in Fiscal 2024, ₹26.15 million in Fiscal 2025 and ₹29.93 million in Fiscal 2026. This was ₹39.78 million in the six months period ended September 30, 2026.

Finance Costs

Finance costs comprise the following:

- *Interest on borrowings (at amortised cost):* Cash interest payable on working capital credit facilities (cash credit and overdraft) from scheduled commercial banks.

- *Interest on lease liabilities (Ind AS 116):* Unwinding of discount on lease liabilities on our Company's manufacturing facility leases and other leased assets, recognised under Ind AS 116.

- *Interest on financial liabilities at fair value through profit or loss:* Non-cash notional interest accrued under Ind AS 109 on our Company's Compulsory Convertible Preference Shares (and, in Fiscals 2024 and 2025, on the Optionally Convertible Redeemable Preference Shares).

- *Other borrowing costs:* Includes bank guarantee charges, processing fees, and other costs incurred in connection with our Company's banking facilities.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses comprise:

- *Depreciation on property, plant and equipment:* Depreciation on our Company's plant and machinery, leasehold improvements, computers, office equipment and furniture, charged on a straight-line basis over the useful lives under Schedule II of the Companies Act, 2013.

- *Depreciation on right-of-use assets (Ind AS 116):* Amortisation of right-of-use assets on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

- *Amortisation of intangible assets:* Amortisation of capitalised product development costs (technical know-how) and patents recognised as finite-life intangible assets, on a straight-line basis over their estimated useful lives.

Other Expenses

Other expenses comprise operating costs not separately classified and include the following principal items:

- *Travelling expenses:* Costs incurred on business travel by management and employees for customer engagement, business development, field operations support, and demonstration activities.

- *Business promotion expenses:* Costs incurred on marketing, brand-building and promotional activities in support of our platform offerings.

- *Event expenses:* Costs for participation in trade exhibitions, defence shows, product demonstrations, and other customer-facing events.

- *Labour charges*: Costs for contract labour and outsourced manpower engaged for manufacturing and assembly operations.

- *Power and fuel*: Electricity, fuel and utilities at our manufacturing facilities.

- *Insurance*: Premiums paid on insurance policies maintained in respect of our assets, operations and liabilities.

- *Security expenses*: Costs for security personnel and services deployed at our manufacturing and operational facilities.

- *Transportation expenses*: Freight, logistics and transportation costs incurred in connection with movement of materials, components and finished platforms.

- *Repairs and maintenance - building*: Costs of upkeep and repair of building infrastructure at our manufacturing and operational sites.

- *Repairs and maintenance - others*: Costs of maintenance of plant, machinery, equipment and other assets.

- *Rent*: Lease and rental payments in respect of facilities not classified under Ind AS 116.

- *Legal and professional fees*: Fees paid to legal counsel, consultants and other professional advisors in connection with our business and regulatory activities.

- *Provision for warranty*: Provision made in respect of estimated future warranty obligations on platforms delivered to customers, computed based on historical warranty claims data and management estimates.

- *Auditors' remuneration*: Fees to the statutory auditors in respect of audit and related services comprising statutory audit fees, tax audit fees and other services.

- *Corporate social responsibility (CSR) expenditure*: Mandatory CSR spend under Section 135 of the Companies Act, 2013.

- *Donation*: Amounts donated during the year.

- *Rates and taxes*: Statutory levies, municipal taxes and other government charges.

- *Provision for expected credit loss on trade receivables*: Charge to profit and loss in respect of expected credit losses on trade receivables, computed under the simplified approach prescribed by Ind AS 109.

- *Doubtful debts written off*: Amount written off against trade receivables representing specific balances due from a non-government customer determined to be irrecoverable during Fiscal 2026.

- *Other miscellaneous expenses*: Other operating overhead costs including communication expenses, printing and stationery, and sundry administrative costs.

Tax Expense

Tax expense comprises current income tax and deferred tax charge or credit.

Current tax: Income tax payable on our Company's taxable profits for the year under the Income Tax Act, 1961. Our Company has elected the concessional tax rate under Section 115BAA of the Income Tax Act, 1961.

Deferred tax: Tax recognised on timing differences between accounting and taxable profits, in accordance with Ind AS 12.

RESULTS OF OPERATIONS

The table below sets forth selected financial data for the six month period ended September 30, 2026 and for the Fiscals 2026, 2025 and 2024, with each item expressed as a percentage of total income.

(₹ in million, except percentages)

Particulars	Six month period ended September 30, 2026	% of Total income	Fiscal 2026	% of Total income	Fiscal 2025	% of Total Income	Fiscal 2024	% of Total income
A. Revenue from operations	**2,222.41**	**96.10%**	**2,545.88**	**96.09%**	**1,038.77**	**87.28%**	**395.01**	**98.54%**
- Sale of products	2,172.14	93.93%	2,523.06	95.23%	993.76	83.50%	380.93	95.03%
- Sale of services	50.27	2.17%	22.82	0.86%	12.48	1.05%	4.50	1.12%
- Other operating revenues – Government incentives*	0.00	0.00%	0.00	0.00%	32.53	2.73%	9.58	2.39%
B. Other income	**90.22**	**3.90%**	**103.64**	**3.91%**	**151.32**	**12.72%**	**5.84**	**1.46%**
Total income (A+B)	**2,312.63**	**100.00%**	**2,649.52**	**100.00%**	**1,190.09**	**100.00%**	**400.85**	**100.00%**
Cost of materials consumed	767.03	33.17%	968.69	36.56%	336.39	28.27%	227.54	56.76%
Changes in inventories of finished goods	(126.55)	(5.47)%	-	-	40.11	3.37%	-	-
Employee benefits expenses	144.43	6.25%	179.68	6.78%	68.59	5.76%	56.99	14.22%
Finance costs	62.29	2.69%	119.08	4.49%	149.47	12.56%	128.16	31.97%
Depreciation and amortisation expenses	64.15	2.77%	90.59	3.42%	40.92	3.44%	14.41	3.59%
Other expenses	97.61	4.22%	188.23	7.10%	98.21	8.25%	57.56	14.36%
Total expenses	**1,008.96**	**43.63%**	**1,546.27**	**58.36%**	**733.69**	**61.65%**	**484.66**	**120.91%**
EBITDA[(1)]	**1,339.89**	**57.94%**	**1,209.28**	**45.64%**	**495.47**	**41.63%**	**52.92**	**13.20%**
Profit/(loss) before tax	**1,303.67**	**56.37%**	**1,103.25**	**41.64%**	**456.40**	**38.35%**	**(83.81)**	**(20.91)%**

Particulars	Six month period ended September 30, 2026	% of Total income	Fiscal 2026	% of Total income	Fiscal 2025	% of Total Income	Fiscal 2024	% of Total income
Tax expense / (credit) - net	287.55	12.43%	224.22	8.46%	147.82	12.42%	(21.21)	(5.29)%
Profit/(loss) for the period/year	**1,016.12**	**43.94%**	**879.03**	**33.18%**	**308.58**	**25.93%**	**(62.60)**	**(15.62)%**
Total comprehensive income/(loss)	1,015.39	43.91%	877.32	33.11%	306.81	25.78%	(62.41)	(15.57)%

** amounts less than ₹5,000 are shown as 0.00*

(1) EBITDA is calculated as profit/(loss) before tax plus finance costs plus depreciation and amortisation expenses, less other income. For reconciliation of Non-GAAP measures, see "Other Financial Information – Non-GAAP Financial Measures" on page 391.

Six month period ended September 30, 2026

Total income

Total income was ₹2,312.63 million in the six month period ended September 30, 2026 driven by higher revenue from operations.

Revenue from operations

Revenue from operations was ₹2,222.41 million in the six month period ended September 30, 2026 primarily on account of increase in revenue from products and services.

Revenue from sale of products

Revenue from sale of products was ₹2,172.14 million in the six month period ended September 30, 2026.

Revenue from sale of services

Revenue from sale of services was ₹50.27 million in the six month period ended September 30, 2026.

Other operating revenues - Government incentives

Other operating revenues from government incentives were nil in the six month period ended September 30, 2026.

Other income

Other income was ₹90.22 million in the six month period ended September 30, 2026.

Expenditure

Total expenses were ₹1,008.96 million in the six month period ended September 30, 2026.

Cost of materials consumed

Cost of materials consumed was ₹767.03 million in the six month period ended September 30, 2026, representing 34.51% of revenue from operations.

Changes in inventories of finished goods

Changes in inventories of finished goods was ₹(126.55) million in the six month period ended September 30, 2026.

Employee benefits expenses

Employee benefits expenses were ₹144.43 million in the six month period ended September 30, 2026.

Finance costs

Finance costs were ₹62.29 million in the six month period ended September 30, 2026.

Depreciation and amortisation expenses

Depreciation and amortisation expenses were ₹64.15 million in the six month period ended September 30, 2026.

Other expenses

Other expenses were ₹97.61 million in the six month period ended September 30, 2026.

Profit before tax

Profit before tax was ₹1,303.67 million in the six month period ended September 30, 2026.

Tax expense

Tax expense of ₹287.55 million was recognised in the six month period ended September 30, 2026.

Profit for the period

Profit for the period was ₹1,016.12 million in the six month period ended September 30, 2026, representing a profit after tax margin of 45.72% of revenue from operations.

Fiscal 2026 compared to Fiscal 2025

During Fiscal 2026, our revenue from operations was ₹2,545.88 million, representing year-on-year growth of 145.09%, and our profit after tax was ₹879.03 million, with a profit after tax margin of 34.53% of revenue from operations, as compared with Fiscal 2025. Key developments contributing to this performance included: (i) additions to intangible assets under development of ₹244.15 million in Fiscal 2026, as compared with ₹75.44 million in Fiscal 2025, bringing the total balance of intangible assets under development to ₹321.51 million as at March 31, 2026, reflecting continued investment in next-generation unmanned platforms alongside the commercial scaling of the existing portfolio; (ii) recognition of capital work-in-progress of ₹95.50 million for the first time as at March 31, 2026, reflecting manufacturing infrastructure under construction at our Chakan, Pune premises, including the development of our proposed Autonomous Maritime Shipyard and Systems Development Centre at Nellore, Andhra Pradesh; and (iii) a strategic equity investment in EndureAir Systems Private Limited during Fiscal 2026, representing a 1.65% shareholding.

Total income

Total income increased by ₹1,459.43 million, or 122.63%, from ₹1,190.09 million in Fiscal 2025 to ₹2,649.52 million in Fiscal 2026, driven by higher revenue from operations, partially offset by a decrease in other income, principally the absence of the one-time ₹114.01 million non-cash derecognition gain recognised in Fiscal 2025.

Revenue from operations

Revenue from operations increased by ₹1,507.11 million, or 145.09%, from ₹1,038.77 million in Fiscal 2025 to ₹2,545.88 million in Fiscal 2026 primarily on account of increase in revenue from sale of operations.

Revenue from sale of products

Revenue from sale of products increased by ₹1,529.30 million, or 153.89%, from ₹993.76 million in Fiscal 2025 to ₹2,523.06 million in Fiscal 2026. As a percentage of revenue from operations, product revenue increased from 95.67% to 99.10%, as no government incentives were recognised in Fiscal 2026. The increase reflects: (i) repeat orders from customers who had previously qualified and operationally deployed our platforms; and (ii) Government of India procurement policy under the Atmanirbhar Bharat initiative and IDDM framework.

Revenue from sale of services

Revenue from sale of services increased by ₹10.34 million, or 82.85%, from ₹12.48 million in Fiscal 2025 to ₹22.82 million in Fiscal 2026, on account of MRO and support services provided to customers on a growing installed base of deployed platforms.

Other operating revenues - Government incentives

Other operating revenues from government incentives were ₹0.00 million in Fiscal 2026 (amounts less than ₹5,000) compared to ₹32.53 million in Fiscal 2025.

Other income

Other income decreased by ₹47.68 million, or 31.51%, from ₹151.32 million in Fiscal 2025 to ₹103.64 million in Fiscal 2026. The decrease reflects the absence in Fiscal 2026 of a one-time net gain on derecognition of a financial liability of ₹114.01 million recognised in Fiscal 2025 on extinguishment of the Optionally Convertible Redeemable Preference Shares / CCDs. This was partly offset by an increase in interest income on cash, bank balances and fixed deposits from ₹33.80 million to ₹98.99 million, on account of higher investible surplus from equity proceeds placed in fixed deposits. Foreign exchange gains increased from ₹2.07 million to ₹4.19 million.

Expenditure

Total expenses increased by ₹812.58 million, or 110.75%, from ₹733.69 million in Fiscal 2025 to ₹1,546.27 million in Fiscal 2026. As a percentage of revenue from operations, total expenses decreased from 70.63% to 60.74%, as revenue growth outpaced the increase in costs.

Cost of materials consumed

Cost of materials consumed increased by ₹632.30 million, or 187.97%, from ₹336.39 million in Fiscal 2025 to ₹968.69 million in Fiscal 2026, reflecting the significant step-up in production volumes. As a percentage of revenue from operations, cost of materials consumed was 32.38% in Fiscal 2025 and 38.05% in Fiscal 2026. The material cost ratio increased in Fiscal 2026 compared to Fiscal 2025 driven by a higher proportion of platforms with relatively lower material content in the revenue mix during that year as the order execution profile shifted towards platforms that are more material-intensive in their bill of materials. Raw material purchases were ₹977.09 million in Fiscal 2026 as compared to ₹327.58 million in Fiscal 2025.

The material cost ratio is expected to continue to vary from period to period depending on the composition of platforms delivered in any given year. Our platform portfolio spans a range of applications of varying levels of complexity and material intensity, and as we execute orders across this portfolio, the weighting of deliveries in any year as between platforms with higher structural and electronic component content and those that are relatively less material-intensive will drive movement in the material cost ratio. Accordingly, we do not consider the material cost ratio in any single year to be necessarily representative of the trend over the medium term.

Changes in inventories of finished goods

There was no movement in inventories of finished goods in Fiscal 2026 with opening and closing inventory both of ₹11.11 million, as no sale of such finished goods occurred during the year. In Fiscal 2025, a charge of ₹40.11 million was recognised on a reduction in finished goods inventory from ₹51.22 million to ₹11.11 million, reflecting delivery of previously manufactured units to customers during Fiscal 2025.

Employee benefits expenses

Employee benefits expenses increased by ₹111.09 million, or 161.96%, from ₹68.59 million in Fiscal 2025 to ₹179.68 million in Fiscal 2026. As a percentage of revenue from operations, these increased marginally from 6.60% to 7.06%, as the increase in headcount-related costs was largely absorbed by higher revenues. The increase comprised: (i) recognition of employee share-based compensation of ₹40.97 million under our Company's ESOP plan in Fiscal 2026 as against nil in Fiscal 2025; (ii) salaries, wages and bonus increasing from ₹85.96 million to ₹144.71 million (before capitalisation), reflecting headcount additions and salary increments; and (iii) higher provident fund, ESI and gratuity contributions. Employee benefits capitalised to IAUD were ₹29.93 million in Fiscal 2026 as compared to ₹26.15 million in Fiscal 2025.

Finance costs

Finance costs decreased by ₹30.39 million, or 20.33%, from ₹149.47 million in Fiscal 2025 to ₹119.08 million in Fiscal 2026. As a percentage of revenue from operations, finance costs fell from 14.39% in Fiscal 2025 to 4.68% in Fiscal 2026. The cash finance costs of our Company, being interest expense on borrowings measured at amortised cost of ₹26.66 million in Fiscal 2026 as compared to ₹6.49 million in Fiscal 2025, reflecting the increased utilisation of working capital credit facilities to support order execution, and other borrowing costs of ₹35.02 million in Fiscal 2026 as compared to ₹17.07 million in Fiscal 2025, amounted to ₹61.68 million in Fiscal 2026 as compared to ₹23.56 million in Fiscal 2025, representing 2.42% and 2.27% of revenue from operations respectively. The reported total finance costs also include two items that are non-cash in nature and arise solely from accounting requirements under Ind AS: (i) notional interest on our Company's Compulsorily Convertible Preference Shares and erstwhile Optionally Convertible Redeemable Preference Shares, recognised as interest on financial liability at fair value through profit or loss, of ₹39.13 million in Fiscal 2026 as compared to ₹116.71 million in Fiscal 2025, with the significant reduction reflecting the redemption of the OCRPS in Fiscal 2025; and (ii) interest on lease liabilities recognised under Ind AS 116 of ₹18.27 million in Fiscal 2026 as compared to ₹9.20 million in Fiscal 2025, reflecting the expanded lease portfolio. These items do not represent cash interest outflows to financial creditors and accordingly the sharp decline in reported finance costs as a percentage of revenue from operations reflects both the growth in revenue and the extinguishment of the OCRPS non-cash charge.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by ₹49.67 million, or 121.38%, from ₹40.92 million in Fiscal 2025 to ₹90.59 million in Fiscal 2026. As a percentage of revenue, these decreased from 3.94% to 3.56%. The increase comprised: (i) PPE depreciation from ₹20.20 million to ₹60.80 million, on account of capacity expansion at Chakan, Pune; (ii) ROU amortisation from ₹10.36 million to ₹19.32 million; and (iii) intangible amortisation of ₹10.47 million during Fiscal 2026 compared to ₹10.36 million in Fiscal 2025.

Other expenses

Other expenses increased by ₹90.02 million, or 91.66%, from ₹98.21 million in Fiscal 2025 to ₹188.23 million in Fiscal 2026. As a percentage of revenue, these decreased from 9.45% to 7.39%. The main movements were: (i) ECL provision on trade receivables increased from ₹9.90 million to ₹35.28 million; (ii) travelling expenses from ₹31.94 million to ₹51.69 million; (iii) event expenses from ₹1.96 million to ₹15.51 million; (iv) CSR of ₹3.38 million compared to nil in Fiscal 2025; (v) power and fuel from ₹3.78 million to ₹9.84 million. The absence of bad debts written off of ₹13.90 million during Fiscal 2025 partly offset these increases.

Profit before tax

Profit before tax increased by ₹646.85 million, or 141.73%, from ₹456.40 million in Fiscal 2025 to ₹1,103.25 million in Fiscal 2026. EBITDA increased from ₹495.47 million in Fiscal 2025 to ₹1,209.28 million in Fiscal 2026, representing EBITDA margins of 47.70% and 47.50% of revenue from operations, respectively. EBITDA margin was broadly stable between the two years, as the higher cost of materials as a percentage of revenue in Fiscal 2026, reflecting a shift in product mix towards platforms with relatively higher material content, was offset by continued operating leverage with fixed cost absorption over a substantially larger revenue base. The absolute increase in EBITDA in Fiscal 2026 was principally driven by the significant step-up in revenue from operations.

Tax expense

Tax expense increased by ₹76.40 million, or 51.68%, from ₹147.82 million in Fiscal 2025 to ₹224.22 million in Fiscal 2026. The effective tax rate decreased from approximately 32.39% to 20.32%, on account of a deferred tax credit of ₹35.66 million in Fiscal 2026 as compared to deferred tax charge of ₹28.02 million in Fiscal 2025. Current tax was ₹259.88 million including a prior-year write-back of ₹0.35 million.

Profit for the year

Profit for the year increased by ₹570.45 million, or 184.86%, from ₹308.58 million in Fiscal 2025 to ₹879.03million in Fiscal 2026. Profit after tax margin was 34.53% in Fiscal 2026 compared to 29.71% in Fiscal 2025, with the Fiscal 2025 margin having been supported by the one-time gain on derecognition of a financial liability of ₹114.01 million as discussed above under " - *Profit before tax*".

