INDIGENOUS INNOVATION, GLOBAL IMPACT.

Garuda aerospace

POWERING THE NEXT ERA OF FLIGHT.

INDIGENOUS INNOVATION.
MISSION CRITICAL TECHNOLOGY.
GLOBAL AMBITION.

ANNUAL REPORT

2025-26

INDIGENOUS TECHNOLOGY | MISSION CRITICAL | GLOBAL FOOTPRINT | BUILT FOR THE FUTURE

PROUDLY INDIAN. GLOBALLY RELEVANT.

CONTENTS

BUILDING INDIA'S DRONE ECOSYSTEM

Company Overview

Garuda Aerospace Limited is an integrated drone technology company engaged in the design, development, manufacturing and deployment of unmanned aerial systems and technology-enabled drone services. Founded in 2015 and headquartered in Chennai, the Company provides end-to-end solutions across agriculture, defence, surveillance, infrastructure, industrial inspection, mapping, logistics, public safety and disaster management.

400+ Cities Served	**16** Countries	**200+** Team Members	**2015** Founded	**HQ** Chennai

THE INTEGRATED VALUE CHAIN

- Drone design, engineering and indigenous R&D
- Manufacturing and assembly
- Drone-as-a-Service operations
- Artificial intelligence and data analytics
- Maintenance, repair and after-sales support
- Mission planning and fleet-management software
- Specialised defence and strategic systems

PRODUCT PORTFOLIO & MARKET REACH

The Company's product portfolio includes agricultural drones, survey and mapping platforms, inspection systems, surveillance drones, logistics platforms and specialised defence solutions. Its Drone-as-a-Service capabilities enable customers to access drone technology without significant upfront investment while receiving actionable data and mission-specific outcomes.

Garuda Aerospace operates through a growing ecosystem of trained pilots, dealers, service partners, educational institutions, government agencies and enterprise customers, while pursuing strategic opportunities across the United States, Africa, the Middle East and other international markets.

OPERATING FUNCTIONS ACROSS THE VALUE CHAIN

BUSINESS VERTICAL	KEY OFFERINGS
Agriculture	Precision spraying, crop monitoring, seed spreading and agricultural intelligence
Defence and Homeland Security	ISR, tactical surveillance, specialised mission systems and autonomous platforms
Industrial and Infrastructure	Surveying, mapping, inspection, progress monitoring and asset intelligence
Drone-as-a-Service	Technology-enabled drone deployment across multiple sectors
Software and Data Intelligence	Mission planning, fleet management, AI analytics and actionable reports
Training and Skilling	DGCA-aligned remote pilot training, institutional programmes and UAV laboratories
After-Sales Services	Maintenance, repairs, upgrades, spare parts and annual maintenance programmes

500+ Enterprise & Govt. Clients	**2,500+** Pilots Trained via RPTO	**28** Indian States Covered

SIX VERTICALS, ONE PLATFORM

Business Verticals

One modular Garuda frame, re-missioned by payload across every sector we serve - the only drone company with reach across all six.

01

Agriculture

Spraying, seeding & crop-health scouting. Market leader at ~30% share.

02

Defence

Surveillance, VTOL patrol & tactical ops; DAVOS-recognised, growing fast.

03

Enterprise

NDT, boiler, pipeline & solar inspection; survey & mapping at scale.

04

Consumer

DRONI aerial photography & FPV capture; an emerging consumer line.

05

Government

250+ contracts won across disaster response and public-safety missions.

06

Training (RPTO)

India's 2nd-largest RPTO; 2,500+ pilots certified nationwide.

WHAT DRIVES US

Vision Mission and Purpose

VISION

To build India's most trusted and globally respected drone technology company, transforming industries and improving lives through intelligent, indigenous and accessible aerial solutions.

MISSION

To design, manufacture and deploy safe, reliable and future-ready drone solutions that:

- Solve complex challenges across agriculture, defence, infrastructure and public services
- Make drone technology accessible through scalable products and service models
- Advance indigenous research, manufacturing and component localisation
- Generate actionable intelligence through artificial intelligence and data analytics
- Create skilled employment and entrepreneurship opportunities across India
- Establish India as a global leader in drone technology and innovation

PURPOSE

To use drone technology as a force for progress - protecting lives, strengthening national capabilities, improving productivity and creating sustainable opportunities at scale.