Fiscal 2025 compared to Fiscal 2024

During Fiscal 2025, our revenue from operations was ₹1,038.77 million, representing year-on-year growth of 162.97%, and our profit after tax was ₹308.58 million, with a profit after tax margin of 29.71% of revenue from operations. Fiscal 2025 was the first profitable year among Fiscal 2024, Fiscal 2025 and Fiscal 2026. Revenue from operations increased from ₹395.01 million in Fiscal 2024 to ₹1,038.77 million in Fiscal 2025, and EBITDA margin increased from 13.40% to 47.70%. Our Company recorded additions of ₹162.78 million to property, plant and equipment during Fiscal 2025, including leasehold improvements of ₹102.65 million at our manufacturing and integration facilities at Chakan, Pune, Maharashtra. The capital structure developments during Fiscal 2025, including the redemption of the optionally convertible redeemable preference shares and conversion of the compulsorily convertible debentures into equity, are discussed under "- *Capital structure and non-cash or non-recurring items affecting period-to-period comparability*" above on page 399.

Total income

Total income increased by ₹789.24 million, or 196.89%, from ₹400.85 million in Fiscal 2024 to ₹1,190.09 million in Fiscal 2025, driven by a material increase in revenue from operations and a significant increase in other income, principally the one-time non-cash gain of ₹114.01 million on derecognition of a financial liability and higher interest income on fixed deposits and bank balances.

Revenue from operations

Revenue from operations increased by ₹643.76 million, or 162.97%, from ₹395.01 million in Fiscal 2024 to ₹1,038.77 million in Fiscal 2025, comprising growth across products and services as described further below.

Revenue from sale of products

Revenue from sale of products increased by ₹612.83 million, or 160.88%, from ₹380.93 million in Fiscal 2024 to ₹993.76 million in Fiscal 2025. As a percentage of revenue from operations, product revenue decreased marginally from 96.44% to 95.67%, as government incentives constituted a higher proportion of revenue in Fiscal 2025.

Revenue from sale of services

Revenue from sale of services increased by ₹7.98 million, or 177.33%, from ₹4.50 million in Fiscal 2024 to ₹12.48 million in Fiscal 2025, on account of MRO and support services provided to customers on a growing installed base of deployed platforms.

Other operating revenues - Government incentives

Government incentives increased by ₹22.95 million, from ₹9.58 million in Fiscal 2024 to ₹32.53 million in Fiscal 2025.

Other income

Other income increased by ₹145.48 million, from ₹5.84 million in Fiscal 2024 to ₹151.32 million in Fiscal 2025. The increase reflects: (i) a one-time net gain on derecognition of a financial liability of ₹114.01 million on extinguishment of the Optionally Convertible Redeemable Preference Shares and Compulsorily Convertible Debentures (nil in Fiscal 2024); (ii) interest income on fixed deposits and bank balances increasing from ₹3.07 million to ₹33.80 million, reflecting higher average balances during Fiscal 2025; and (iii) a net gain on lease modification of ₹0.84 million.

Expenditure

Total expenses increased by ₹249.03 million, or 51.38%, from ₹484.66 million in Fiscal 2024 to ₹733.69 million in Fiscal 2025. As a percentage of revenue from operations, total expenses decreased from 122.70% to 70.63%, as revenue growth substantially outpaced the increase in costs. The Fiscal 2024 total expenses ratio of 122.70% of revenue from operations was materially affected by finance costs of ₹128.16 million, representing 32.44% of revenue from operations, which were dominated by non-cash Ind AS charges as discussed further below.

Cost of materials consumed

Cost of materials consumed increased by ₹108.85 million, or 47.84%, from ₹227.54 million in Fiscal 2024 to ₹336.39 million in Fiscal 2025, on account of higher production volumes. As a percentage of revenue from operations, cost of materials consumed decreased from 57.60% in Fiscal 2024 to 32.38% in Fiscal 2025. This improvement was driven principally by a shift in product mix in Fiscal 2025 towards platforms with relatively lower material content as a proportion of their total cost of delivery, resulting in material costs scaling at a significantly lower rate than the growth in revenue from operations. Raw material purchases were ₹327.58 million in Fiscal 2025 as compared to ₹267.65 million in Fiscal 2024.

A further structural contributor to the reduction in material cost intensity during Fiscals 2026, 2025 and 2024 has been the architecture of our GENISYS autonomy stack. Since GENISYS was developed over several years prior to Fiscal 2024 as a domain-agnostic autonomy platform, product-specific enhancements for each successive platform type have been incorporated incrementally rather than developed from the ground up. This approach has enabled our Company to expand its product portfolio across aerial, maritime surface, maritime sub-surface and land domains without incurring significant additional core development costs for each new platform, and has contributed to the reduction in material and development cost intensity as revenue has scaled.

Changes in inventories of finished goods

A charge of ₹40.11 million was recognised in Fiscal 2025 on a reduction in finished goods inventory from ₹51.22 million to ₹11.11 million, reflecting delivery of previously manufactured units to customers during Fiscal 2025. There was no comparable movement in inventories of finished goods in Fiscal 2024, with opening and closing inventory both recorded at nil.

Employee benefits expenses

Employee benefits expenses increased by ₹11.60 million, or 20.35%, from ₹56.99 million in Fiscal 2024 to ₹68.59 million in Fiscal 2025. As a percentage of revenue from operations, these decreased from 14.43% to 6.60%, as revenue growth substantially outpaced the increase in employee costs. The increase comprised: (i) salaries, wages and bonus increasing from ₹58.61 million to ₹85.96 million (before capitalisation), reflecting headcount additions and salary increments; and (ii) higher provident fund, ESI and gratuity contributions. There was no ESOP expense in Fiscal 2024 or Fiscal 2025. Employee benefits capitalised to intangible assets under development were ₹26.15 million in Fiscal 2025 as compared to ₹6.69 million in Fiscal 2024.

Finance costs

Finance costs increased in absolute terms by ₹21.31 million, or 16.63%, from ₹128.16 million in Fiscal 2024 to ₹149.47 million in Fiscal 2025. As a percentage of revenue from operations, finance costs decreased from 32.44% in Fiscal 2024 to 14.39% in Fiscal 2025, as revenue growth substantially reduced the relative burden. The cash finance costs of our Company, being interest expense on borrowings measured at amortised cost of ₹6.49 million in Fiscal 2025 as compared to ₹3.25 million in Fiscal 2024,

and other borrowing costs of ₹17.07 million in Fiscal 2025 as compared to ₹3.10 million in Fiscal 2024, amounted to ₹23.56 million in Fiscal 2025 as compared to ₹6.35 million in Fiscal 2024, representing 2.27% and 1.61% of revenue from operations respectively. The reported total finance costs in both years include two items that are non-cash in nature and arise solely from accounting requirements under Ind AS: (i) notional interest on our Company's Compulsorily Convertible Preference Shares and Optionally Convertible Redeemable Preference Shares, recognised as interest on financial liability at fair value through profit or loss, of ₹116.71 million in Fiscal 2025 as compared to ₹121.11 million in Fiscal 2024; and (ii) interest on lease liabilities recognised under Ind AS 116 of ₹9.20 million in Fiscal 2025 as compared to ₹0.70 million in Fiscal 2024, reflecting new lease agreements for manufacturing premises entered into during Fiscal 2025. These items do not represent cash interest outflows to financial creditors. The absolute increase in reported finance costs in Fiscal 2025 relative to Fiscal 2024 was accordingly driven by the expansion of the lease portfolio under Ind AS 116 and higher other borrowing costs, and not by any material increase in the underlying cash cost of debt.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by ₹26.51 million, or 183.97%, from ₹14.41 million in Fiscal 2024 to ₹40.92 million in Fiscal 2025. As a percentage of revenue from operations, these increased from 3.65% to 3.94%. The increase comprised: (i) depreciation on property, plant and equipment from ₹6.83 million to ₹20.20 million, on account of new manufacturing capacity at Chakan, Pune; (ii) depreciation of right-of-use assets from ₹2.27 million to ₹10.36 million, reflecting new manufacturing leases; and (iii) amortisation of intangible assets from ₹5.31 million to ₹10.36 million.

Other expenses

Other expenses increased by ₹40.65 million, or 70.62%, from ₹57.56 million in Fiscal 2024 to ₹98.21 million in Fiscal 2025. As a percentage of revenue from operations, these decreased from 14.57% to 9.45%, as revenue growth outpaced the increase in costs. The main movements were: (i) doubtful debts of ₹13.90 million written off in Fiscal 2025 as compared to nil in Fiscal 2024, representing amounts due from non-government customers assessed as no longer recoverable; (ii) travelling expenses from ₹17.13 million to ₹31.94 million; and (iii) provision for expected credit loss of ₹9.90 million in Fiscal 2025 as compared to ₹7.41 million in Fiscal 2024.

Profit/(loss) before tax

Financial performance improved from a loss before tax of ₹83.81 million in Fiscal 2024 to a profit before tax of ₹456.40 million in Fiscal 2025, an improvement of ₹540.21 million. EBITDA improved from ₹52.92 million with an EBITDA margin of 13.40% in Fiscal 2024 to ₹495.47 million with an EBITDA margin of 47.70% in Fiscal 2025. This improvement is attributable to the following factors. First, cost of materials consumed as a percentage of revenue from operations decreased from 57.60% in Fiscal 2024 to 32.38% in Fiscal 2025, as revenues scaled materially faster than material costs and the product mix shifted towards platforms with relatively lower material content, contributing to the improvement in EBITDA margin. Second, employee benefits expenses as a percentage of revenue from operations decreased from 14.43% to 6.60%, as headcount costs increased at a fraction of the rate of revenue growth, contributing to the improvement. Third, other expenses as a percentage of revenue from operations decreased from 14.57% to 9.45%, reflecting operating leverage as costs were absorbed over a materially larger revenue base, contributing to the improvement. These positive contributors were partly offset by a charge arising from a reduction in finished goods inventory from ₹51.22 million to ₹11.11 million in Fiscal 2025 (nil in Fiscal 2024). In aggregate, the above factors reconcile to the total improvement of EBITDA margin.

Tax expense / (credit)

Tax expense of ₹147.82 million was recognised in Fiscal 2025 as compared to a tax credit of ₹21.21 million in Fiscal 2024. In Fiscal 2025, current tax was ₹119.80 million and deferred tax charge was ₹28.02 million. In Fiscal 2024, current tax was ₹6.42 million and a deferred tax credit of ₹27.63 million was recognised on timing differences arising from brought-forward losses and provisions.

Profit/(loss) for the year

Financial performance improved from a loss of ₹62.60 million in Fiscal 2024 to a profit of ₹308.58 million in Fiscal 2025, an improvement of ₹371.18 million. Profit after tax margin was 29.71% in Fiscal 2025, with the margin supported in part by the one-time gain on derecognition of a financial liability of ₹114.01 million as discussed above under " - *Profit/(loss) before tax*". The Fiscal 2024 loss reflected the early stage of commercial deployment, with revenue of ₹395.01 million producing EBITDA of ₹52.92 million at a margin of 13.40%, which was insufficient, together with non-cash Ind AS finance costs of ₹121.11 million, to generate a profit before tax. Total comprehensive income was ₹306.81 million in Fiscal 2025 as compared to a total comprehensive loss of ₹62.41 million in Fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2026, our Company maintained a strong liquidity position. Cash and cash equivalents stood at ₹965.25 million, comprising balances in current accounts, short-term deposits with original maturity of less than three months, and a balance in our virtual wallets. In addition, our Company held bank deposits (with original maturity of more than three months but less than 12 months) of ₹1,134.29 million. Of these fixed deposits, ₹1,008.58 million is subject to a lien against non-fund-based limits

extended by the bank, and is therefore not freely available. In aggregate, our Company's cash and cash equivalents and other bank balances amounted to ₹2,099.55 million which may be used for general business requirement and capability expansion. As at September 30, 2026, cash and cash equivalents were ₹25.08 million and bank balances other than cash and cash equivalents were ₹2,094.68 million, together amounting to ₹2,119.76 million.

Our Company's financial liabilities comprised short-term working capital borrowings from banks of ₹350.57 million. In addition, non-current borrowings included 0.01% Compulsory Convertible Preference Shares ("**CCPS**") classified as financial liabilities at fair value through profit or loss, with a carrying value of ₹195.63 million. Lease liabilities amounting to ₹278.00 million, comprising a current portion of ₹23.42 million and a non-current portion of ₹254.58 million. In aggregate, total borrowings and lease liabilities amounted to ₹824.20 million, resulting in a net cash position (i.e., sum of cash and cash equivalents and bank balances other than cash and cash equivalents less sum of current and non-current borrowings and current and non-current lease liabilities)of ₹1,275.35 million as at March 31, 2026 compared to March 31, 2025 with a net cash position (i.e., sum of cash and cash equivalents and bank balances other than cash and cash equivalents less sum of current and non-current borrowings and current and non-current lease liabilities) of ₹1,400.84 million; and March 31, 2024 net debt of ₹568.93 million. As at September 30, 2026, total borrowings and lease liabilities were ₹1,985.06 million, comprising borrowings of ₹1,704.63 million and lease liabilities of ₹280.43 million; as cash and cash equivalents and other bank balances of ₹2,119.76 million exceeded this amount, net debt remained nil.

The year-on-year reduction in the net cash position (i.e., sum of cash and cash equivalents and bank balances other than cash and cash equivalents less sum of current and non-current borrowings and current and non-current lease liabilities), from ₹1,400.84 million as at March 31, 2025 to ₹1,275.35 million as at March 31, 2026, primarily reflects the significant increase in working capital deployed as a result of our Company's rapid revenue growth. Trade receivables grew from ₹554.98 million as at March 31, 2025 to ₹2,352.08 million as at March 31, 2026 and further to ₹4,377.61 million as at September 30, 2026, reflecting the substantial increase in contract activity during the year.

As at September 30, 2026, the Company had capital commitments of ₹366.66 million in respect of contracts remaining to be executed on capital account and not yet provided for in the financial statements. Our Board receives rolling 12-month cash flow projections on a monthly basis, and our Company's management believes that our Company will have sufficient liquid resources to meet its financial obligations as they fall due under all reasonably expected circumstances.

CASH FLOWS

The following table summarises our restated statement of cash flows for the six month period ended September 30, 2026, and for Fiscals 2026, 2025 and 2024:

(₹ in million)

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net cash generated from / (used in) operating activities	(1,651.52)	(317.07)	201.86	(105.87)
Net cash generated from / (used in) investing activities	(1,300.08)	(200.28)	(1,880.65)	(71.87)
Net cash generated from financing activities	2,011.43	1,086.87	1,921.40	112.11
Net increase / (decrease) in cash and cash equivalents	(940.17)	569.52	242.61	(65.63)
Cash and cash equivalents at beginning of period/ year	965.25	395.73	153.12	218.75
Effect of exchange rate changes	-	-	-	-
Cash and cash equivalents at end of period/ year	25.08	965.25	395.73	153.12

Cash flows from operating activities

Six month period ended September 30, 2026

Net cash used in operating activities was ₹1,651.52 million in the six month period ended September 30, 2026. Operating profit before working capital changes was ₹1,362.65 million, principally reflecting profit before tax of ₹1,303.67 million, depreciation and amortisation expense of ₹64.15 million, interest on borrowings of ₹44.58 million, interest on lease liability of ₹9.01 million, share-based payments to employees of ₹26.22 million and provision for warranty of ₹6.27 million, partially offset by interest income on fixed deposits of ₹89.97 million. Working capital movements resulted in a net cash outflow of ₹2,756.14 million, principally reflecting an increase in trade receivables of ₹1,988.65 million, an increase in other assets of ₹434.84 million and an increase in inventories of ₹224.81 million, partly offset by an increase in other liabilities of ₹65.59 million, and a increase in other financial liabilities of ₹0.47 million and partly offset by a decrease in trade payables of ₹163.49 million. Income taxes paid were ₹258.03 million in the six month period ended September 30, 2026.

Fiscal 2026 compared with Fiscal 2025

Net cash used in operating activities was ₹317.07 million in Fiscal 2026 as compared to net cash generated from operating activities of ₹201.86 million in Fiscal 2025. Operating profit before working capital changes increased from ₹505.76 million in Fiscal 2025 to ₹1,259.13 million in Fiscal 2026, principally on account of higher profit before tax of ₹1,103.25 million in Fiscal 2026 as compared to ₹456.40 million in Fiscal 2025. Significant non-cash adjustments in Fiscal 2026 included depreciation and amortisation of ₹90.59 million as compared to ₹40.92 million in Fiscal 2025, notional interest on financial liability at fair value through profit or loss of ₹39.13 million as compared to ₹116.71 million in Fiscal 2025, interest on borrowings of ₹26.66 million as compared to ₹6.49 million in Fiscal 2025, interest on lease liabilities of ₹18.27 million as compared to ₹9.20 million in Fiscal 2025, share-based payments to employees of ₹40.97 million as compared to nil in Fiscal 2025, provision for expected credit loss on trade receivables of ₹35.28 million as compared to ₹9.90 million in Fiscal 2025, and provision for warranties of ₹8.62 million as compared to ₹3.56 million in Fiscal 2025, partially offset by interest income on bank balances and fixed deposits of ₹98.99 million as compared to ₹33.80 million in Fiscal 2025. Fiscal 2025 also included bad debts of ₹13.90 million written off and a gain on derecognition of financial liability of ₹114.01 million, with no equivalents in Fiscal 2026.

Working capital movements resulted in a net cash outflow of ₹1,407.31 million in Fiscal 2026 as compared to a net cash outflow of ₹190 million in Fiscal 2025. The principal working capital movements in Fiscal 2026 were: an increase in trade receivables of ₹1,832.38 million as compared to ₹450.25 million in Fiscal 2025, reflecting the significant growth in revenue from operations and extended government payment cycles; and an increase in inventories of ₹8.41 million as compared to a decrease of ₹48.92 million in Fiscal 2025. These outflows were partly offset by an increase in trade payables of ₹334.52 million as compared to ₹190.89 million in Fiscal 2025, a decrease in other assets of ₹39.03 million as compared to an increase of ₹100.16 million in Fiscal 2025, an increase in other liabilities of ₹45.08 million as compared to ₹118.09 million in Fiscal 2025, an increase in provisions and employee benefit obligations of ₹10.20 million as compared to ₹5.58 million in Fiscal 2025, and an increase in other financial liabilities of ₹4.51 million in Fiscal 2026. Income taxes paid (net) were ₹168.89 million in Fiscal 2026 as compared to ₹113.90 million in Fiscal 2025, reflecting higher taxable profits during the year.

Fiscal 2025 compared with Fiscal 2024

Net cash generated from operating activities was ₹201.86 million in Fiscal 2025 as compared to net cash used in operating activities of ₹105.87 million in Fiscal 2024. Operating profit before working capital changes increased from ₹58.92 million in Fiscal 2024 to ₹505.76 million in Fiscal 2025, driven by the improvement in profit before tax from a loss of ₹83.81 million in Fiscal 2024 to a profit of ₹456.40 million in Fiscal 2025. Key non-cash adjustments included interest on financial liability at amortised cost of ₹116.71 million in Fiscal 2025 as compared to ₹121.11 million in Fiscal 2024, depreciation and amortisation of ₹40.92 million in Fiscal 2025 as compared to ₹14.41 million in Fiscal 2024, interest on lease liability of ₹9.20 million in Fiscal 2025 as compared to ₹0.70 million in Fiscal 2024, interest on borrowings of ₹6.49 million in Fiscal 2025 as compared to ₹3.25 million in Fiscal 2024, bad debts written off of ₹13.90 million in Fiscal 2025 as compared to nil in Fiscal 2024, and provision for expected credit loss on trade receivables of ₹9.90 million in Fiscal 2025 as compared to ₹7.41 million in Fiscal 2024, partially offset by interest income on fixed deposits of ₹33.80 million in Fiscal 2025 as compared to ₹3.07 million in Fiscal 2024, and the gain on derecognition of financial liability of ₹114.01 million reversed as a non-cash adjustment in Fiscal 2025. Working capital movements resulted in a net cash outflow of ₹190 million in Fiscal 2025 as compared to ₹150.23 million in Fiscal 2024. The principal working capital movements in Fiscal 2025 were an increase in trade receivables of ₹450.25 million in Fiscal 2025 as compared to ₹84.82 million in Fiscal 2024, reflecting the significant growth in revenue from operations, and an increase in other assets of ₹100.16 million in Fiscal 2025 as compared to ₹47.39 million in Fiscal 2024, partly offset by an increase in trade payables of ₹190.89 million in Fiscal 2025 as compared to ₹8.74 million in Fiscal 2024, an increase in other liabilities of ₹118.09 million in Fiscal 2025 as compared to ₹10.69 million in Fiscal 2024, a decrease in inventories of ₹48.92 million in Fiscal 2025 as compared to an increase of ₹40.10 million in Fiscal 2024, and an increase in provisions and employee benefit obligations of ₹5.58 million in Fiscal 2025 as compared to ₹1.31 million in Fiscal 2024. Income taxes paid (net) were ₹113.90 million in Fiscal 2025 as compared to ₹14.56 million in Fiscal 2024, reflecting the return to taxable profitability in Fiscal 2025.

Cash flows from investing activities

Six month period ended September 30, 2026

Net cash used in investing activities was ₹1,300.08 million in the six month period ended September 30, 2026. Purchase of property, plant and equipment and other intangible assets, including capital work-in-progress and intangible assets under development, was ₹189.60 million. Investment made in bank deposits was ₹1,151.18 million and acquisition of new businesses (Net of cash acquired) of ₹70.34 million, partially offset by proceeds from bank deposits of ₹57.92 million. Interest received was ₹53.12 million in the six month period ended September 30, 2026.

Fiscal 2026 compared with Fiscal 2025

Net cash used in investing activities was ₹200.28 million in Fiscal 2026 as compared to ₹1,880.65 million in Fiscal 2025. The significant reduction was principally on account of proceeds from bank deposits of ₹364.72 million received in Fiscal 2026, representing partial maturity and redemption of fixed deposits placed from the equity proceeds raised during Fiscal 2025, as compared to investment made in bank deposits of ₹1,649.20 million in Fiscal 2025, representing deployment of proceeds from the issuance of partly paid up equity shares into fixed deposits pending their planned utilisation. Purchase of property, plant

and equipment and other intangible assets, including capital work-in-progress and intangibles under development, was ₹637.47 million in Fiscal 2026 as compared to ₹240.69 million in Fiscal 2025, reflecting increased capital expenditure on plant and machinery, new premises and next-generation platform development. Interest received was ₹102.58 million in Fiscal 2026 as compared to ₹9.24 million in Fiscal 2025, reflecting full-year earnings on the higher average fixed deposit balance maintained during Fiscal 2026. Purchase of investments was ₹30.11 million in Fiscal 2026 as compared to nil in Fiscal 2025, representing the acquisition of a minority shareholding in EndureAir Systems Private Limited.

Fiscal 2025 compared with Fiscal 2024

Net cash used in investing activities was ₹1,880.65 million in Fiscal 2025 as compared to ₹71.87 million in Fiscal 2024, principally on account of investment made in bank deposits of ₹1,649.20 million in Fiscal 2025 as compared to proceeds from bank deposits of ₹54.66 million in Fiscal 2024, representing the deployment of proceeds from the issuance of partly paid up equity shares into fixed deposits as a treasury management measure pending their planned utilisation. Purchase of property, plant and equipment and other intangible assets, including capital work-in-progress and intangibles under development, was ₹240.69 million in Fiscal 2025 as compared to ₹130.15 million in Fiscal 2024, comprising leasehold improvements for the Chakan manufacturing facilities and other plant, equipment and intangible asset additions. Interest received was ₹9.24 million in Fiscal 2025 as compared to ₹3.62 million in Fiscal 2024. There were no purchases of investments in either Fiscal 2025 or Fiscal 2024.

Cash flows from financing activities

Six month period ended September 30, 2026

Net cash generated from financing activities was ₹2,011.43 million in the six month period ended September 30, 2026. Proceeds from issue of shares and Compulsorily Convertible Preference Shares were ₹795.53 million, and proceeds from borrowings were ₹1,295.30 million. These inflows were partially offset by redemption of 0.01% Optionally Convertible Redeemable Preference Shares of ₹Nil, payment of share issue expenses of ₹28.81 million, interest paid on borrowings of ₹44.01 million, and total lease liability repayment of ₹6.58 million in the six month period ended September 30, 2026.

Fiscal 2026 compared with Fiscal 2025

Net cash generated from financing activities was ₹1,086.87 million in Fiscal 2026 as compared to ₹1,921.40 million in Fiscal 2025, principally reflecting the absence of the large equity fundraising inflows that characterised Fiscal 2025, partially offset by receipt of proceeds from CCPS being fully paid of ₹916.36 million in Fiscal 2026 as compared to ₹2,167.33 million on their initial issuance in Fiscal 2025. Proceeds from borrowings were ₹222.78 million in Fiscal 2026, representing new drawdowns on working capital credit facilities. Interest paid on borrowings was ₹26.68 million in Fiscal 2026 as compared to ₹6.49 million in Fiscal 2025, with the increase reflecting the reduction in accrued interest following the redemption of the 0.01% Optionally Convertible Redeemable Preference Shares in Fiscal 2025. Repayment of principal portion of lease liabilities was ₹6.54 million in Fiscal 2026 as compared to ₹9.76 million in Fiscal 2025, and repayment of interest portion of lease liabilities was ₹19.05 million in Fiscal 2026 as compared to ₹9.19 million in Fiscal 2025, reflecting the expanded lease portfolio following new manufacturing premises entered into during Fiscal 2025 and Fiscal 2026.

Fiscal 2025 compared with Fiscal 2024

Net cash generated from financing activities was ₹1,921.40 million in Fiscal 2025 as compared to ₹112.11 million in Fiscal 2024, principally on account of proceeds from the issuance of partly paid up equity shares of ₹2,167.33 million in Fiscal 2025 as compared to nil in Fiscal 2024. This was partially offset by the cash redemption of the 0.01% Optionally Convertible Redeemable Preference Shares of ₹230.29 million in Fiscal 2025 as compared to nil in Fiscal 2024. In addition, compulsorily convertible debentures with a carrying value of ₹282.50 million were converted into equity shares during Fiscal 2025, being a non-cash transaction not reflected in the financing cash flows, which gave rise to the gain on derecognition of financial liability of ₹114.01 million recognised in other income. Interest paid on borrowings was ₹6.49 million in Fiscal 2025 as compared to ₹3.25 million in Fiscal 2024. Repayment of principal portion of lease liabilities was ₹9.76 million in Fiscal 2025 as compared to ₹1.90 million in Fiscal 2024, and repayment of interest portion of lease liabilities was ₹9.19 million in Fiscal 2025 as compared to ₹0.69 million in Fiscal 2024, reflecting the new lease agreements for manufacturing premises entered into during Fiscal 2025.

FINANCIAL INDEBTEDNESS

The following table sets forth our borrowings as at September 30, 2026 and March 31, 2026, 2025 and 2024:

(₹ in million)

Particulars	September 30, 2026	March 31, 2026	March 31, 2025	March 31, 2024
Short-term borrowings (working capital / cash credit from banks)	1,624.63	350.57	127.79	117.99
Long term borrowings (Term Loan from banks)	80.00	-	-	-

Particulars	September 30, 2026	March 31, 2026	March 31, 2025	March 31, 2024
Compulsory Convertible Preference Shares (FVTPL, non-current)	-	195.63	156.50	125.20
Total borrowings (A)	1,704.63	546.20	284.29	243.19
Lease liabilities (current and non-current) (B)	280.43	278.00	185.31	6.10
Total borrowings and lease liabilities (A + B)	**1,985.06**	**824.20**	**469.60**	**249.29**

We have no external long-term term loan debt outstanding as at March 31, 2026, 2025 and 2024. The CCPS are classified as financial liabilities at FVTPL under Ind AS 109; they are mandatorily convertible into equity shares as per the terms of the instrument and are not redeemable.

During Fiscal 2025, our Company redeemed 1,204,450 0.01% optionally convertible redeemable preference shares ("**OCRPS**") out of the proceeds of a fresh issue of Series A CCPS as a matter of prudence, our Company transferred an amount equal to the nominal value of the redeemed OCRPS, i.e., ₹ 120.45 million from the securities premium account to capital redemption reserve. Further, as on the date of this Updated Draft Red Herring Prospectus - I the amount lying to the credit of the capital redemption reserve is unutilized.

For further information, see "*Financial Indebtedness*" on page 394.

CAPITAL EXPENDITURE

The following table sets forth our capital expenditure for the six month period ended September 30, 2026 and for Fiscals 2026, 2025 and 2024:

(₹ in million)

Particulars	Six month period ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
PPE additions (net of borrowing cost, capital advances and assets disposal) (A)	25.50	297.82	160.82	48.91
Of which: Plant and machinery	17.70	215.23	34.33	27.90
Of which: Leasehold improvements	7.79	36.38	102.65	9.80
Capital work-in-progress (net additions) (B)	28.37	95.50	-	-
Intangible assets under development ("**IAUD**") additions (C)	72.77	244.15	75.44	79.49
Other intangible additions (patents, software) (D)	62.96	-	4.43	1.75
Total capital expenditure (cash flow basis) (A+B+C+D)	**189.60**	**637.47**	**240.69**	**130.15**

CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

Particulars	September 30, 2026	March 31, 2026	March 31, 2025	March 31, 2024
Capital commitments:				
Contracts remaining to be executed on capital account (net)	366.66	63.37	224.22	15.00

AUDITORS' OBSERVATION

Except as disclosed below, the Previous Auditors of our Company have not expressed any qualification, reservation, adverse remark or matter of emphasis on our Restated Financial Information for the periods covered in this Updated Draft Red Herring Prospectus - I.

For the Year Ended March 31, 2025 –

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2025, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP)/Updated Draft Red Herring Prospectus- I / Updated Draft Red Herring Prospectus – II/ Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI

Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. Our opinion is not modified in respect of this matter."

For the Year Ended March 31, 2024 –

"Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Financial Statements. These Special Purpose Financial Statements have been prepared by the management of the Company solely for the purpose of preparation of the Restated Financial Information of the Company for the year ended March 31, 2024, for inclusion in the Pre-filed Draft Red Herring Prospectus (PDRHP)/ Updated Draft Red Herring Prospectus- I / Updated Draft Red Herring Prospectus – II/Red Herring Prospectus/Prospectus ("Offer Document") to be filed by the Company with Securities Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Register of Company, Mumbai I ('Register of Companies'), as applicable, in connection with its proposed initial public offering of equity shares of the Company, as per requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and SEBI Communication, as amended from time to time. As a result, these Special Purpose Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company and intended solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. Jain Ambavat & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.

Our opinion is not modified in respect of this matter."

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material effect on our financial condition, revenues, expenses, results of operations, liquidity or capital resources.

RELATED PARTY TRANSACTIONS

For details, see "*Restated Financial Information – Note 43 – Related Party Disclosures*" and "*Summary of Related Party Transactions*" on pages 378 and 70.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

Our operational activities expose us to a variety of financial risks which include 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 has established certain key managerial personnel who are responsible for developing and monitoring risk management policies.

Credit Risk

Credit risk arises principally from trade receivables. As at September 30, 2026, gross trade receivables were ₹4,444.81 million, against which an allowance for expected credit loss of ₹67.20 million has been recognised, resulting in a net carrying amount of ₹4,377.61 million. Our trade receivables are concentrated primarily in government and quasi-government entities, which we consider counterparties of high credit quality. The ageing of gross trade receivables as at September 30, 2026 was as follows: not yet due ₹2,437.72 million (54.84%); less than six months past due ₹1,931.34 million (43.45%); six months to one year past due ₹0.61 million (0.01%); and more than twelve months past due ₹75.14 million (1.69%). The ECL provision of ₹67.20 million is computed under the simplified approach prescribed by Ind AS 109. Cash and cash equivalents and other bank balances of ₹2,119.76 million are held primarily with scheduled commercial banks, with the exception of a virtual wallet balance of ₹0.02 million included within cash and cash equivalents and ₹0.05 million of cash in hand.

Liquidity Risk

We manage liquidity risk through maintaining adequate cash and bank balances and available banking facilities. As at September 30, 2026, net cash position (i.e., sum of cash and cash equivalents and bank balances other than cash and cash equivalents less sum of current and non-current borrowings and current and non-current lease liabilities) was ₹134.70 million, comprising cash and bank balances of ₹2,119.76 million less total borrowings and lease liabilities of ₹1,985.06 million. Undiscounted contractual cash flows in respect of lease liabilities as at September 30, 2026 amounted to ₹1,969.12 million in aggregate, of which ₹29.01 million falls due within one year, ₹145.17 million falls due between one and five years, and ₹1,794.94 million falls due beyond five years. The long-dated profile of lease obligations reflects the long-term lease arrangement for our manufacturing premises.

Interest Rate Risk

Our exposure to interest rate risk arises from short-term working capital borrowings comprising cash credit and overdraft facilities of ₹1,631.30 million as at September 30, 2026, which are at variable rates. Our Compulsory Convertible Preference Shares, carried as a financial liability at fair value through profit or loss at ₹195.63 million as at March 31, 2026, are subject to fair value risk rather than cash flow interest rate risk. Our fixed deposits are placed at fixed rates and are accordingly not subject to cash flow interest rate risk.

Foreign Currency Risk

Revenue from outside India stood at ₹18.20 million in six month period ended September 30, 2026. Our revenue from operations is predominantly denominated in Indian Rupees. Revenue from outside India of ₹13.70 million was recognised in Fiscal 2026 as compared to nil in Fiscal 2025 and Fiscal 2024. Foreign currency risk arises principally from procurement of imported raw materials and components for manufacture of our platforms. Foreign exchange fluctuation loss of ₹5.66 million at six month period ended September 30, 2026. Foreign exchange fluctuation gains of ₹4.19 million were recognised in other income in Fiscal 2026 as compared to ₹2.07 million in Fiscal 2025 and ₹2.62 million in Fiscal 2024, reflecting the modest net foreign exchange exposure arising from such procurement. We do not currently use derivative instruments to hedge foreign currency exposures.

Price Risk

We are exposed to price risk in respect of raw materials and components, including electronic components and composites, procured for our platforms. For further information, see "*Restated Financial Information - Note 42 - Financial Risk Management*" on page 375.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Other than as described in this Updated Draft Red Herring Prospectus - I, there have been no unusual or infrequent events or transactions that have materially affected our financial performance: (i) the one-time net gain on derecognition of financial liability of ₹114.01 million in Fiscal 2025 (extinguishment of OCRPS / CCDs) was non-recurring; and (ii) the first-time recognition of ESOP expense of ₹40.97 million in Fiscal 2026 will recur in subsequent periods as further tranches vest.

SIGNIFICANT ECONOMIC CHANGES

Our business is subject to significant economic changes including: (i) general macroeconomic conditions in India and government defence and security spending; (ii) the continuation of the Government of India's Atmanirbhar Bharat initiative, positive indigenisation lists and IDDM framework, which have been material tailwinds and which we expect to continue to support demand for Indian autonomous systems; (iii) changes in MoD procurement policies, budget allocations, and the pace of acceptance of necessity and procurement; and (iv) technological developments in the autonomous systems sector. For further discussion, see "*Risk Factors*" on page 21 and "*Our Business*" on page 237.

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 KNOWN TRENDS OR UNCERTAINTIES

All of our revenue is derived from the sale of autonomous products. For details, see "– *Results of Operations*" above on page 416.

KNOWN TRENDS OR UNCERTAINTIES

Except as disclosed in this Updated Draft Red Herring Prospectus - I, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as described in this Updated Draft Red Herring Prospectus - I, we have not publicly announced new products or business segments that would cause a material change to the reported financial information.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this section, we are not aware of any known factors that will have a material adverse impact on the future relationship between costs and income. We expect: (i) employee benefits expenses to increase in absolute terms on account of headcount growth, salary increments and ESOP amortisation; (ii) depreciation and amortisation to increase as new manufacturing assets and IAUD come into use; (iii) finance costs to decrease as a percentage of revenue following OCRPS/CCD rationalisation; and (iv) cost of materials as a percentage of revenue to be affected by the mix of platforms delivered.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

Revenue from our largest customer, the Government of India (including various departments thereof), represented 85.53%, 96.83%, 93.05% and 82.80% of our revenue from operations in the six months ended September 30,2026, and the Fiscals 2026, 2025 and 2024, respectively. On the supply side, our top supplier accounted for 10.09%, 14.81%, 1.34% and 2.20% of our total incurred expenses in six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, respectively, and our top five suppliers accounted for 34.24%, 40.19%, 4.55% and 7.55% of total incurred expenses in six month period ended September 30, 2026 and the Fiscals 2026, 2025 and 2024, respectively.

For a further discussion of customer and supplier concentration, see "*Our Business - Our customers*" on page 269, "*Our Business - Raw materials and suppliers*" on page 267 and "*Risk Factors - 9. We depend on a limited number of suppliers for raw materials, packing materials, tools and equipment and have not entered into long-term agreements with them. Purchases from our top supplier, top five suppliers and top 10 suppliers were equivalent to 10.09%, 34.24% and 45.12% of our total incurred expenses for the six months ended September 30, 2026 and 14.81%, 40.19% and 48.17% of our total incurred expenses for Fiscal 2026, respectively. Any loss of suppliers, interruptions in timely delivery or volatility in prices could adversely affect our business, financial condition, cash flows and results of operations*." on page 27.

COMPETITIVE CONDITIONS

We operate in a competitive environment. The Indian autonomous and unmanned systems sector is characterised by increasing participation from private sector companies and defence public sector undertakings, alongside the Government of India's active promotion of indigenous design and manufacturing. According to the CAREEdge Report, competition is increasingly shifting from standalone hardware towards integrated, software-led autonomous mission systems. Accordingly, this increases the importance of sustained investment in autonomy software, sensors, integration and lifecycle support to maintaining competitiveness and may put pressure on pricing and margins. For a detailed discussion of the competitive landscape, see "*Risk Factors*" on page 21 and "*Industry Overview*" on page 161.

SEASONALITY

Our business is subject to some variability linked to government procurement cycles, with government departments often showing greater budget utilisation activity in the January to March quarter. Our revenue recognition follows contractual delivery and acceptance milestones for each platform and we do not consider our overall business to be subject to seasonal variation in the conventional sense

SEGMENT REPORTING

We operate in a single operating segment comprising the research, development, manufacturing and sale of unmanned vehicles and systems across the maritime surface, maritime sub-surface, aerial and land domains. Our Board of Directors evaluates performance and allocates resources on the basis of overall Company performance. All operations and assets are located in India. For further details, see "*Restated Financial Information - Note 36 - Segment Information*" on page 370.

MATERIAL DEVELOPMENTS AFTER THE BALANCE SHEET DATE

The following material developments have occurred after the balance sheet date:

- Subsequent to the reporting date, the Board of Directors of our Company, at its meeting held on November 4, 2026, considered and approved a pre-IPO placement comprising the fresh issue of 30,841,986 fully paid-up equity shares having a face value of ₹ 2 each, at a premium of ₹ 95.27 per equity share, aggregating to ₹ 3,000.00 million. The aforesaid pre-IPO placement was subsequently approved by the shareholders of the Company at the Extra-ordinary General Meeting held on November 6, 2026.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2026, derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Information*" beginning on pages 21, 396, and 311 respectively.

(in ₹ millions, except ratios)

Particulars[#]	Pre-Offer as at September 30, 2026	As adjusted for the Offer[(1)]
Borrowings		
Current borrowings **(A)**	1,631.30	[●]
Non-current borrowings **(B)**	73.33	[●]
Lease Liabilities		
Current lease liabilities **(C)**	23.39	[●]
Non-current lease liabilities **(D)**	257.04	[●]
Total Borrowings and lease liabilities (A) + (B) + (C) + (D) = (E)	**1,985.06**	[●]
Equity		
Equity share capital[*] **(F)**	4,107.78	[●]
Instruments entirely equity nature **(G)**	-	[●]
Other equity **(H)**	2,410.26	[●]
Total Equity (F) + (G) + (H) = (J)	**6,518.04**	[●]
Total Borrowings and lease liabilities / Total Equity (E/J) (*in times*)	0.30	[●]
Non-current borrowings /Total Equity (B/J) (*in times*)	0.01	[●]

Notes: The above has been computed on the basis on amounts derived from the Restated Financial Information.