Garuda Aerospace exists to take drone technology beyond flight. Every platform, service and data solution is developed to deliver a meaningful outcome: supporting a farmer, securing a border, inspecting critical infrastructure, responding to a disaster or enabling faster and better decisions.

OUR GUIDING PRINCIPLES

Innovation with purpose: Developing technology that addresses genuine operational and societal needs.

Safety and reliability: Placing operational safety, quality and compliance at the centre of every mission.

Integrity and governance: Operating transparently, responsibly Inclusive growth: Creating opportunities for pilots, and with accountability. entrepreneurs, partners and communities.

Sustainability: Using technology to conserve resources, reduce risk and support responsible development.

India-first engineering: Building indigenous capabilities with globally competitive standards.

Customer impact: Measuring success through the value and outcomes delivered to customers.

Inclusive growth: Creating opportunities for pilots, entrepreneurs, partners and communities.

Global Drone Hub

Positioning India, and Garuda, at the centre of the world's drone economy.

Sustainable Livelihoods

Skilled employment and entrepreneurship for pilots and partners nationwide.

Sovereign Capability

Indigenous R&D and manufacturing that reduce import dependency.

Company History

Our Flight Path

Garuda Aerospace is an Indian drone manufacturer and Drone-as-a-Service (DaaS) provider, founded in 2015 in Chennai, with a strong agriculture focus, and a growing defence and industrial footprint across India's drone ecosystem. Its drones are equipped with high-resolution cameras, multispectral sensors, GPS, and AI-powered analytics, enabling land surveys, disease identification, crop health monitoring, precision pesticide spraying, mapping and analysis, and yield estimation.

Garuda Aerospace's journey and progress over time are depicted below.

CY15 | CY16 | CY17 | CY18 | CY19 | CY20

CY15

- Company incorporated with a clear mission to build indigenous drone platforms for India
- Foundation laid for mission-specific drone R&D across agriculture, industry, & surveillance

CY16

- First indigenous drone prototypes successfully developed; concept showcased at United Nations Day 2016 at UN House, 55 Lodi Estate, marking early global recognition

CY17

- Transition from R&D to initial commercial deployments
- Early government and enterprise pilot projects executed
- Company pioneered the DaaS model conceptualised
- Groundwork laid for scalable fleet operations & services monetisation

CY18

- Launch of early agriculture, surveillance and industrial drone platforms
- Manufacturing SOPs and quality systems formalised

CY19

- Entry into large-scale government programs and PSU executions
- Executed deployments and completed windmill inspections, delivered infrastructure monitoring services

CY20

- Drone-led COVID-19 sanitisation, surveillance, and public-utility operations were executed
- Recognised by multiple State Governments for rapid pandemic response
- Demonstrated national-scale execution capability under crisis conditions
- NDT inspection services for large multinational companies

CY21

CY22

CY23

CY24

CY25

CY26

CY21

- DaaS scaled across India
- Pre-Series A funding completed
- Locust service for government
- Survey of India Swamitva project – 7,000 villages mapped in Uttar Pradesh CY21

CY22

- Inauguration of Kisan drone initiative by Narendra Modi
- DGCA type certification secured for agriculture drone
- M.S. Dhoni onboarded as brand ambassador and equity investor
- BIS certifications achieved
- One of the first Indian companies with dual DGCA approval (Manufacturing & RPTO)
- Series A funding completed
- Drone Yatra Launch
- PLI incentives issued by Government

CY23

- Launch of DRONI consumer drone & Kisan Agri drone ads
- Defence surveillance, BVLOS & industrial deployments initiated
- Strategic partnerships formalised with public sector undertakings
- Patent portfolio expanded
- Expanding client base of large agriculture-focused public sector undertakings & agriculture machinery companies
- Supplied large number of drones for Namo Drone Didi Scheme