(1) The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. To be updated upon finalization of the Offer Price.

 # These terms shall carry the meaning as per Schedule III of the Companies Act, as applicable.

[*] Pursuant to the shareholders' resolution of our Company dated July 11, 2026, our Company approved a bonus issue of 2,800 equity shares for every 1 equity share of face value of ₹10 held by shareholders as on the record date, i.e., July 3, 2026. Further, pursuant to a resolution passed by the Shareholders on July 11, 2026, each fully paid-up equity share of our Company of face value of ₹10 each was sub-divided into Equity Shares of face value of ₹2 each.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (a) criminal proceedings (including any notices received for such criminal proceedings and matters which are at the first information report ("**FIR**") stage even if no/ some cognizance has been taken by any court) involving our Company, Directors, Subsidiary and Promoters (collectively, the "**Relevant Parties**"), Key Managerial Personnel and Senior Management; (b) actions (including disciplinary actions, penalties and show cause notices) taken by regulatory or statutory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities) against the Relevant Parties, Key Managerial Personnel and Senior Management; (c) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amount involved), provided that tax claims for which the amount involved is equal to or exceeds the Materiality Threshold (as defined below), is disclosed separately, involving the Relevant Parties; and (d) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated August 3, 2026 ("**Materiality Policy**").*

Further, except as stated in this section, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years. Further, as on the date of this Updated Draft Red Herring Prospectus - I, there are no group companies of our Company, in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations.

For the purpose of identification of material litigation in (d) above, our Board has considered and adopted the following Materiality Policy with regard to outstanding litigations to be disclosed in this Updated Draft Red Herring Prospectus - I and following would be considered 'material' in relation to the Relevant Parties if:

a. *the value or expected impact in terms of value, to the extent quantifiable, is equivalent to or exceeds the lower of the following: (i) 2% of the turnover of our Company as per the latest annual Restated Financial Information for the last completed Financial Year, being Fiscal 2026, which amounts to ₹ 50.92 million; or (ii) 2% of net worth, as per the latest annual Restated Financial Information for the last completed Financial Year, being Fiscal 2026, except in case the arithmetic value of the net worth is negative, which amounts to ₹ 90.29 million; or (iii) 5% of the average of absolute value of loss or profit after tax, based on the last three Restated Financial Information, being ₹ 20.84 million ("**Materiality Threshold**");*

b. *the decision in one litigation or arbitration proceeding is likely to affect the decision in similar litigation, even though the value or expected impact in terms of value, to the extent quantifiable, in an individual litigation may not exceed the Materiality Threshold but where the cumulative value or expected impact in terms of value, to the extent quantifiable, of such matters exceeds the Materiality Threshold specified above; or*

c. *the value or expected impact in terms of value, to the extent quantifiable, of such litigation or arbitration proceeding does not exceed the Materiality Threshold or is not determinable or quantifiable but where an adverse outcome would materially and adversely affect the business, operations, performance, prospects cash flows or financial position or reputation of our Company.*

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, Key Managerial Personnel and Senior Management from third parties (excluding notices issued by statutory / regulatory / governmental / tax / judicial / quasi-judicial authorities or notices threatening criminal action and actions covered under (b) and (c) above), and matters in which summons have not been received, shall not, unless otherwise decided by our Board, be considered material until such time that the Relevant Party, Key Managerial Personnel or Senior Management as the case may be, is impleaded as a defendant in litigation before any judicial, quasi-judicial or arbitral forum or until such time as the Relevant Parties, Key Managerial Personnel or Senior Management of our Company receives a summons in respect of such matter is notified by any governmental, statutory or regulatory authority of any proceeding that may be commenced .

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has pursuant to the Materiality Policy determined that the outstanding dues to any creditor of our Company having a monetary value which is equal to or exceeds 5% of the total trade payables of our Company as on the end of the latest financial period included in the Restated Financial Information as disclosed in this Updated Draft Red Herring Prospectus - I, shall be considered as 'material'. The trade payables of our Company as September 30, 2026, based on the Restated Financial Information was ₹ 384.59 million. Accordingly, as of September 30, 2026, any outstanding dues equal to or exceeding ₹ 19.23 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 read with the rules and notification thereunder, each as amended.

I. Litigation involving our Company

Litigation against our Company

Criminal litigation

Nil

Actions taken by regulatory or statutory authorities

Nil

Other material proceedings

Nil

Litigation by our Company

Criminal litigation

Nil

Other material proceedings

Nil

II. Litigation involving our Promoters

Litigation against our Promoters

Criminal litigation

Nil

Actions taken by regulatory or statutory authorities

Nil

Other material proceedings

Nil

Disciplinary action including penalties imposed by SEBI or Stock Exchanges in the last five Financial Years including outstanding actions

Nil

Litigation by our Promoters

Criminal litigation

Nil

Other material proceedings

Nil

III. Litigation involving our Subsidiary

Litigation against our Subsidiary

Criminal litigation

Nil

Actions taken by regulatory or statutory authorities

Nil

Other material proceedings

Nil

Litigation by our Subsidiary

Criminal litigation

Nil

Other material proceedings

Nil

IV. Litigation involving our Directors

Litigation against our Directors

Criminal litigation

Nil

Actions taken by regulatory or statutory authorities

Nil

Other material proceedings

Nil

Litigation by our Directors

Criminal Litigation

Nil

Other material proceedings

Nil

V. Litigation involving our Key Managerial Personnel

Litigation against our Key Managerial Personnel

Criminal litigation

Nil

Actions taken by regulatory or statutory authorities

Nil

Litigation by our Key Managerial Personnel

Criminal litigation

Nil

VI. Litigation involving our Senior Management

Litigation against our Senior Management

Criminal litigation

Nil

Actions taken by regulatory or statutory authorities

Nil

Litigation by our Senior Management

Criminal litigation

Nil

VII. Tax claims

There are no outstanding claims related to direct and indirect taxes involving the Relevant Parties.

VIII. Outstanding dues to creditors

As of September 30, 2026, our Company has 229 creditors, and the aggregate outstanding dues to these creditors by our Company is ₹384.59 million.

As per the Materiality Policy, a creditor of our Company has been considered to be material if the amounts due to such creditor is equal to or exceed 5% of the total trade payables of our Company as of September 30, 2026 (i.e., to whom our Company owes an amount having a monetary value exceeding an amount of ₹19.23 million as of September 30, 2026) ("**Material Creditors**").

As of September 30, 2026, except for an amount of ₹24.30 million of one of our material creditors for a duration of less than one month, there are no outstanding over dues owed to the material creditors of our Company.

The details pertaining to outstanding dues to Material Creditors, along with the names and dues to each such Material Creditor, are available on the website of our Company at www.sagardefence.com/investor-relations/.

Details of outstanding dues owed to micro, small and medium enterprises, material creditors and other creditors as of September 30, 2026, are set out below:

Types of creditors	Number of creditors	Amount involved (in ₹ million)
Micro, small and medium enterprises^	18	16.51
Creditors other than micro, small, and medium enterprises		
- Material creditors	5	245.89
- Other creditors	206	122.19
Total	229	384.59

^As defined under the Micro, Small and Medium Enterprises Development Act, 2006
As certified S C Mehra & Associates LLP, Chartered Accountants, pursuant to their certificate dated November 19, 2026.

IX. Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Development after the Balance Sheet Date*" on page 429, there have not arisen, since the date of the last financial statement disclosed in this Updated Draft Red Herring Prospectus – I, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

Observations by regulatory authorities

There are no findings or observations pursuant to any inspections by SEBI or any regulatory authority in India which are material and are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of Bidders in the Offer.

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and for the purpose of identification and disclosures in this Updated Draft Red Herring Prospectus – I, 'group companies' of our Company shall include:

(i) Companies with which there were related party transactions during the periods disclosed in the Restated Financial Information; and

(ii) Companies that are considered material by the Board of Directors.

For (i) above, all companies (other than Subsidiary) with whom our Company has had related party transactions during the period disclosed in the Restated Financial Information, will be categorised as group companies in terms of the SEBI ICDR Regulations.

For the purposes of (ii) above, such companies shall be considered material and disclosed as group companies (1) which hold more than 10% of our Company's share capital and (2) the monetary value of our Company's transactions with such companies in the most recent financial year for which Restated Financial Information is included in this Updated Draft Red Herring Prospectus – I, as the case maybe, exceeds, individually or in the aggregate, 10% of the total revenue from operations or expenses of our Company for such recent financial year.

Accordingly, based on the parameters outlined above and pursuant to the resolution adopted by our Board at its meeting held on August 3, 2026, as on the date of this Updated Draft Red Herring Prospectus – I, our Company does not have any group company.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, licenses, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. We have set out below an indicative list of such licenses, registrations, and approvals obtained by our Company which are considered material and necessary ("**Material Approvals**") and except as disclosed herein, we have obtained all Material Approvals for undertaking the current business activities and operations of our Company.*

In addition, certain of our approvals may have lapsed or expired or may lapse in their normal course and our Company have either already made applications to the appropriate authorities for renewal of such approvals or are in the process of making such renewal applications in accordance with applicable requirements and procedures. Further, the Material Approvals disclosed in this section may, from time to time, be required to be applied for renewal or amendment to relevant authorities, on account of change in the name of our Company. Failure to maintain the said approvals, licenses, registrations, and permits may lead to a material adverse impact. Unless stated otherwise, Material Approvals as set out below, are valid as on the date of this Updated Draft Red Herring Prospectus – I.

For further details in connection with the applicable regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 275. For details of risks associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – 28. We require various approvals, licences, registrations, permits and certifications for the conduct of our business, including a range of quality, testing and compliance certifications. Failure to obtain, maintain, renew or comply with the conditions of these could materially and adversely affect our business" on page 38.

I. Incorporation and status-related approvals

(a) Certificate of incorporation dated May 16, 2015, issued under the name '*Sagar Defence Engineering Private Limited*' by the Registrar of Companies, Maharashtra at Mumbai.

(b) Fresh certificate of incorporation dated July 6, 2026, consequent upon the change of our Company's name from '*Sagar Defence Engineering Private Limited*' to *'Sagar Defence Engineering Limited*', issued by the Registrar of Companies, Central Processing Centre pursuant to the conversion of our Company from a private limited company to a public limited company.

(c) Our Company has been allotted the corporate identity number U29253MH2015PLC264539.

(d) Udyam registration certificate issued by the Ministry of Micro, Small and Medium Enterprises.

(e) Certificate of recognition as 'deeptech startup' issued by the Department for Promotion of Industry and Internal Trade.

(f) Legal Entity Identifier certificate issued to our Company.

II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 438.

III. Tax and trade-related approvals

(a) Permanent account number of our Company, issued by the Income tax Department.

(b) Tax deduction account number of our Company, issued by NSDL e-Governance Infrastructure Limited.

(c) GST registration under the Maharashtra Goods and Services Tax Act, 2017, as amended.

(d) Professional tax registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, as amended.

(e) Importer-exporter code of our Company, issued by the Ministry of Commerce and Industry.

IV. Labour and employment-related approvals

(a) Certificate of registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(b) Certificate of registration under the Employees State Insurance Act, 1948.

(c) Certificate of registration under the Maharashtra Shops and Establishments (Regulations of Employment and Conditions of Service) Act, 2017 for our Registered Office.

V. Material Approvals in relation to the business and operations of our Company

(a) License for manufacture of unmanned aerial vehicles (micro, mini, and above applications) specially designed for military applications issued by the Department of Industrial Policy and Promotion.

(b) Under the provisions of the Industries (Development and Regulation) Act, 1951 as amended, our Company has been issued industrial license. The industrial license mandates us to include the following statement in any prospectus or other documents by which the public is invited to subscribe for the industrial undertaking:

"*A license has been obtained from the Central Government for the manufacture of item(s) mentioned below, of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that, in granting this license, The Government of India does not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.*

S. N.	*Item of manufacture*	*Proposed quantity*
1.	*Explosives, ammunitions and fireworks*	*100 Nos.*

(c) Under the provisions of the Industries (Development and Regulation) Act, 1951 as amended, our Company has been issued industrial license. The industrial license mandates us to include the following statement in any prospectus or other documents by which the public is invited to subscribe for the industrial undertaking:

"*A license has been obtained from the Central Government for the manufacture of item(s) mentioned below specially designed for military application, of which a copy is open to public inspection at the head office of the Company. It must be distinctly understood that, in granting this license, Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions express in regard to it*.

S. N.	*Item of manufacture*
1.	*Vessel of War Surface and Underwater.*

(d) Factory licenses for the facilities (Plant I & Plant II) situated in Chakan, Pune, Maharashtra issued by the Additional Director, Industrial Safety & Health, Pune.

(e) Undertakings for the facilities situated in Chakan, Pune, Maharashtra, falling under 'white category' submitted to the Maharashtra Pollution Control Board.

VI. Approvals in relation to the Objects of the Offer

For details in relation to approvals for the Objects of the Offer, see, "*Objects of the Offer – Details of the Objects - Funding of capital expenditure to be incurred to be incurred for setting up of a Manufacturing and Technology Campus at Juvvaladinne Fishing Harbor, in Bogole Mandal, SPSR, Nellore District, in Andhra Pradesh*" on page 119.

VII. Material Approvals applied for but not received

As on the date of this Updated Draft Red Herring Prospectus – I, there are no Material Approvals for which our Company has made applications to the appropriate authorities but has not been received.

VIII. Material Approvals expired and renewal yet to be applied for

As on the date of this Updated Draft Red Herring Prospectus – I, there are no Material Approvals that have expired for which our Company has not made applications to the appropriate authorities for renewal.

IX. Material Approvals required but not obtained or applied for

As on the date of this Updated Draft Red Herring Prospectus – I, there are no Material Approvals for which our Company was required to apply for, for which applications have not been made.

X. Intellectual property-related approvals

For details in relation to our intellectual property, see "*Our Business – Intellectual Property*" on page 266.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on July 6, 2026 read with their resolution on November 12, 2026 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on July 11, 2026, under Section 62(1)(c) of the Companies Act.

The Pre-filed Draft Red Herring Prospectus has been approved by our Board pursuant to their resolution dated August 3, 2026 and by our IPO Committee pursuant to their resolution dated August 4, 2026.

This Updated Draft Red Herring Prospectus –I and Draft Abridged Prospectus have been approved pursuant to a resolution passed by our Board on November 19, 2026.

Further, our Board has taken on record the consent letter of each of the Selling Shareholders to participate in the Offer pursuant to a resolution passed at its meeting held on August 3, 2026 read with resolution dated November 12, 2026. For details, see "*The Offer*" and "*Annexure A*" to this Updated Draft Red Herring Prospectus - I on pages 63 and 533 respectively.

Authorisation by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it, at the time of filing of this Updated Draft Red Herring Prospectus - I in accordance with Regulation 59B of the SEBI ICDR Regulations. Each of the Selling Shareholders has, severally and not jointly, confirmed and authorized their participation in the Offer for Sale as provided in the Annexure A to this Updated Draft Red Herring Prospectus - I on page 533. For details, see "*The Offer*" on page 63.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated October 1, 2026.

Prohibition by the SEBI or other governmental authorities

Our Company, Promoters, Directors, members of our Promoter Group, or any of the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by 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 associated with the securities market, in any manner and there have been no outstanding actions initiated by SEBI against any of our Directors in the five years preceding the date of this Updated Draft Red Herring Prospectus - I.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, in respect of their respective holding of Equity Shares in our Company, if any, as on the date of this Updated Draft Red Herring Prospectus - I.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(2) of the SEBI ICDR Regulations which states the following:

"An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five percent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so."

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations, i.e. Regulation 6(1)(a) & (1)(c) of the SEBI ICDR Regulations. Therefore, we are required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

Unless stated otherwise, the computation of net tangible assets, operating profit, net worth, monetary assets, as restated as derived from the Restated Financial Information, is set forth below:

(₹ in millions, unless specified)

Particulars	As at and for the		
	Financial Year ended March 31, 2026	Financial Year ended March 31, 2025	Financial Year ended March 31, 2024
Net tangible assets, as restated (A)[1]	4,070.82	2,493.17	(161.60)
Monetary assets, as restated (B)[2]	2,263.25	2,058.46	166.65
Operating Profit / Earnings before interest and taxes[3]	1,118.69	454.55	38.51
Average operating profit	537.25		
Net worth[4]	4,514.42	2,679.78	(14.37)
Monetary assets, as restated as a % of net tangible assets, as restated (B)/(A) (in %)	55.60	82.56	Not Applicable

Notes:

(1) Net tangible assets have been defined in Section 2(1)(gg) of the SEBI ICDR Regulations as the sum of all net assets of our Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38. Further, right of use assets and related lease liabilities as defined in Indian Accounting Standard (Ind AS) 116 and deferred tax assets as defined in Indian Accounting Standard (Ind AS) 12 are excluded from net tangible assets which are not in the nature of tangible assets.

(2) Monetary assets means cash and cash equivalents, bank balance other than cash and cash equivalents and non-current bank balances.

(3) Operating Profit / Earnings before interest and taxes = Net profit after Tax + Finance Cost + Tax Expense – Other Income Net profit/(loss) after tax is excluding Other comprehensive income.

(4) Net worth has been defined under Section 2(1)(hh) of the SEBI ICDR Regulations as 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, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

We are therefore required to allot not less than 75% of the Net Offer to QIBs of which 5% shall be allocated to mutual funds to meet the conditions as detailed under Regulation 6(2) read along with Regulation 32(2), of the SEBI ICDR Regulations. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion 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 of the Non-Institutional Portion 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. Further, not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with Regulation 32(2) of the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

In the event that we fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable law.

Our Company confirms that it is eligible to make the Offer in terms of Regulation 5 and Regulation 59E of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulations 5 and 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.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, each of the Selling Shareholders, members of the Promoter Group, each of the Promoters and our Directors are not prohibited from accessing the capital markets by SEBI or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court;

(ii) The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI or any securities market regulator in any other jurisdiction or any other authority/court;

(iii) None of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI;

(iv) None of our Promoters or Directors have been declared as a Fugitive Economic Offender under section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except for all outstanding options that are vested as on the date of this Updated Draft Red Herring Prospectus – I under the ESOP Plan, there are no stock options or outstanding convertible securities of our Company or any other rights to convert debentures, loans or other instruments into, or which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Updated Draft Red Herring Prospectus - I;

(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements each dated July 9, 2026 with NSDL and CDSL for dematerialisation of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters, Selling Shareholders, members of our Promoter Group, Directors, Key Managerial Personnel, Senior Management, employees and entities regulated by financial sector regulators are in dematerialized form;

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Updated Draft Red Herring Prospectus-I; and

(ix) 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 75% of the stated means of finance, excluding the amount to be raised through the proposed public issue or through existing identifiable accruals;

Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations and other applicable law.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS UPDATED DRAFT RED HERRING PROSPECTUS - I TO SECURITIES AND EXCHANGE BOARD OF INDIA 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 UPDATED DRAFT RED HERRING PROSPECTUS - I. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, IIFL CAPITAL SERVICES LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, UBS SECURITIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS 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 UPDATED DRAFT RED HERRING PROSPECTUS - I. THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SOLELY AND SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM AS A SELLING SHAREHOLDER IN THIS UPDATED DRAFT RED HERRING PROSPECTUS – I IN RELATION TO THEMSELVES OR THEIR RESPECTIVE PORTION OF THE OFFERED SHARES. THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 4, 2026 IN THE FORMAT PRESCRIBED UNDER FORM AA OF SCHEDULE V OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS UPDATED DRAFT RED HERRING PROSPECTUS - I 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Promoters, our Directors, and the Book Running Lead Managers

Our Company, our Promoters, our Directors, and the BRLMs accept no responsibility for statements made otherwise than in this Updated Draft Red Herring Prospectus - I or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, or the respective websites (as applicable) of our Promoter Group, any affiliate of our Company or the BRLMs would be doing so at their own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company and each of the Selling Shareholders, severally and not jointly, to the extent that the information pertains to such Selling Shareholder and their respective portion of the Offered Shares and the BRLMs 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 Underwriters and their respective directors, partner, designated partners, officers, agents, affiliates, trustees, associates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, 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. Our Company, our Promoters, the Underwriters and each of their respective directors, partner, designated partners, officers, agents, affiliates, trustees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiary, each of the Selling Shareholders and their respective directors and officers, partners, trustees, affiliates, associates or third parties 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 Subsidiary, each of the Selling Shareholders 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.

Disclaimer from the Selling Shareholders

Each of the Selling Shareholders accepts no responsibility for statements made otherwise than those expressly made by them with respect to themselves and/or with respect to their respective portion of the Offered Shares in this Updated Draft Red Herring Prospectus - I or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, or the respective websites of any affiliate of our Company or the respective websites of the Book Running Lead Managers or the Selling Shareholders and any of such parties would be doing so at his or her own risk. Each of the Selling Shareholders, severally and not jointly, their respective affiliates, associates, representatives, as applicable, accept no responsibility for any statements made or undertakings provided in this Updated Draft Red Herring Prospectus - I other than those specifically and expressly made or confirmed by such Selling Shareholders in relation to themselves as a Selling Shareholder and/or with respect to their respective portion of the Offered Shares, and in this case only on a several and not joint basis.

Bidders will be required to confirm and will be deemed to have represented to each of the Selling Shareholders and/or their respective associates, 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. Each of the Selling Shareholders and/or their respective associates, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, public financial institutions under Section 2(72) of the Companies Act, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250.00 million (subject to applicable law) and pension funds with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, Systemically Important NBFCs registered with the RBI and registered multilateral and bilateral development financial institutions) and permitted non-residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Updated Draft Red Herring Prospectus - I does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Updated Draft Red Herring Prospectus - I comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only. This Updated Draft Red Herring Prospectus - I does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Updated Draft Red Herring Prospectus - I has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and the Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Updated Draft Red Herring Prospectus - I nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders, severally and not jointly, since the date of this Updated Draft Red Herring Prospectus - I or that the information contained herein is correct as at any time subsequent to this date.

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.

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 484.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

Disclaimer Clause of BSE

As required, a copy of the Pre-filed Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Pre-filed Draft Red Herring Prospectus, is set forth below:

"BSE Limited ("the Exchange") has given vide its letter dated October 1, 2026, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of the Pre-filed Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Pre-filed Draft Red Herring Prospectus, is set forth below:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/7151 dated October 01, 2026, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications 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. 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.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer 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% p.a. for the delayed period or such other rate prescribed by SEBI. 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.

Consents

Consents in writing of each of the Promoters, the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Key Managerial Personnel, Senior Management, legal counsel to our Company as to Indian law, Bankers to our Company, the BRLMs, the Registrar to the Offer, Statutory Auditors, our previous statutory auditor, independent chartered accountant, the detailed project report agency, industry report provider, the independent practising company secretary, and the independent chartered engineer have been obtained and such consents have not been withdrawn as of the date of this Updated Draft Red Herring Prospectus - I. Further, consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account Bank(s)/ Sponsor Bank(s) 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.

Experts to the Offer

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

Our Company has received a written consent dated November 12, 2026 from our Statutory Auditor, namely, M S K A & Associates LLP (*formerly known as M S K A & Associates*), Chartered Accountants holding a valid peer review certificate from the ICAI, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our current Statutory Auditor and in respect of their (i) examination report, dated November 12, 2026 on our Restated Financial Information; (ii) report dated November 12, 2026 on the statement of special tax benefits in this Updated Draft Red Herring Prospectus - I; and (iii) other certifications issued by them in connection with the Offer and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received written consent dated November 12, 2026 from Jain Ambavat & Associates LLP, Chartered Accountants, to include their name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act in connection with the Offer in their capacity as previous statutory auditor to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received a written consent dated November 12, 2026, from S C Mehra & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by them in connection with the Offer in their capacity as an independent chartered accountants to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received a written consent dated November 11, 2026 from Praveen Subramanya, Chartered Engineers, to include his name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 to the extent and in respect of the certificates issued by him in connection with the Offer in his capacity as an independent chartered engineer to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received a written consent dated November 12, 2026, from BYG & Associates, Company Secretaries, bearing membership number F13375, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by them in connection with the Offer, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Our Company has received detailed project report along with the consent dated November 12, 2026 from Proconvis Consultants Private Limited, detailed project report agency, prepared under the supervision of its head of structural design, More Ranjitsinh Abhayrao to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus – I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the report issued by them in connection with the Offer and such consent has not been withdrawn as on the date of

this Updated Draft Red Herring Prospectus - I. 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 during the last five years

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Updated Draft Red Herring Prospectus - I.

Particulars regarding capital issues by our Company and its listed subsidiary, group company during the last three years

- Other than as disclosed in "*Capital Structure*" beginning on page 80, our Company has not made any capital issues during the three years preceding the date of this Updated Draft Red Herring Prospectus - I.
- As on the date of this Updated Draft Red Herring Prospectus - I, our Subsidiary is not listed.
- As on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have any associate company or group company.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years preceding the date of this Updated Draft Red Herring Prospectus - I.

Performance vis-à-vis objects – Public/rights issue of our Company

Our Company has not undertaken any public, including any rights issues to the public in the five years immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Performance vis-à-vis objects – Public/rights issue of the listed subsidiary and promoter

As on the date of this Updated Draft Red Herring Prospectus - I, our Subsidiary is not listed. Further, our Promoters are individuals.

Price information of past issues handled by the Book Running Lead Managers

(1) JM Financial Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) overseen 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.	SFC Environmental Technologies Limited *	6,675.31	330.00	November 3, 2026	355.10	Not Applicable	Not Applicable	Not Applicable
2.	Jio Platforms Limited *10	3,01,876.00	1,119.00	October 28, 2026	1,358.00	Not Applicable	Not Applicable	Not Applicable
3.	Paras Healthcare Limited *	14,500.00	693.00	October 28, 2026	720.00	Not Applicable	Not Applicable	Not Applicable
4.	Zetwerk Manufacturing Businesses Limited *9	50,123.28	151.00	October 23, 2026	159.25	Not Applicable	Not Applicable	Not Applicable
5.	Tonbo Imaging India Limited*8	8,520.92	700.00	October 23, 2026	1,160.00	Not Applicable	Not Applicable	Not Applicable
6.	Orient Cables (India) Limited*	5,520.00	272.00	October 5, 2026	417.00	24.06% [5.56%]	Not Applicable	Not Applicable
7.	Elevate Campuses Limited *	21,000.00	362.00	September 30, 2026	355.10	-18.92% [1.40%]	Not Applicable	Not Applicable
8.	Varmora Granito Limited*	7,080.21	148.00	September 29, 2026	155.00	-17.36%[-0.08%]	Not Applicable	Not Applicable
9.	National Stock Exchange of India Limited #7	2,25,627.10	1,785.00	September 24, 2026	1,800.00	-6.52%[-0.62%]	Not Applicable	Not Applicable
10.	Hero Motors Limited#	10,000.00	84.00	September 23, 2026	82.10	45.75% [-2.11%]	Not Applicable	Not Applicable

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. 170 per Equity Share was offered to eligible employees bidding in the employee reservation portion*
8. *A discount of Rs. 65 per Equity Share was offered to eligible employees bidding in the employee reservation portion*
9. *A discount of Rs. 14 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*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (in ₹ 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	25	9,28,366.52	-	-	9	4	2	5	-	-	-	1	-	-
2025-2026	27	6,75,324.16	1	1	10	-	6	9	-	4	8	6	3	6
2024-2025	13	2,55,434.10	-	-	5	5	2	1	1	3	1	4	1	2

(2) IIFL Capital Services Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) overseen by IIFL Capital Services 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.	National Stock Exchange of India Limited	2,25,615.74	1,785.00(1)	BSE	September 24, 2026	1,800.00	-6.52%, [-0.62%]	N.A.	N.A.
2.	Elevate Campuses Limited	21,000.00	362.00	NSE	September 30, 2026	355.10	-18.92%, [+1.40%]	N.A.	N.A.
3.	Moneyview Limited	10,916.80	34.00	NSE	October 1, 2026	55.00	+48.06%, [+2.81%]	N.A.	N.A.
4.	Orient Cables (India) Limited	5,520.00	272.00	NSE	October 5, 2026	450.00	+24.06%, [+5.56%]	N.A.	N.A.
5.	AceVector Limited	4,200.00	32.00	NSE	October 5, 2026	28.32	-40.44%, [+5.56%]	N.A.	N.A.
6.	HD Fire Protect Limited	7,121.32	271.00(2)	BSE	October 21, 2026	334.40	N.A.	N.A.	N.A.
7.	Fusion CX Limited	7,020.00	289.00	NSE	October 22, 2026	305.00	N.A.	N.A.	N.A.
8.	Tonbo Imaging India Limited	8,520.92	700.00(3)	NSE	October 23, 2026	1,160.00	N.A.	N.A.	N.A.
9.	Jio Platforms Limited	3,01,876.00	1,119.00(4)	NSE	October 28, 2026	1,358.00	N.A.	N.A.	N.A.
10.	SFC Environmental Technologies Limited	6,675.31	330.00	NSE	November 3, 2026	355.10	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of Rs. 170 per equity share was offered to eligible employees bidding in the employee reservation portion

(2) A discount of Rs. 25 per equity share was offered to eligible employees bidding in the employee reservation portion

(3) A discount of Rs. 65 per equity share was offered to eligible employees bidding in the employee reservation portion

(4) A discount of Rs. 54 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.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Capital Services Limited:

Financial Year	Total no. of IPOs	Total funds raised (in ₹ 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	16	4,81,737.17	-	-	1	6	4	5	-	2	-	6	4	4
2025-2026	29	7,10,091.04	-	2	9	1	6	11	-	6	6	5	4	8
2024-2025	24	7,51,934.76	-	1	8	4	5	1	-	-	-	-	-	-

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.

(3) Kotak Mahindra Capital Company Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) overseen by Kotak Mahindra Capital Company Limited:

Sr. No.	Issue Name	Issue Size (in ₹ millions)	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.	Jio Platforms Limited^	301,876.48	1,119[1]	October 28, 2026	1,358.00	Not applicable	Not applicable	Not applicable
2.	Zetwerk Manufacturing Businesses Limited^	50,123.28	151.00[2]	October 23, 2026	159.25	Not applicable	Not applicable	Not applicable
3.	Moneyview Limited^	10,916.80	34.00	October 01, 2026	55.00	+48.06%, [+2.82 %]	Not applicable	Not applicable
4.	National Stock Exchange of India Limited#	225,615.74	1,785.00[3]	September 24, 2026	1,800.00	-6.52%, [-0.62%]	Not applicable	Not applicable
5.	Shiprocket Limited^	16,174.85	97.00[4]	August 19, 2026	131.00	+24.67%, [-3.35%]	+30.46%, [+5.04%]	Not applicable
6.	Dhoot Transmission Limited^	30,668.85	871.00[5]	August 17, 2026	1,200.00	+78.63%, [-4.81%]	+88.13%, [+3.53%]	Not applicable
7.	Molbio Diagnostics Limited#	9,396.96	807.00[6]	August 17, 2026	980.00	+68.70%, [-4.79%]	+85.23%, [+4.97%]	Not applicable
8.	Juniper Green Energy Limited^	18,000.00	225.00[7]	August 06, 2026	245.00	+17.82%, [-3.00%]	+11.11%, [-3.35%]	Not applicable
9.	Manipal Health Enterprises Limited^	92,752.16	590.00[8]	August 05, 2026	652.00	+23.05%, [-3.05%]	+10.76%, [-4.81%]	Not applicable
10.	INDO-MIM Limited^	38,121.15	485.00[9]	July 30, 2026	700.00	+78.98%, [-0.58%]	+127.05%, [-6.45%]	Not applicable

Source: www.nseindia.com; www.bseindia.com
^ NSE as designated stock exchange
 # BSE as designated stock exchange

Notes:
1. *In Jio Platforms Limited, the issue price to eligible employees was ₹1,065 after a discount of ₹54 per equity share*
2. *In Zetwerk Manufacturing Businesses Limited, the issue price to eligible employees was ₹137 after a discount of ₹14 per equity share*
3. *In National Stock Exchange of India Limited, the issue price to eligible employees was ₹1,615 after a discount of ₹170 per equity share*
4. *In Shiprocket Limited, the issue price to eligible employees was ₹88 after a discount of ₹9 per equity share*
5. *In Dhoot Transmission Limited, the issue price to eligible employees was ₹791 after a discount of ₹80 per equity share*
6. *In Molbio Diagnostics Limited, the issue price to eligible employees was ₹731 after a discount of ₹ 76 per equity share*
7. *In Juniper Green Energy Limited, the issue price to eligible employees was ₹ 204 after a discount of ₹ 21 per equity share*
8. *In Manipal Health Enterprises Limited, the issue price to eligible employees was ₹ 534 after a discount of ₹ 56 per equity share*
9. *In INDO-MIM Limited, the issue price to eligible employees was ₹ 440 after a discount of ₹ 45 per equity share*
10. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
11. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
12. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
13. *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited:

Financial Year	Total no. of IPOs	Total funds raised (in ₹ 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%
2026-27	11	891,599.48	-	-	2	3	1	3	-	-	-	-	-	-
2025-26	19	758,159.20	-	-	6	1	4	8	-	1	5	4	2	7

Financial Year	Total no. of IPOs	Total funds raised (in ₹ 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%
2024-25	18	999,474.07	-	-	3	2	7	6	1	1	5	4	3	4

(4) UBS Securities India Private Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by UBS Securities India Private Limited:

S. No.	Issue Name	Issue Size (in ₹ millions)	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.	Jio Platforms Limited	3,02,130.00	1,119.00	Oct 28, 2026	1,358.00(1)	–	–	–
2.	LEAP India Limited	24,800.00	159.00	Aug 14, 2026	165.90 (1)	-9.22% [-3.97%]	–	–
3.	Manipal Health Enterprises Limited	92,752.16	590.00	Aug 5, 2026	652.00 (1)	23.05% [-3.05%]	10.75% [-4.81%]	–
4.	ICICI Prudential AMC Limited	106,026.53	2,165.00	Dec 19, 2025	2,600.00 (1)	35.59% [-1.05%]	39.49% [-8.43%]	49.90% [-7.61%]
5.	Vikram Solar Limited	20,793.69	332.00	Aug 26, 2025	338.00 (1)	-1.48% [1.40%]	-13.25% [5.49%]	-42.06% [3.48%]
6.	HDB Financial Services Limited	125,000.00	740.00	Jul 2, 2025	835.00 (1)	2.51% [-2.69%]	1.10% [-3.22%]	2.49% [2.31%]

Source: www.nseindia.com and www.bseindia.com

Notes
1. Opening offer information as per the designated stock exchange at the time of listing

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by UBS Securities India Private Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹. 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%
2026-27*	3	419,682.16	-	-	1	-	-	1	-	-	-	-	-	-
2025-26	3	251,820.22	-	-	1	-	1	1	-	1	-	-	1	1
2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes
1. The information is as on the date of this Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.

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 bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the Book Running Lead Managers, as provided 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	www.iiflcapital.com
3.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
4.	UBS Securities India Private Limited	www.ubs.com/indiaoffers

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly as on the date of this Updated Draft Red Herring Prospectus - I, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the 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, or such longer period as may be required under applicable law, to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All Offer-related grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents 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 and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. For offer related grievances, investors may contact the BRLMs, details of which are given in "*General Information*" beginning on page 72.

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 BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts 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% p.a. 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 BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of 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% p.a. for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with the 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, the post-Offer BRLM shall also compensate the investors at the rate higher of ₹100 or 15% p.a. of the Bid Amount for the period of such delay.

The following compensation mechanism, pursuant to the SEBI ICDR Master Circular, has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% p.a. of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed

Scenario	Compensation amount	Compensation period
		on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹100 per day or 15% p.a. of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹100 per day or 15% p.a. of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% p.a. of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor at the rate of ₹100 per day or 15% p.a. of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock. Further, in accordance with circulars prescribed by SEBI, from time to time, 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.

Our Company, each of the Selling Shareholders, the BRLMs 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 the applicable provisions of SEBI ICDR Regulations.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see "*General Information – Book Running Lead Managers*" on page 73.

Disposal of Investor Grievances by our Company

Our Company shall, after filing of this Updated Draft Red Herring Prospectus - I, obtain 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 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 seven Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on 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 not received investor complaints in relation to the Equity Shares for the three years prior to the filing of this Updated Draft Red Herring Prospectus - I, hence no investor complaint in relation to our Company is pending as on the date of filing of this Updated Draft Red Herring Prospectus - I.

Investors can contact our Company Secretary and Compliance Officer, the BRLMs 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 intimation 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 BRLMs. Our Company has also appointed Shraddha Ajaykumar Khare, as our Company Secretary and Compliance Officer. For details, see "*General Information – Our Company Secretary and Compliance Officer*" on page 72.

Each of the Selling Shareholders has, severally and not jointly, authorised the Company Secretary and Compliance Officer, and the Registrar to the Offer to deal with and redress, on their behalf any investor grievances received in the Offer in relation to its respective portion of the Offered Shares solely to the extent of the statements specifically made, confirmed or undertaken by them in the Offer documents in respect of themselves as the Selling Shareholder and their respective portion of the Offered Shares.

Our Company has constituted a Stakeholders Relationship Committee, which is *inter alia*, responsible for redressal of grievances of the security holder of our Company, comprising of Mridul Babbar, Ajendra Bahadur Singh and Konark Kavoorguthu Rai. For details, see "*Our Management – Stakeholders' Relationship Committee*" on page 298.

Exemption from complying with any provisions of securities laws, if any, granted by the Securities and Exchange Board of India

As on the date of this Updated Draft Red Herring Prospectus - I, our Company has not sought or obtained any exemption from the SEBI from compliance with any provisions of securities laws including the SEBI ICDR Regulations.

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 Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

There has been no instance of issuance of equity shares in the past by our Company or entities forming part of the Promoter Group to more than 49 or 200 investors in violation of:

a. Section 67(3) of Companies Act, 1956, as applicable; or

b. Relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder, each as amended and to the extent applicable; or

c. The SEBI ICDR Regulations; or

d. The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Draft Abridged Prospectus, Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, 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 GoI, the Stock Exchanges, the RBI, RoC 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 GoI, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company and the Selling Shareholders, see "*Objects of the Offer – Offer expenses*" on page 136.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with applicable law. The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA and shall rank pari passu with the existing Equity Shares in all respects including voting, right to receive dividends and other corporate benefits. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 485.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association, dividend distribution policy of our Company, and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted or transferred Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 310 and 485, 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 the 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 for the Offer will be decided by our Company, in consultation with the BRLMs, and published and advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date, along 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 the same on their 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 Book Running Lead Managers, after the Bid/Offer Closing Date, on the basis of, *inter alia*, the assessment of market demand for the Equity Shares issued, by way of the Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares, unless otherwise permitted by law.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the higher end of the Price Band, less employee discount, if any, as applicable, at the time of making a Bid.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Memorandum of Association and Articles of Association of our Company and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 485.

Allotment of Equity Shares only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated July 9, 2026 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated July 9, 2026 amongst our Company, CDSL and Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" beginning on page 465.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share of face value of ₹2 each subject to a minimum Allotment of [●] Equity Shares of face value of ₹2 each to QIBs and RIBs. For NIBs allotment shall not be less than the minimum Non-Institutional application size. For further details, see "*Offer Procedure*" beginning on page 465.

Joint Holders

Subject to the provisions of our 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 tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra.