CY24

- Series B funding completed
- Defence trials scaled across surveillance, & tactical platforms
- Expanded strengthening of AI, big data, computer vision
- Expansion into battery manufacturing (BIS-certified Li-Po), MRO and after-sales ecosystem
- Strategic partnership with global defence & aerospace companies and a large technology services firm

CY25

- Launched landmine breaching system & rocket launcher drone
- Continued expansion of RPTO, centres of excellence
- Awarded defence order for drone-based surveillance / reconnaissance solutions, marking a strategic entry into defence procurement programs

CY26

- Inaugurates AICTE fellowship program Hosts Defence Services Staff College at the manufacturing facility

Moreover, its commitment to regulatory excellence is reflected in its status as the first drone technology company in India to obtain dual DGCA approvals for both, drone manufacturing and drone training programs. Dual DGCA approval allows the company to operate across both standard and advanced drone use cases, including BVLOS and government or defence-linked missions, without third-party dependence. This enables direct participation in large, high-value contracts that are inaccessible to VLOS-only competitors. The resulting regulatory complexity, capital intensity, and operational expertise create a strong barrier to entry while improving margins and scalability. As scale and institutional relationships deepen, the economic moat strengthens, making replication costly and time-intensive for rivals. With a presence through 300+ training centres across 22 states and having certified over 2,000 DGCA licensed pilots, Garuda Aerospace is the second largest remote pilot training organization ("RPTO") in India as of September 30, 2025. Further, it has recently leased land parcel comprising 55,526.20 sq.ft of ground floor area and 2,776.31 sq.ft of mezzanine space, along with a 4-metre-wide canopy area of 1,033.34 sq. ft, aggregating to a total area of 59,335.85 sq. ft.

Industry & Market Overview

Strategic Market & growth opportunities:

Garuda Aerospace's strategic market positioning is built on a combination of advanced technology, operational flexibility and client-focused service delivery. Its drone solutions emphasise precision, safety, cost optimisation and broad applicability, supported by professional training, modular payload integration and scalable deployment across sectors.

Key features of Garuda Aerospace solutions	Description
Environmental stewardship	• Garuda's drone operations ensure a much lower environmental impact compared to conventional inspection techniques and support the durability and efficiency of clean energy facilities like solar and wind farms
Cutting-edge technology	• The company utilises virtual reality and simulation tools for effective pilot training, along with tethered transmitters to create stable and controlled learning environments for operators
Professional training programmes	• All pilot courses are conducted by certified experts, covering theory, simulation, and practical flight training in compliance with DGCA requirements. Training is accessible nationwide via various Centres of Excellence.
Customisable solutions	• Garuda offers tailored drone services according to client needs, with the ability to adapt and scale these services based on project size and complexity
Advanced precision inspection	• Garuda's drones capture highly detailed images with sophisticated cameras, employ thermal sensors to spot irregular temperatures for fault identification, and provide live data streams for instant decision-making
Comprehensive coverage	• The service portfolio spans inspections of chimneys, boilers, pipelines, solar panels, wind turbines, and buildings, even those in hard-to-reach or hazardous locations
Safety and efficiency	• By using drones, the need for humans to perform dangerous inspections is removed. Operations are also quicker, resulting in less downtime, and early problem detection supports preventive maintenance
Cost optimisation	• Reduced need for scaffolding, rope access, and shutdowns leads to substantial cost savings. The use of drones contributes to lower maintenance expenses by enabling early intervention and more efficient repairs

Strategic vertical integration aligned with India's Atmanirbhar Bharat vision

Garuda Aerospace is a leading player in India's drone manufacturing ecosystem, distinguished by its strong in-house production capabilities and strategic localisation across key components. Garuda Aerospace has built a robust backward-integrated manufacturing framework that allows it to maintain significant control over the drone value chain, from component design and prototyping to final assembly, testing, and certification. By localising a substantial portion of its manufacturing inputs, Garuda ensures better cost efficiency, supply-chain resilience, and compliance with India's indigenisation goals.