Period of operation of subscription list

For details, see "– *Bid/ Offer Programme*" on page 456.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with 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/alienation of Equity Share(s) by the person nominating. 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 made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent 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 our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) 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 mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/ Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)(3)]
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 dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one 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 IST on Bid/ Offer Closing Date, i.e. [●].*

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) 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 SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, as partially modified by the SEBI T+3 Circular and 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, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI ICDR Master Circular and any subsequent circulars or notifications issued by SEBI in this regard.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, any of the Selling Shareholders or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Updated Draft Red Herring Prospectus – I may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

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 from the Bid/Offer Closing Date or such other time as prescribed by SEBI, the timetable may be extended due to various factors,

such as extension of the Bid/ Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band by our Company, in consultation with the BRLMs, or delay in receiving final certificates from the SCSBs or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that they shall severally and not jointly extend such reasonable support and co-operation as may be reasonably requested by our Company and/or the BRLMs, in relation to themselves and their respective portion of the 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 SEBI and under applicable law.

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 the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis as per the format prescribed in the SEBI ICDR Master Circular.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such period as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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 Employees Bidding in the Employee Reservation Portion, other than QIBs and Non-Institutional Investors	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 [●])	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 Non-Institutional Investors)	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 [●])	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/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 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:

(i) 4.00 p.m. IST in case of Bids by QIBs and NIBs, and

(ii) 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 Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs, and Eligible Employees under 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 BRLMs to the Stock Exchanges.

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 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 the prescribed time on the Bid/Offer Closing Date on the Bid/Offer Closing Date. Any time mentioned in this Updated Draft Red Herring Prospectus - I is IST. 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 the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period and revision 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. Bidders may please note that 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 BRLMs reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may 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 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 respective websites of the BRLMs 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-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.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue, on the Bid/ Offer Closing Date; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable law, 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 if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% p.a. in accordance with the SEBI ICDR Regulations, the SEBI ICDR Master Circular and any other applicable law.

Each of the Selling Shareholders shall, severally and not jointly, reimburse, any expense and interest incurred by our Company on behalf of the Selling Shareholders in relation to their respective portion of the Offered Shares for any delay by them in making refunds as required under the Companies Act, 2013, the UPI Circulars and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest in such delay unless such delay is caused solely by, or is directly attributable to, an act or omission of such Selling Shareholders in relation to their respective portion of the Offered Shares.

Under subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Book Running Lead Managers and subject to applicable law, and the Designated Stock Exchange. 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 delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made in the following order: (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed ("**Minimum Subscription**"); (ii) upon achievement of (i), all Equity Shares held by the Promoter Selling Shareholders and Promoter Group Selling Shareholders offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by Promoter Selling Shareholder and Promoter Group Selling

Shareholder); and (iii) upon (ii) all the Equity Shares held by the Other Selling Shareholders and offered for sale in the Offer for Sale will be Allotted and (iv) once the Equity Shares have been Allotted as per (i), (ii) and (iii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of respective portion of the Offered Shares, 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 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 BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

If our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within such time as prescribed under applicable laws; and (ii) the filing of the Prospectus with the RoC and Stock Exchanges.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer share capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 80 and except as provided under the Articles of Association and under SEBI ICDR Regulations, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 485.

OFFER STRUCTURE

The Offer is of [●] 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) aggregating up to ₹34,120.00 million comprising a Fresh Issue of [●] Equity Shares of face value of ₹2 each aggregating up to ₹12,000.00 million and an Offer for Sale of [●] Equity Shares of face value of ₹2 each aggregating up to ₹22,120.00 million by the Selling Shareholders. For details, see "*The Offer*" beginning on page 63.

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 Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

Our Company, in consultation with the BRLMs, undertook Pre-IPO Placement at a price decided by our Company, in consultation with the BRLMs and was completed prior to filing of this Updated Draft Red Herring Prospectus - I. The amount raised pursuant to the Pre-IPO Placement has been reduced from the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus, subject to compliance with Rule 19(2)(b) of the SCRR and the size of the Fresh Issue has been revised to up to ₹ 12,000.00 million. The Pre-IPO Placement, did not exceed 20% of the size of the Fresh Issue as finalised and disclosed in the Pre-filed Draft Red Herring Prospectus. The utilization of proceeds raised pursuant to the Pre-IPO Placement will be towards general corporate purposes. Our Company had appropriately intimated the subscriber to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscriber to the Pre-IPO Placement have been appropriately made in the relevant sections of this Updated Draft Red Herring Prospectus - I, and the details of the Pre-IPO Placement, have been reported to the Stock Exchanges within 24 hours of such transactions, in accordance with Regulation 54 of the SEBI ICDR Regulations.

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 available for Allotment/allocation[*(2)]	[●] Equity Shares of face value of ₹2 each	Not less than [●] Equity Shares of face value of ₹2 each, aggregating up to ₹[●] million, subject to the allocation/ allotment of not less than 75% of the Net Offer.	Not more than [●] Equity Shares of face value of ₹2 each available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares of face value of ₹2 each available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	[●] % of the post-Offer paid up Equity Share capital of our Company. The Employee Reservation Portion shall not exceed 5% of the post-Offer paid-up Equity Share capital of our Company.	Not less than 75% of the Net Offer size shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis 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 added to the other QIB Portion	Not more than 15% of the Net Offer or Net Offer less allocation to QIBs and RIBs subject to the following: a) One third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million; and b) two third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹1.00 million. provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of	Not more than 10% of the Net Offer or the Net Offer less allocation to QIB Bidders and NIBs will be available for allocation.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders[(1)]	Retail Individual Bidders
			NIBs, subject to valid Bids being received at or above the Offer Price.	
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 (net of Employee Discount, if any). In the event of undersubscription 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 (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any).	Proportionate, as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Balance [●] 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. c) 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, 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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 accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category for Life Insurance Companies and Pension Funds may be allocated to domestic Mutual Funds.	The Allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum Non Institutional application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" beginning on page 465.	The allotment to each RIB 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 Allotted on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 465.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders[(1)]	Retail Individual Bidders
Minimum Bid	[●] Equity Shares of face value of ₹2 each	[●] Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each such that the Bid Amount exceeds ₹0.20 million	For Non-Institutional Bidder applying under: (i) One-third of the Non Institutional Category such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million and up to ₹1.00 million (ii) Two-thirds of the Non-Institutional Category such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceed ₹1.00 million.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹0.50 million (less Employee Discount, if any).	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each, not exceeding the size of the Net Offer, (excluding the Anchor portion) subject to applicable limits to each Bidder	For Non-Institutional Investors applying under one-third of the Non-Institutional Portion (with application size of more than ₹0.20 million and up to ₹1.00 million) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each, such that the Bid Amount does not exceed ₹1.00 million. For Non-Institutional Investors applying under two-thirds of the Non-Institutional Portion (with application size of more than ₹1.00 million) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Net Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each, so that the Bid Amount does not exceed ₹0.20 million
Bid Lot	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹2 each and in multiples of one Equity Share thereafter for QIBs, Eligible Employees and RIBs. For NIBs allotment shall not be less than the minimum non-institutional application size			
Trading Lot	One Equity Share			
Who can apply[(3)(5)(6)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and	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
		bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 million, pension funds 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 through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the 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, in accordance with applicable laws.	FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	
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 by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) 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.*

^ *As Anchor Investors are not permitted to use the ASBA process. Further, pursuant to SEBI ICDR Master Circular, the 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 investors 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.*

[#] *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million (net of Employee Discount, if any). 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 (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 subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any). 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. In case of undersubscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

[1)] *Subject to valid Bids being received at or above the Offer Price. 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 SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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. Any under-subscription in the reserved category specified in clause (b) above may be allocated to domestic Mutual Funds. 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" beginning on page 465. Further, not more than 15% of the Net Offer shall be available for allocation to NIBs and not more than 10% 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 ₹1.0 million, and (ii) two-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹1.0 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(2) of the SEBI ICDR Regulations.*

3) *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. 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 FPIs" on page 471 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, designated partners, trustees, associates, 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. Employee Discount, if any, will be offered to Eligible Employees Bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, if any, 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, less Employee Discount, if any, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will 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*" beginning on page 454.

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 circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may 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 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.

OFFER PROCEDURE

*All Bidders should read the General Information Document for investing in public offers 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, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The Bidders 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/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund. SEBI vide its 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, had introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till 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 bearing number 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 existing 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 existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. Subsequently, vide the SEBI RTA Master Circular, read with the SEBI ICDR Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. The Offer shall be undertaken pursuant to the processes and procedures under UPI Phase III, on a mandatory basis, subject to any circulars, clarifications or notifications which may be issued by the SEBI, pursuant to the SEBI ICDR Master Circular, from time to time. Further, pursuant SEBI RTA Master Circular read with the SEBI ICDR Master Circular, and SEBI Circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

Pursuant to master circular no. NSDL/CIR/II/12/2025dated April 30, 2025, issued by NSDL and master circular no. CDSL/RCD/RTA/GENRL/2025/117 dated April 30, 2025 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/Offer Opening Date. Further, pursuant to circular no. NSDL/CIR/II/19/2026 dated April 7, 2026 issued by NSDL, circular no. CDSL/OPS/RTA/CAIPO/2026/104 dated April 9, 2026 issued by CDSL and circular no. HO/49/(17)2026-CFD-POD2/I/8965/2026 dated April 8, 2026 issued by SEBI, our Company may instruct Depositories to mark the Equity Shares, on which lock-in cannot be created or recorded by Depositories for any reason, including that the Equity Shares are (a) subject to pledge; or (b) under "freeze balance" or "safekeep balance", as "non-transferable" for the duration of the applicable lock-in period under the SEBI ICDR Regulations.

Pursuant to the SEBI ICDR Master 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.

In terms of Regulation 23(5) and Regulation 52 of the SEBI ICDR Regulations, the timelines and processes mentioned in 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 Updated Draft Red Herring Prospectus - I, Red Herring Prospectus and the Prospectus.

Our Company, each of the Selling Shareholders and the BRLMs, members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Updated Draft Red Herring Prospectus - I. 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 the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company, each of the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations, of which 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) up to 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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. Any under-subscription in the reserved category specified in clause (b) above may be allocated to domestic Mutual Funds. In the event of under-subscription, or non-allotment 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 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, subject to availability of Equity Shares in the respective categories, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders 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 ₹1.00 million; and (b) two third of such portion shall be reserved for applicants with 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 and not more than 10% 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.

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 BRLMs, 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.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and with press releases dated June 25, 2021, September 17, 2021, and March 30, 2022, read with press release dated March 28, 2023.

Further, in the event of an under-subscription in the Employee Reservation Portion, 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 (net of Employee Discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

Investors 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), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, Allottees may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

As per the SEBI ICDR Regulations, the Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases.

The Offer will be made under UPI Phase III of the UPI Circular (on mandatory basis). The Offer will be advertised in all editions of Financial Express, a widely circulated English national daily newspaper and in all editions of Jansatta, a widely circulated Hindi national daily newspaper and in Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

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 SCSBs as the Sponsor Bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

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 UPI Circulars 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 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. Failure to unblock the accounts within the timeline and failure to submit confirmation of the same to the BRLMs and Registrar to the Offer would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as BRLMs will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI ICDR Master Circular, in compliance with circulars prescribed by SEBI and applicable law.

Pursuant to the SEBI ICDR Master Circular, 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 BRLMs, 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 BRLMs.

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.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

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 to any Designated Intermediary (other than SCSBs) 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 Bidder

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 using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the UPI Bidders 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

(ii) UPI Bidders using UPI Mechanism 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.

(iii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

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 using UPI Mechanism). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

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 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 (1)	[●]
Anchor Investors(2)	[●]
Eligible Employee bidding in the Employee Reservation Portion (3)	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the websites of the Stock Exchanges ([●] and [●]).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion shall be available at the Registered Office of our Company.

In case of ASBA forms, 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.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for

blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks 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 ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI ICDR Master Circular. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) 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 Banks and the bankers to an issue.

The Sponsor Banks and Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI ICDR Master Circular.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism 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 in accordance the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

Pursuant to NSE circular No. 25/2022 dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

d. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Electronic registration of Bids

a) 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, subject to applicable laws.

b) 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.

c) 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 for Retail Individual Bidders and Eligible Employees, and 4:00 pm for Non-Institutional Bidders and QIBs, 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.

d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by Promoters and Promoter Group, the Book Running Lead Managers associates and affiliates of the Book Running Lead Managers and the Syndicate Member(s) and the persons related to the Promoter/Promoter Group/the Book Running Lead Managers and the Syndicate Members

The BRLMs 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 BRLMs 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 investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension funds sponsored by entities which are associates of the BRLMs 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 Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter 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 BRLMs, 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 BRLMs.

Except to the extent of participation in the Offer for Sale by our Promoters and members of our Promoter Group will not participate in the Offer.

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 reserve 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 NAV 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 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). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External ("**NRE**") accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share 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 and the total holdings of all NRIs and OCIs 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 warrant. 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. Our Company has, pursuant to a Board resolution dated February 14, 2026 and a Shareholders' resolution dated February 17, 2026 increased the limit of investment of NRIs and OCIs up to a maximum aggregate limit of 24% of the paid-up Equity Share capital of our Company on a fully diluted basis, provided however that the shareholding of each NRI or OCI in our Company shall not exceed 5% of the total paid-up Equity Share capital of our Company on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time and the total shareholding of all NRIs and OCIs in our Company shall not exceed 24% of the paid-up Equity Share capital on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time.

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*" beginning on page 484.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

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 NRIs, HUFs and FPIs other than individuals, corporate bodies and family offices, for a Bid Amount of less than ₹0.20 million would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non-Institutional Portion for allocation in the Offer.

Bids by Foreign Portfolio Investors ("FPIs")

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified under the FEMA Rules and as specified by the Government from time to time.

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. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 49% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA NDI Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, 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.

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).

As specified in the General Information Document, it is hereby clarified that 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 utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**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 utilize 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 along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) 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; (v) multiple branches in different jurisdictions of foreign bank

registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) 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 NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Updated Draft Red Herring Prospectus - I read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*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*."

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to 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 funds 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 ₹250.00 million and pension funds with a 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 (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 reserve 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 BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

b) 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 Employees does not exceed ₹0.50 million (net of Employee Discount, if

any). The Allotment in the Employee Reservation Portion will be on a proportionate basis. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹0.20 million (net of Employee Discount, if any). In the event of any 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, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹0.50 million (net of Employee Discount, if any). 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.

c) Only Eligible Employees (as defined in this Updated Draft Red Herring Prospectus - I) would be eligible to apply in this Offer under the Employee Reservation Portion.

d) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Eligible Employee can also apply under Retail Portion. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

e) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any, would be considered for Allotment under this category.

f) Eligible Employees can apply at Cut-off Price.

g) Eligible Employees bidding in the Employee Reservation Portion may Bid either through the UPI mechanism or ASBA (including syndicate ASBA).

h) In case of joint bids, the First Bidder shall be an Eligible Employee.

If the aggregate demand in this category 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 Securities and Exchange Board of India registered Venture Capital Funds ("VCFs"), Alternate Investment Funds ("AIFs") and Foreign Venture Capital Investors ("FVCIs")

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 NDI Rules, VCFs and FVCIs can invest only up to 33.33% 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.

In terms of Regulation 20(20) of the SEBI AIF Regulations, every AIF, manager of the AIF and key management personnel of the manager and the AIF shall exercise specific due diligence, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of such laws, as may be specified by SEBI from time to time. In this regard, SEBI through its circular dated October 8, 2024 mandates that for every scheme of AIFs having an investor, or investors belonging to the same group, who contribute(s) 50% or more to the corpus of the scheme, necessary due diligence as per the implementation standards formulated by Standard Setting Forum for AIFs ("SFA"), shall be carried out prior to availing benefits available to QIBs under the SEBI ICDR Regulations and other SEBI regulations. Further, the shareholding of VCFs, Category I AIFs or Category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation. Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI 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 BRLMs reserve 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 RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**") and the 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, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial and non-financial services company, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. Further, a banking company would require a prior approval of RBI to make investment in a subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed);

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI.

Bids by Self-Certified Syndicate Banks

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular. 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 applications.

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 BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, 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 are entitled to invest only in other listed insurance companies and insurance companies participating in the Offer are advised to refer to the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Insurance companies participating in the Offer are advised 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/pension funds 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, 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 BRLMs reserve 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 auditors, 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 BRLMs, 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 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:

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.00 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 ₹100.00 million.

3) 40% of the Anchor Investor Portion shall be reserved in the following manner: (a) 33.33% shall be reserved for domestic Mutual Funds; and (b) 6.67% shall be reserved 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 (b) above, the allocation may be made to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

5) Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) minimum of two and maximum of 15 Anchor Investors, where allocation Anchor Investor Portion is up ₹2500.00 million subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and (b) in case of allocation above ₹2500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2500.00 million, and an additional 15 Anchor Investors for every additional ₹2500.00 million, subject to minimum Allotment of ₹50.00 million per Anchor Investor.

6) 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.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) 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.

9) Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10) 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, sponsored by the entities 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.

11) 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.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus - I. 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. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

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 Updated Draft Red Herring Prospectus - I 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

QIB Bidders 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 in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with the notification of the Central Board of Direct Taxes dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;

2. 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;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. 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;

6. 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/COR/P/2019/85 dated July 26, 2019;

7. 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;

8. 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;

9. 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);

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. 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;

12. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;

13. 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;

14. 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;

15. 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;

16. 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;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. 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;

19. 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 circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, 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 20, 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;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. 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;

22. 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;

23. 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;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. 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;

26. 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;

27. 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;

28. 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;

29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

30. 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;

31. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the non-institutional category for allocation in the Offer;

32. 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;

33. 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);

34. 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 authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner; and

35. 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 authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

6. Do not submit the Bid for an amount more than funds available in your ASBA account;

7. 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;

8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;

9. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the General Index Register (GIR) number instead of the PAN;

14. 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;

15. 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;

16. 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);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

19. 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;

20. Do not Bid for Equity Shares more than what is specified for each category;

21. 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);

22. 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;

23. 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 can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. 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;

25. 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;

26. Do not Bid if you are an OCB;

27. 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;

28. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders);

29. Do not submit the Bid cum Application Forms to any non-SCSB bank;

30. 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);

31. Do not Bid for a Bid Amount exceeding ₹0.20 million for Bids by Retail Individual Bidders and ₹0.50 million (net of Employee Discount, if any) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

32. 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

33. 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.

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 list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time is liable to be rejected. Further, for helpline

details of the BRLMs pursuant to the SEBI ICDR Master Circular, see "*General Information – Book Running Lead Managers*" on page 73.

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:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) 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));

(f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

(g) 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;

(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(j) Bids submitted without the signature of the First Bidder or Sole Bidder;

(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI ICDR Master Circular;

(m) GIR number furnished instead of PAN;

(n) Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;

(o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and

(p) Bids accompanied by stock invest, money order, postal order, or cash.

Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by RIBs and Employees Bidding in the Employee Reservation Portion 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 by RIBs and Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs 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 the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" beginning on pages 72 and 289, 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 or 15% p.a. 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, Bidders shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular (to the extent applicable) in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

For details of grounds for technical rejections of a Bid cum Application Form, please 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 Exchanges, 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 SEBI ICDR Regulations.

Method of allotment as may be prescribed by the Securities and Exchange Board of India from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders 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 RIBs shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not more than 15% of the Net Offer shall be available for allocation to NIBs. 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 applicants 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 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 NIBs. The allotment to each NIB shall not be less than ₹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 in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the BRLMs 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. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) 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, 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 Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

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, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchanges, 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 the Stock Exchanges is received post 9:00 p.m. IST on that date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

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 Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Mumbai edition of Navshakti, a Marathi

daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders/Applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus - I. 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

(a) Our Company, the Selling Shareholders, Registrar to the Offer and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

(b) 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*" beginning on page 454.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and consider them similar to non-ASBA applications while finalizing the basis of allotment;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Offer Closing Date or such other 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;
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- 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 Working Days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- except for (i) the Fresh Issue, , and (ii) any Equity Shares to be allotted pursuant to the ESOP Plan, no further issue of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder severally and not jointly, in respect of themselves as a Selling Shareholder and their respective portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of themselves and their respective portion of the Offered Shares:

- such Offered Shares shall be transferred in the Offer, free from encumbrances; and

- 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 have been received.

Only the statements and undertakings provided above, in relation to the Selling Shareholders and its respective portion of Offered Shares are statements which are specifically confirmed or undertaken, severally and not jointly, by each of the Selling Shareholders in relation to itself and its respective portion of the Offered Shares. No other statement in this Updated Draft Red Herring Prospectus - I will be deemed to be "made or confirmed" by any of the Selling Shareholders, even if such statement relates to the Selling Shareholders.

Utilisation of Offer Proceeds

Our Company specifically confirm that (i) all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, (ii) details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Gross Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and (iii) details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

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 –*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) 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

(c) 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 our 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 our 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.

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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. 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 (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

The 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.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note 2020**"), issued by the DPIIT, the FDI Policy and the FEMA (Non-debt Instruments) Rules has been amended to state that any investment, subscription, purchase or sale of equity instruments under the foreign direct investment route by entities 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 will require prior approval of the Government of India. The Foreign Exchange Management (Non-debt Instruments) Amendment Rules 2020, giving effect to Press Note 2020, came into effect from April 2020. Subsequently, vide Press Note No. 2 (2026 Series), dated March 15, 2026 ("**Press Note 2026**") issued by the DPIIT, the FDI Policy has been further amended to, inter alia, define the expression "beneficial owner" and to provide that prior approval of the Government of India shall be required only where citizen(s) and/or entity(ies) of a country sharing a land border with India hold, directly or indirectly, individually or cumulatively, more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity. The amendments under Press Note No. 2 (2026 Series) have been brought into effect from the date of publication of FEMA (Non debt Instruments) (Amendment) Rules, 2026 in the official gazette, being, May 2, 2026. 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/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, 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. 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 the FEMA NDI Rules 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 Bid/Offer Period.

As per the FEMA NDI Rules and FDI Policy read with Press Note 2020 and Press Note 2026, company not seeking an industrial licence shall be permitted to have foreign direct investment up to 49% under the automatic route and above 49% under approval route on case to case basis. However, investments under the foreign direct investment route by entities 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 will require prior approval of the Government of India in the manner mentioned above.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible Non-resident Indians ("NRIs")"* and *"Offer Procedure – Bids by Foreign Portfolio Investors ("FPIs")*" on pages 470 and 471, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The above information is given for the benefit of the Bidders. 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 Updated Draft Red Herring Prospectus - I. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below. Except for the following, there is no material clause in the Articles of Association which have been left out from disclosure having bearing on the Offer:

OVERRIDING PROVISIONS

To the extent permitted under the Companies Act, 2013, the regulations contained in Table "F" of the first schedule to the Companies Act 2013, shall not apply to the Company (as defined under Part A of these Articles) and these Articles (as defined under Part A) shall be the regulations for the management of the Company and for the observance of its members and their representatives.

Notwithstanding anything contained in the other provisions of these Articles:

(i) In the event of any conflict between the Articles of Part A and Articles of Part B, the Articles of Part B shall prevail and apply.

(ii) For the purposes of the Companies Act 2013, notwithstanding anything to the contrary contained in Section 43 (which is excluded with respect to the Company pursuant to the aforementioned overriding provisions), each class or series or sub-class or sub-series of outstanding shares will be considered and treated as a different kind of capital.

(iii) Sections 43 and 47 of the Act along with all the corresponding rules issued or issuable under the said Sections shall not be applicable to the Company. Section 101 will apply to the extent as modified by these Articles.

(iv) The Company and the Shareholders (as defined under Part B of these Articles) shall not be bound by, or subject to, any duties, obligations or covenants under the Articles of Part A where such provisions conflict in any manner with the Articles of Part B.

(v) In the event there is no conflict between the Articles of Part A and Articles of Part B, however the Articles of Part A restrict the rights and entitlements of the Shareholders, then such Articles of Part A shall not be applicable to such Shareholders.

(vi) The plain meaning of the Articles of Part B shall always be given effect to, and no rules of harmonious construction shall be applied to resolve conflicts between the Articles of Part A on one hand and the Articles of Part B on the other hand.

(vii) The provisions contained in Part B of these Articles are in addition to the rights and obligations of the parties under the Agreement (as defined under Part B of these Articles) and the non-inclusion of any provision of the Agreement in these Articles shall not prejudice or affect the enforceability of the Agreement.

(viii) The provisions of these Articles shall not be construed to amend or modify the provisions of the Agreement or constitute a waiver or other limitation of any rights of the parties thereunder.

(ix) Where any act or proceeding is directed to be done or taken or a right or obligation is required to be exercised or performed by any Shareholder or a notice or response to a notice, notification or intimation is required to be issued or provided by any Shareholder, under the terms of this Articles, the same shall be done, taken, performed or issued within the period specified or agreed upon in that regard and, if no time has been specified or agreed to, then the same will be done, taken, performed or issued within a reasonable time period which shall not in any event exceed 30 (thirty) days;

(x) If there is any conflict or inconsistency between any of the terms of the Agreement and any of the terms of these Articles, or if there is any dispute related to these Articles, the terms of the Agreement shall prevail in all respects, the Shareholders shall give full effect to and act in accordance with the provisions of the Agreement over the provisions of these Articles, and the Shareholders shall exercise all voting and other rights and powers (including to procure any required alteration to these Articles to resolve such conflict or inconsistency) to make the provisions of the Agreement effective, and not to take any actions that impair any provisions in the Agreement.

PART A

The Regulations contained in Table "F" in the Schedule –I to the Companies Act 2013 shall apply to the Company except in as far as otherwise expressly incorporated hereinafter. The provisions of Article 1 (Interpretation) to Article 117 (Lock-In of Equity Shares in Connection with Initial Public Offering) (inclusive) of the Articles of Part A shall be referred to as "Part A" of the Articles of the Company.

Interpretation

1. (1) In these regulations—

(a) "**Act**" means the Companies Act, 2013, the rules and regulations prescribed there under, as now enacted or as the same may from time to time be amended, replaced or re-enacted;

(b) "**The Articles**" or "**these Articles**" means these Articles of Association as originally framed or as altered by special resolution from time to time;

(c) "**Auditors**" means and include those persons appointed as such for the time being of the Company;

(d) "**Board**" means the Board of Directors for the time being of the Company;

(e) "**Company**" means **SAGAR DEFENCE ENGINEERING LIMITED**;

(f) "**Director**" means the Director on the Board of the Company and include persons occupying the position of Directors by whatever name called;

(g) "**Lock-in Period**" means the period for which the entire pre-issued capital of the Company held by persons other than the promoter(s), in case of the initial public offering, is locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations.

(h) "**The Seal**" means the common seal of the Company.

(2) 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.

(3) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

(4) Words denoting the singular shall include the plural and vice-versa. Words denoting the masculine gender only shall include the feminine gender and vice-versa. Words denoting persons shall include corporations.

(5) Subject as aforesaid, any words or expressions contained in these Articles shall bear the same meaning as in the Act.

(6) The headings/marginal notes to these Articles are for ease of reference only and shall not be taken into consideration when construing or interpreting the meaning of any Article.

Share capital and variation of rights

2. 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 or at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call shares shall not be given to the person or persons without the sanction of the Company in the General Meeting.

3. (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,—

(a) one certificate for all his shares without payment of any charges; or

(b) 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 be under the seal and 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, wherever the company has appointed a 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.

(iv) 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. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

(v) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

Except as required by law, no person shall be recognised 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 recognise (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.

4. The Company shall keep a register and index of members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any from of electronic medium.

5. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a 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 of shares to one or several joint holders shall be a sufficient delivery to all such holders.

6. New share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company.

7. 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 thereunder. 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. 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.

8. 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. To every such separate meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply.

9. (i) 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 of the Act, 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.

(ii) 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 persons holding at least one-third of the issued shares of the class in question.

10. 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 *paripassu* therewith.

11. 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, determine.

12. The Board or the Company as the case may be, may, by way of right issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further securities to;

    (a) persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of other person or;

    (b) employees under the employees' stock option or;

    (c) any person whether or not those persons include the persons referred to in clause (a) or clause (b) above;

Further Issue of Shares

13. Where at any time, the Company proposes to increase the subscribed capital of the company by allotment of further shares out of the unissued capital or out of the increased share capital then:

    (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer, subject to the following conditions, namely;-

        (i) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than seven days or such number of days as may be prescribed under applicable laws including by SEBI or under the Act and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

        (ii) 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 referred to in sub-clause (i) shall contain a statement of this right;

        (iii) 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 of Directors may dispose of them in such manner, and to such person(s), as they may think is not disadvantageous to the shareholders and the company.

    (b) Such further shares shall be offered to employees under a scheme of employees' stock option, subject to a special resolution passed by the company and subject to such conditions as may be prescribed; or

    (c) Such further shall be offered to any persons, if authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined in compliance with applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

14. The notice referred to in sub-clause (i) of clause (a) of Article 8 shall be dispatched through registered post or speed post or through electronic mode to all existing shareholders at least three days before the opening of the issue.

15. Nothing in (a) (ii) above shall be deemed:

    (a) To extend the time within which the offer should be accepted; or

    (b) To authorize 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 compromised in the renunciation

16. Nothing herein shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or a loan 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 the issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in a general meeting.

17. Notwithstanding anything contained in sub-section (13), where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after the company and Government pass such order as it deems fit.

18. In determining the terms and conditions of conversion under sub-section (14), the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

19. Where the Government has, by an order made under sub-section (14), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under sub-section (14) or where such appeal has been dismissed, the memorandum of such company shall, stand altered and the authorized share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

Lien

20. (i) The company shall have a first and paramount lien—

(a) on every share/debentures (not being a fully paid share/debentures), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debentures; and

(b) on all shares/debentures (not being fully paid shares/debentures) 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/debentures to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share/debentures shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures.

(iii) The fully paid-up shares shall be free from all lien and in the 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, as applicable.

21. 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.

22. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) 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.

23. (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.

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

24. (i) 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.

(ii) 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.

(iii) A call may be revoked or postponed at the discretion of the Board.

25. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. The option or right to call on shares shall not be given to any person except with the sanction of the company in general meeting.

28. (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 per cent, 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.

29. (i) 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.

(ii) 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.

30. 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 the amount so paid or satisfied in advance 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 per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance and the Directors agree upon provided that money paid in advance of calls on any share may carry interest but shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Transfer of shares

31. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(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.

32. The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

33. Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles

or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

34. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer shall be in writing and is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof;

(b) 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

(c) the instrument of transfer is in respect of only one class of shares.On giving not less than seven days previous notice in accordance with section 91 and 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.

35. The company shall use a common form of transfer.

36. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

37. The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Transmission of shares

38. (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 recognised 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.

39. (i) 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—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) 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.

40. (i) 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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) 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.

41. 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

42. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

43. 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.

44. 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.

45. (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.

46. (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.

47. (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; and

(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.

48. 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

49. 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.

50. Subject to the provisions of section 61 of the Act, 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.

51. 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.

52. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalisation of profits

53. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise 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.

54. (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 capitalised 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 authorise 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 capitalisation, 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 capitalised, 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

55. 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

56. All general meetings other than annual general meeting shall be called extraordinary general meeting.

57. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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

58. (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.

59. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

60. 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.

61. 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

62. (i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) 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

63. 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.

64. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.

65. (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.

66. 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.

67. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

68. 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.

69. (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.

Proxy

70. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised 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.

71. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

72. 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

73. Subject to the provisions of section 149 of the Act, the maximum number of the directors shall be fifteen. The first Directors of the Company shall be:

1. Mr. Ramkamal Prasad Singh S/o Tribhuwan Singh

2. Mr. Nikunj Ramkamal Parashar S/o Ramkamal Prasad Singh

74. Subject to provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

75. (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.

76. The Board may pay all expenses incurred in getting up and registering the company.

77. The company may exercise the powers conferred on it by section 88 of the Act 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 thinks fit respecting the keeping of any such register.

78. 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.

79. 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.

80. (i) Subject to the provisions of section 149 and 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, alternate director and nominee 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) additional director 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.

Proceedings of the Board

81. (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.

(iii) Subject to the provisions of section 173 of the Act, the Company shall hold the first meeting of the Board of Directors with in thirty days of the date of its incorporation and thereafter hold a minimum of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

(v) Subject to the provisions of section 173 of the Act and rules made there under, the meeting of the Board of Directors may be held through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the particulars of the directors and of recording and storing the proceeding of such meetings along with date and time.

(vi) With respect to every meeting conducted through video conferencing or other audio visual means authorised under the rules, the scheduled venue of the meeting as set forth in the notice convening the meeting, which shall be in India, shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place.

(vii) Subject to the provisions of Section 174 of the Act, the quorum for meeting of the Board of Directors of a Company shall be one-third of the total strength or two directors, whichever is higher, and any participation of the director by video conferencing or by other audio-visual means shall also be counted for the purpose of quorum.

82. (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.

83. 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.

84. (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.

85. (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.

86. (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.

87. (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.

88. 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.

89. 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

90. Subject to the provisions of the Act,—

(i) 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 thinks 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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

91. A provision of the Act or these regulations requiring or authorising 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.

92. As per the provisions of the Act, the Chairperson and Managing Director can be appointed as the same person.

Dividends and Reserve

93. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

94. Subject to the provisions of section 123 of the Act, 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.

95. (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 equalising 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.

96. (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) Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in dividend subsequently declared.

(iv) 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.

97. 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.

98. (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.

99. 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.

100. 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.

101. No dividend shall bear interest against the company.

102. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

103. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "Sagar Defence Engineering Unpaid Dividend Account"

104. The company shall, within a period of ninety days of making any transfer of an amount under sub- section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

105. If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them

106. Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

107. All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

Accounts

108. (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 authorised by the Board or by the company in general meeting.

Winding up

109. 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

110. 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.

Borrowing Powers

111. Subject to the provisions of the Act 2013, the Board may from time to time and at its discretion, borrow or raise funds from banks, financial institutions, non-banking, private companies or any other persons.

112. The payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit by issue of debentures or bonds of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures or bonds may be made assignable free from any equities between the Company and the person to whom the same may be issued.

113. Any debentures, bonds or other securities (except for equity shares which may not be issued at discount in accordance with Sectio 53 of the Act 2013) may be issued at a discount, premium or otherwise and subject to the provisions of the Act 2013 may be issued on condition that they shall be convertible into shares of any denomination and with special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting and appointment of Directors and other-wise. Debentures, bonds or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting accorded by a special resolution.

114. The Company shall comply with all the provisions of the Act 2013 in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures.

115. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

LOCK-IN OF EQUITY SHARES IN CONNECTION WITH INITIAL PUBLIC OFFERING

116. Notwithstanding anything to the contrary contained in these Articles, where any Equity Shares held by persons other than promoter(s) are required to be locked in under Regulation 17 of SEBI ICDR Regulations and such lock-in cannot be created or recorded by Depositories for any reason whatsoever including where such Equity Shares are *inter alia* (a) subject to a pledge; or (b) under "freeze balance" or "safe balance", prior to the commencement of the Lock-in Period, the Company shall have the power to issue instructions to the Depositories, without requiring any further act, consent or authorization from the relevant shareholder, directing Depositories to mark or record such Equity Shares as "non-transferable" or such status as may be prescribed or made available by the Depositories for the duration of the applicable Lock-in Period. The aforementioned Equity Shares shall be treated as locked-in for the Lock-in Period as specified under the SEBI ICDR Regulations.

117. In the event of invocation of the pledge of such Equity Shares by the pledgee, whether in whole or in part, the Equity Shares so transferred or received by the pledgee upon such invocation shall be automatically locked-in and shall remain under lock-in, in the demat account of the pledgee, for the balance Lock-in Period.

118. In the event of release of the pledge of such Equity Shares by the pledgee, whether in whole or in part, the Equity Shares so released shall automatically be locked-in and shall remain under lock-in, in the demat account of the pledgor, for the balance Lock-in Period.

PART B OF THE ARTICLES OF ASSOCIATION

Part B of the Articles of Association provides for, among other things, the rights of certain shareholders pursuant to the Shareholders' Agreement as amended by the Waiver cum Amendment Agreement. For more details on the Shareholders' Agreement as amended by the Waiver cum Amendment Agreement, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements*" on page 282.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and 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 which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10:00 a.m. and 5:00 p.m. IST on all Working Days and shall be also available on the website of our Company at www.sagardefence.com/investor-relations/ 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 Updated Draft Red Herring Prospectus - I may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

A. Material Contracts for the Offer

(1) Offer Agreement dated August 4, 2026, entered into amongst our Company, Selling Shareholders and the BRLMs.

(2) Registrar Agreement dated August 4, 2026, entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer.

(3) Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

(4) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Bankers to the Offer and Syndicate Members.

(5) Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent.

(6) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, Registrar to the Offer, the BRLMs and Syndicate Members.

(7) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

B. 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 16, 2015 issued to our Company, under the name 'Sagar Defence Engineering Private Limited' by the Registrar of Companies, Mumbai.

(3) Fresh certificate of incorporation dated July 6, 2026, issued to our Company, under the name 'Sagar Defence Engineering Limited', by the RoC CPC pursuant to conversion to a public limited company.

(4) Resolutions of the Board of Directors dated July 6, 2026 read with their resolution dated November 12, 2026 authorising the Offer and other related matters.

(5) Shareholders' resolution dated July 11, 2026 passed via special resolution, approving the Fresh Issue.

(6) Resolution of the Board of Directors dated August 3, 2026 and by our IPO Committee pursuant to their resolution dated August 4, 2026, approving the Pre-filed Draft Red Herring Prospectus for filing with the SEBI and Stock Exchanges.

(7) Resolution of the Board of Directors dated November 19, 2026 approving this Updated Draft Red Herring Prospectus – I and the Draft Abridged Prospectus.

(8) Resolution of the Board of Directors dated August 3, 2026 read with resolution of the Board of Directors dated November 12, 2026 taking on record the consent for the Offer for Sale by each of the Selling Shareholders.

(9) Resolution dated November 19, 2026, passed by the Audit Committee approving the KPIs.

(10) Certificate dated November 19, 2026, issued by S C Mehra & Associates LLP, Chartered Accountants certifying the KPIs of our Company.

(11) Certificate dated November 19, 2026, issued by S C Mehra & Associates LLP, Chartered Accountants certifying the basis for offer price and other financial information of our Company.

(12) Certificate dated November 19, 2026, issued by S C Mehra & Associates LLP, Chartered Accountants certifying the weighted average price, cost of acquisition of equity shares by the Selling Shareholders.

(13) Consent letters and authorisations from each of the Selling Shareholders, consenting to their respective participation in the Offer. For further details, see "*The Offer*" beginning on page 63.

(14) Written consent dated November 12, 2026, from our Statutory Auditor, M S K A & Associates LLP (*formerly known as M S K A & Associates*), Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, 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 Auditors, and in respect of their (a) examination report dated November 12, 2026 on our Restated Financial Information, and (b) report dated November 12, 2026 on the statement of special tax benefits in this Updated Draft Red Herring Prospectus - I; (c) other certifications issued by them in relation in connection with the Offer, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

(15) Written consent dated November 12, 2026, from Jain Ambavat & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under Section 2(38) of the Companies Act, in connection with the Offer in their capacity as previous statutory auditor to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

(16) Written consent dated November 12, 2026, from S C Mehra & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by them in connection with the Offer in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

(17) Written consent dated November 12, 2026, from BYG & Associates, Company Secretaries, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by them in connection with the Offer, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

(18) Written consent dated November 11, 2026 from Praveen Subramanya, Chartered Engineers, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 to the extent and in respect of the certificates issued by them in connection with the Offer in their capacity as an independent chartered engineer to our Company, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

(19) Certificates each from Praveen Subramanya, Chartered Engineer, on (i) installed capacity, actual production and capacity utilisation dated November 11, 2026; (ii) machinery proposed to be purchased for our facilities in Chakan, Pune, Maharashtra dated November 11, 2026; and (iii) the Manufacturing and Technology Campus in Andhra Pradesh, issued in connection with the Offer dated November 12, 2026.