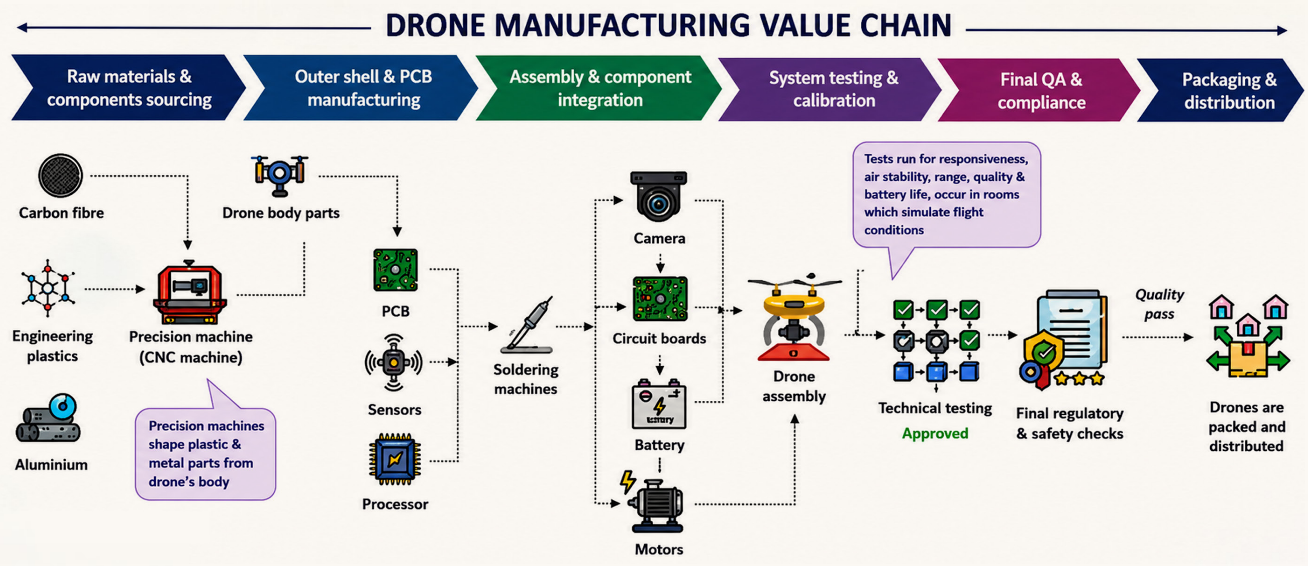
Garuda Aerospace, with its asset-light & service-led model, offers end-to-end drone solutions across a wide range of industries

Garuda Aerospace operates on an asset-light, service-led business model, leveraging its drone manufacturing and R&D capabilities while focusing on services and solutions over large upfront hardware sales. It is an end-to-end drone solution provider offering not just drones, but drone-as-a-service (DaaS) across multiple industries like agriculture, infrastructure, surveillance, mapping, disaster management and more.

The DaaS framework allows clients, from small farmers to large enterprises and government agencies, to access high-performance drone services such as precision agriculture, crop spraying, aerial surveying, infrastructure inspection, surveillance, and disaster-response operations, without needing to own, maintain or operate drones themselves. This approach significantly reduces the entry barrier for customers, enabling widespread adoption and recurring revenue streams for Garuda as opposed to one-time hardware sales.

Further strengthening its commercial viability, Garuda Aerospace has built a substantial multi-sector presence, with focus on agri and defence segments. Its drone and service offerings span precision agriculture (e.g., spraying, crop health monitoring, soil/water analysis), infrastructure and industrial inspection (mapping, surveillance, structural audits), defence, public safety and disaster-response missions, as well as consumer-oriented solutions such as aerial photography and videography drones.

By combining its domestic manufacturing capacity with a flexible DaaS-led business model and diversified sector coverage, Garuda Aerospace builds a structure that supports operational agility and client-centric flexibility, positioning the company well for long-term potential in a dynamically evolving drone ecosystem.