(20) Detailed project report dated November 12, 2026 from Proconvis Consultants Private Limited, detailed project report agency issued in connection with the Offer along with their written consent to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the report issued by them in connection with the Offer and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

(21) Share purchase agreement dated December 5, 2025 entered into by and amongst our Company and Abhishek, Mendu Rama Krishna and Chirag Jain in relation to acquisition of stake in Endureair Systems Private Limited.

(22) Business transfer agreement dated May 10, 2026 entered into by and amongst Sagar Ship Repairs and Marine Services (operated through its sole proprietor, Ramkamalprasad Tribhuwan Singh) and Sagar Ship Repairs Private Limited.

(23) Valuation report dated May 13, 2026, issued by Priyal K Sanghvi & Associates, Chartered Accountants in relation to acquisition of maintenance, repair and overhaul business by Sagar Ship Repairs Private Limited from Sagar Ship Repairs and Marine Services (operated through its sole proprietor, Ramkamalprasad Tribhuwan Singh).

(24) Share Subscription cum Shareholders' Agreement dated March 26, 2026, as amended by the waiver cum amendment agreement dated July 8, 2026, entered into amongst our Company, our Promoters, Existing Shareholders, Existing Investors, SVADHA Investors and New Investors.

(25) Securities transfer restriction agreement dated August 2, 2026 ("**STA 1**") entered into amongst Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Manoj Kanhaiyalal Agrawal, Nilesh K. Agrawal, Rajesh Kanhaiyalal Agrawal, Amish Deepak Desai and Ankit Deepak Desai.

(26) Securities transfer agreement restriction dated August 2, 2026 ("**STA 2**") entered into amongst Nikunj Parashar, Mridul Babbar, Lakshay Dang, Saurabh Avinash Patil, Ankit Kumar, Manoj Kanhaiyalal Agrawal and Amit Singla.

(27) Share subscription agreement dated November 4, 2026, entered into by our Company with ValueQuest Founders Conviction LVF and our Promoters

(28) Share subscription agreement dated November 4, 2026, entered into by our Company with ValueQuest S.C.A.L.E. Fund II and our Promoters

(29) Copies of the annual reports of our Company for Fiscals 2026, 2025 and 2024.

(30) The examination report dated November 12, 2026 on our Restated Financial Information from the Statutory Auditors.

(31) The report dated November 12, 2026 on the statement of special tax benefits available to our Company and our Shareholders, from the Statutory Auditors.

(32) Consents of our Directors, Company Secretary and Compliance Officer, legal counsel to our Company as to Indian law, Bankers to our Company, Banker to the Offer, the BRLMs, Syndicate Members, Monitoring Agency, Registrar to the Offer to act in their specific capacities.

(33) Report titled '*Research Report on the Unmanned Systems Industry*' dated November 13, 2026 prepared and issued by CARE Analytics and Advisory Private Limited which has been commissioned and paid for by our Company exclusively for the purposes of the Offer.

(34) Consent dated November 13, 2026, from CARE Analytics and Advisory Private Limited in respect of the CAREEdge Report.

(35) Employment agreement dated July 20, 2026 entered into by Nikunj Parashar and our Company.

(36) Tripartite agreement dated July 9, 2026, amongst our Company, NSDL and Registrar to the Offer.

(37) Tripartite agreement dated July 9, 2026, amongst our Company, CDSL and Registrar to the Offer.

(38) Due diligence certificate dated August 4, 2026, addressed to SEBI from the BRLMs.

(39) In-principle listing approvals each dated October 1, 2026, issued by BSE and NSE, respectively.

(40) Letter to SEBI from the BRLMs dated November 6, 2026 in relation to the Pre-IPO Placement undertaken by our Company containing (i) that the subscribers were intimated that there is no guarantee that our Company may proceed with the Offer or such Offer may be successful, (ii) that the Pre-IPO Placement disclosures will be included in the Price Band advertisement, and (iii) that the proceeds from the Pre-IPO Placement shall be completely attributed/adjusted towards the general corporate purposes.

(41) Draft Abridged Prospectus.

(42) SEBI final observation letter no. HO/49/11/11(394)2026-CFD-RAC-DIL2 dated November 4, 2026.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Nikunj Parashar
Chairman and Managing Director

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mridul Babbar
Non-Executive Director

Place: Pune, Maharashtra
Date: November 19, 2026

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Manoj Kanhaiyalal Agrawal
Non-Executive Director

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ajendra Bahadur Singh
Non-Executive Independent Director

Place: Gurgaon, Haryana

Date: November 19, 2026

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Tessy Thomas
Non-Executive Independent Director

Place: Bengaluru, Karnataka

Date: November 19, 2026

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus-I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Konark Kavoorguthu Rai
Non-Executive Independent Director

Place: Bangalore, Karnataka
Date: November 19, 2026

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Ankur Taparia
Chief Financial Officer

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

I, Nikunj Parashar, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring - I Prospectus about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Nikunj Parashar
Promoter Selling Shareholder

Place: Mumbai, Maharashtra
Date: November 19, 2026

DECLARATION

I, Mridul Babbar, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Mridul Babbar
Promoter Selling Shareholder

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I, Lakshay Dang, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Lakshay Dang
Promoter Selling Shareholder

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I, Saurabh Avinash Patil, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Saurabh Avinash Patil
Promoter Selling Shareholder

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I, Ankit Kumar, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Ankit Kumar
Promoter Selling Shareholder

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I, Amit Singla, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus – I about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Amit Singla
Promoter Selling Shareholder

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I, Manoj Kanhaiyalal Agrawal, acting as a Promoter Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

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Manoj Kanhaiyalal Agrawal
Promoter Selling Shareholder

Place: Pune, Maharashtra

Date: November 19, 2026

DECLARATION

I, Nilesh K. Agrawal, acting as a Promoter Group Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Group Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER OF OUR COMPANY

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Nilesh K. Agrawal
Promoter Group Selling Shareholder

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

I, Rajesh Kanhaiyalal Agrawal, acting as a Promoter Group Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Group Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER OF OUR COMPANY

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Rajesh Kanhaiyalal Agrawal
Promoter Group Selling Shareholder

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

I, Amish Deepak Desai, acting as a Promoter Group Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Group Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER OF OUR COMPANY

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Amish Deepak Desai
Promoter Group Selling Shareholder

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

I, Ankit Deepak Desai, acting as a Promoter Group Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Group Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER OF OUR COMPANY

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Ankit Deepak Desai
Promoter Group Selling Shareholder

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

I, Ramkamalprasad Tribhuwan Singh, acting as a Promoter Group Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as a Promoter Group Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER OF OUR COMPANY

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Ramkamalprasad Tribhuwan Singh
Promoter Group Selling Shareholder

Place: Thane, Maharashtra

Date: November 19, 2026

DECLARATION

We, Focus Marine Group, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF FOCUS MARINE GROUP

_____

Authorised Signatory

Name: Anu Vikas Choudhary

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

We, Malaxmi Infra Ventures India Private Limited, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF MALAXMI INFRA VENTURES INDIA PRIVATE LIMITED

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Authorised Signatory

Name: Dr. Tejaswini Yarlagadda

Place: Hyderabad, Telangana

Date: November 19, 2026

DECLARATION

We, NS Trading and Investments LLP, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF NS TRADING AND INVESTMENTS LLP

_____

Authorised Signatory

Name: Mahesh Nekkanti

Place: Visakhapatnam, Andhra Pradesh

Date: November 19, 2026

DECLARATION

We, SVADHA India Emerging Opportunities Scheme 1, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF SVADHA INDIA EMERGING OPPORTUNITIES SCHEME 1 (THROUGH INVESTMENT MANAGER SKEGEN ASSET MANAGEMENT LLP)

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Authorised Signatory

Name: Navin Roy Vallabhaneni

Place: Kolar, Karnataka

Date: November 19, 2026

DECLARATION

We, Ushodaya Enterprises Private Limited, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF USHODAYA ENTERPRISES PRIVATE LIMITED

_____

Authorised Signatory

Name: Gollapudi Sambasiva Rao

Place: Hyderabad, Telangana

Date: November 19, 2026

DECLARATION

We, Focus Marine Partners, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF FOCUS MARINE PARTNERS

_____

Authorised Signatory

Name: Ruchi Khetal

Place: Mumbai, Maharashtra

Date: November 19, 2026

DECLARATION

We, Oceanic Hope Partners, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as an Other Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

FOR AND ON BEHALF OF OCEANIC HOPE PARTNERS

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Authorised Signatory

Name: Jaya Mariam Samuel

Place: Kottayam, Kerala

Date: November 19, 2026

DECLARATION

I, Ramachandra Kollareddy, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as an Other Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE OTHER SELLING SHAREHOLDER OF OUR COMPANY

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Ramachandra Kollareddy
Other Selling Shareholder

Place: Gachibowli, Hyderabad

Date: November 19, 2026

DECLARATION

I, Ramagiri Ramadevi, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as an Other Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE OTHER SELLING SHAREHOLDER OF OUR COMPANY

_____

Ramagiri Ramadevi
Other Selling Shareholder

Place: Hyderabad, Telangana

Date: November 19, 2026

DECLARATION

I, Uma Kollareddy, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as an Other Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE OTHER SELLING SHAREHOLDER OF OUR COMPANY

_____

Uma Kollareddy
Other Selling Shareholder

Place: Gachibowli, Hyderabad, Telangana

Date: November 19, 2026

DECLARATION

I, Varun L Reddy, acting as an Other Selling Shareholder, hereby confirm that all statements and undertakings specifically made by me in this Updated Draft Red Herring Prospectus - I about or in relation to myself, as an Other Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I 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 the other Selling Shareholder or any other person(s) in this Updated Draft Red Herring Prospectus - I.

SIGNED BY THE OTHER SELLING SHAREHOLDER OF OUR COMPANY

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Varun L Reddy
Other Selling Shareholder

Place: Aminjikarai, Chennai

Date: November 19, 2026

ANNEXURES TO THIS UPDATED DRAFT RED HERRING PROSPECTUS - I

ANNEXURE A – DETAILS OF THE SHAREHOLDING OF THE SELLING SHAREHOLDERS, WEIGHTED AVERAGE COST OF ACQUISITION AND DETAILS OF THE OFFER FOR SALE

The details of (i) Shareholders participating in the Offer for Sale, including the maximum number of Equity Shares offered by each of the Selling Shareholders, along with the details of the authorisations of each of the Selling Shareholders in relation to its respective portion of the Offered Shares; and (ii) the respective weighted average costs of acquisition per Equity Share of each of the Selling Shareholders, is set forth below:

Sr. No.	Name of the Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale by the Selling Shareholder / Amount (₹ in million)	Weighted average cost of acquisition per Equity Share* (in ₹)	Date of board resolution / corporate authorisation	Date of consent letter
Promoter Selling Shareholders					
1.	Nikunj Parashar	[●] Equity Shares aggregating up to ₹1,500.00 million	0.01	-	November 12, 2026
2.	Mridul Babbar	[●] Equity Shares aggregating up to ₹1,800.00 million	0.01	-	November 12, 2026
3.	Lakshay Dang	[●] Equity Shares aggregating up to ₹1,800.00 million	0.01	-	November 12, 2026
4.	Saurabh Avinash Patil	[●] Equity Shares aggregating up to ₹1,600.00 million	0.01	-	November 12, 2026
5.	Ankit Kumar	[●] Equity Shares aggregating up to ₹1,600.00 million	0.01	-	November 12, 2026
6.	Amit Singla	[●] Equity Shares aggregating up to ₹400.00 million	0.01	-	November 12, 2026
7.	Manoj Kanhaiyalal Agrawal	[●] Equity Shares aggregating up to ₹1,000.00 million	0.01	-	November 12, 2026
TOTAL (A)		**[●] Equity Shares aggregating up to ₹9,700.00 million**			
Promoter Group Selling Shareholders					
8.	Ramkamalprasad Tribhuwan Singh	[●] Equity Shares aggregating up to ₹1,800.00 million	Negligible	-	November 12, 2026
9.	Amish Deepak Desai	[●] Equity Shares aggregating up to ₹1,000.00 million	Negligible	-	November 12, 2026
10.	Ankit Deepak Desai	[●] Equity Shares aggregating up to ₹1,000.00 million	0.05	-	November 12, 2026
11.	Nilesh K. Agrawal	[●] Equity Shares aggregating up to ₹500.00 million	0.27	-	November 12, 2026
12.	Rajesh Kanhaiyalal Agrawal	[●] Equity Shares aggregating up to ₹500.00 million	Negligible	-	November 12, 2026
TOTAL (B)		**[●] Equity Shares aggregating up to ₹4,800.00 million**			
Other Selling Shareholders					
13.	Focus Marine Partners, Ruchi Khetal	[●] Equity Shares aggregating up to ₹600.00 million	5.71	June 28, 2026	November 12, 2026
14.	Focus Marine Group, Ruchi Khetal	[●] Equity Shares aggregating up to ₹350.00 million	8.20	June 28, 2026	November 12, 2026
15.	NS Trading and Investments LLP	[●] Equity Shares aggregating up to ₹340.00 million	14.04	October 26, 2026	November 12, 2026
16.	Ushodaya Enterprises Private Limited	[●] Equity Shares aggregating up to ₹340.00 million	11.93	October 26, 2026	November 12, 2026
17.	Oceanic Hope Partners	[●] Equity Shares aggregating up to ₹260.00 million	11.93	October 28, 2026	November 12, 2026
18.	Varun L Reddy	[●] Equity Shares aggregating up to ₹100.00 million	13.42	-	November 12, 2026
19.	SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	[●] Equity Shares aggregating up to ₹5,300.00 million	10.87	July 13, 2026	November 12, 2026
20.	Ramagiri Ramadevi	[●] Equity Shares aggregating up to ₹30.00 million	11.93	-	November 12, 2026
21.	Uma Kollareddy	[●] Equity Shares aggregating up to ₹100.00 million	15.29	-	November 12, 2026
22.	Ramachandra Kollareddy	[●] Equity Shares aggregating up to ₹180.00 million	13.93	-	November 12, 2026
23.	Malaxmi Infra Ventures India Private Limited	[●] Equity Shares aggregating up to ₹20.00 million	11.93	July 9, 2026	November 12, 2026
TOTAL (C)		**[●] Equity Shares aggregating up to ₹7,620.00 million**			
TOTAL (D = A + B + C)		**[●] Equity Shares aggregating up to ₹22,120.00 million**			

* *As certified by S C Mehra & Associates LLP Chartered Accountants, by way of their certificate dated November 19, 2026.*

ANNEXURE B

Set out below are the details of allottees who were allotted Equity Shares, in the allotment made pursuant to the bonus issuance, on July 12, 2026, as disclosed in "*Capital Structure – Notes to the capital structure – Share capital history of our Company – Equity share capital*" on page 81:

Name(s) of allottee(s)	Number of Equity Shares Allotted
Nikunj Parashar	63,310,800
Ramkamalprasad Tribhuwan Singh	25,048,800
Manoj Kanhaiyalal Agrawal	24,791,200
Amish Deepak Desai	22,139,600
Ankit Deepak Desai	22,131,200
Mridul Babbar	19,196,800
Lakshay Dang	19,196,800
Saurabh Avinash Patil	13,851,600
Ankit Kumar	13,851,600
Rajesh Kanhaiyalal Agrawal	9,539,600
Nilesh K Agrawal	9,531,200
SVADHA India Emerging Opportunities Scheme 1 (*through investment manager Skegen Asset Management LLP*)	6,599,600
Amit Singla	3,749,200
A2 Square Investment, Ashruti Khera	3,455,200
Focus Marine Partners, Ruchi Khetal	2,951,200
Pravin Ramkrishna Uplanchiwar	2,800,000
Blue Sky Holdings Private Limited	2,240,000
Globalworth	1,680,000
Ushodaya Enterprises Private Limited	1,680,000
Focus Marine Group, Ruchi Khetal	1,145,200
Ramachandra Kollareddy	1,047,200
SB Opportunities Fund I	924,000
NS Trading and Investments LLP	884,800
Oceanic Hope Partners, Jaya Mariam Samuel	870,800
Saumik Ketan Doshi	840,000
Uma Kollareddy	786,800
Harsha Upadhyaya	719,600
Vijaya Holdings India LLP	618,800
Systematix Fincorp India Limited	504,000
Lalit Kumar	462,000
Rathakrishnan Damayanthi	448,000
Varun L Reddy	448,000
Hanumanth Rao Madhavarapu	372,400
Ramadi Advisory Private Limited	336,000
Malaxmi Infra Ventures India Private Limited	336,000
Mylktree Consultants LLP	336,000
Tanay Sudhir Bheda	319,200
Devender Singhal	299,600
Green Ivy Ventures Private Limited	249,200
Chandravali Mittul Kalawadia	246,400

Name(s) of allottee(s)	Number of Equity Shares Allotted
Zubin Zainuddin	246,400
Sachin Agarwal	243,600
Abhishek Bisen	215,600
Aman Chowhan	210,000
Dhananjay Tikariha	198,800
Paulomi Ketan Doshi	196,000
Vivek Gautam	168,000
Harjit Singh Sethi	168,000
Mahati Hydro Power Projects Private Limited	168,000
Singhvi Heritage LLP	168,000
Aarkay Investments - Banti Agrawal	168,000
Aakash Jain	168,000
Ashish Singhania	168,000
V M Spice Company Private Limited	168,000
Nisha Goyal	168,000
Ramagiri Ramadevi	168,000
Rajat Chandak	159,600
Hemant Thakorlal Kanawala	159,600
Vaibhav Dusad	156,800
Sunil Sponge Private Limited	151,200
Srishant Challa	151,200
Tripuraneni Venkata Aditya Chowdary	151,200
Rohit Kumar Tandon	140,000
Mukul Jain	140,000
Stheertha Ventures LLP	134,400
Anand Nareshbhai Shah	126,000
Myraa Raheja	126,000
Venugopal Manghat	109,200
Vasanti Gunvant Sheth	95,200
Purva Devender Singhal	92,400
Sunit Garg	84,000
Nitin Chandalia	84,000
Winfinity Partners LLP	81,200
Dinesh Kumar Sarda	81,200
Tarun Kantilal Votavat	81,200
Santhosh Jain	81,200
Mahaveerchand Mahendra	81,200
Akshit A Jain	81,200
Florensa Care Products LLP	75,600
P Maurya Chandra	75,600
Disha Lakhotia	72,800
Nikhil Tambolkar	64,400
Bimal Parikh Huf	64,400
Rohan Agarwal	64,400
Atul Suhas Penkar	64,400

Name(s) of allottee(s)	Number of Equity Shares Allotted
Raman Chopra	64,400
Punita Somani	64,400
Rekha Vivek Vyas	64,400
Anish Dilip Shah	64,400
Sudhir Shivji Bheda	64,400
Hetal Ramesh Gandhi	64,400
Satwani Holdings LLP	64,400
Baldau Prasad Tikariha	64,400
Chirag Pramod Vora	64,400
Dhwanil Sanjay Shah Huf	61,600
Satish Chandra Mishra	58,800
Abhinav Sharma	58,800
Arathi Suresh	53,200
Ritesh Lunawat	53,200
Ankur Surana	81,200
Prateek Poddar	39,200
Salonee Adarsh Agrawal	39,200
Nitya Mishra	39,200
Sri Sharma	39,200
Vivek Sridharan	33,600
Amar Ravi Shah	33,600
S Vipin Bhandari	33,600
Emporio Ventures LLP	33,600
Himanshi Bhupendra Joshi	33,600
Bipin Ramanlal Shah	30,800
Sameer Pahlajani	16,800
Santosh Dogra	16,800
Suresh Kumar Batra	16,800
Poonam Shekhawat	16,800
Essel Omega Trust	355,600