With 30+ drone modifications and drone-as-service (DaaS) offerings, Garuda Aerospace showcases its versatile aerial capability across diverse sectors

Garuda Aerospace operates a broad and diversified drone fleet spanning 30+ modifications and offers a rich array of drone-as-a-service (DaaS) capabilities across agriculture, defence, infrastructure, industrial inspection, logistics and relief/disaster-response, enabled crucially by payload integration flexibility. Its drones are designed to accept a range of payloads, cameras, LiDAR, thermal imaging, sensors, delivery modules, making them adaptable to different mission requirements, from precision agriculture to tactical ISR, pipeline inspection, environmental monitoring, logistics and emergency relief. This flexibility gives Garuda the ability to tailor solutions to client needs, deploy quickly across sectors, and scale operations without being limited to a single use-case.

Key drones by Garuda Aerospace:

Kisan drone

A precision agriculture UAV designed to enhance modern Indian farming with real-time data and efficient agrochemical application

Core uses

- Pesticide application
- Herbicide application
- Fertilizer application
- Crop monitoring and scouting

Benefits

- Increases spraying efficiency by up to 250% compared to manual methods
- Delivers precise, uniform chemical application, minimizing wastage
- Reduces fertilizer use by around 20% vs traditional spraying

Technical specifications of Kisan drone models

Model	Spray tank (L)	Flying Speed (m / s)	Flight Time (mins)	Flying radius (m)	Spray nozzle (microns)	Operation altitude (ft)	Spray efficiency (sq.m/min)
GA-AD	8	0-5	0-7	0-500	15-20	49.21	1,050-1,350
GA-AD-V2	8	0-5	0-11.35	0-1,500	10-20	82.02	1,050-1,350
GA-AD-M	10	0-10	0-19	0-1,500	10-20	82.02	2,100-2,700

Droni drone

Garuda Aerospace has designed and manufactured the Droni Drone for aerial and flight photography, equipped with advanced features such as gesture and voice assisted flight control, first person view virtual flight simulators, and enhanced wind resistance capabilities, and is one of the first companies in India to manufacture drones at scale with applications in aerial photography and videography.

Droni drone

A compact, high-performance portable quadcopter UAV engineered for professional-grade aerial photography, videography, and creative applications. The Droni Drone delivers exceptional imaging, user-friendly operation, and versatile deployment for diverse industries.

Core uses

- Long-range HD video transmission
- Mapping and remote delivery
- Event coverage and crowd management
- Airdrop and public address/speaker delivery

Benefits

- Stunning visuals
- Enhanced user experience
- Creative freedom
- High-end performance for professional use
- Versatile applications

Technical specifications of Droni drone

Weight (g)	Resolution (p)	Flying speed (m / s)	Endurance (mins)	Target management	Wind resistancy
249	4K/30 FPS UHD videos	13-17 m/s	25 mins	Automatic target tracking	Level 7 wind

With a vast and versatile drone fleet, Garuda Aerospace has successfully translated its hardware and R&D investments into a comprehensive service-led offering that serves a wide array of sectors, from agriculture to defence, infrastructure, industrial, environmental, and logistics. The breadth of its product portfolio and service verticals, combined with a DaaS delivery model, positions Garuda Aerospace to meet diverse client needs with flexibility, cost-effectiveness and scalability.

Overview of Global & Indian Economy

Global real Gross Domestic Product ("GDP") is expected to grow at a CAGR of 3.3% from CY25 to 30P, while India's economy expanded at a higher Compound Annual Growth Rate ("CAGR") of 6.5% over the same period.

Global real GDP grew at a rate of 3.2% in CY25, despite challenges such as higher interest rates, tighter financial conditions, and geopolitical tensions, including Russia's ongoing war in Ukraine, escalating conflict in the Middle East and turbulent US-China relations. In contrast, India is expected to sustain the highest growth rate, with its year-on-year growth estimated at 6.6% in CY25 and projected to remain around 6.5% through CY30. India's growth rate is attributed to strong domestic demand and a rising working-age population, positioning it to outperform other emerging economies in the medium term. In addition, rapid infrastructure development, increased manufacturing activity, policy reforms, and growing investments in technology and innovation have played a crucial role in sustaining this growth trajectory.

India's Push for Manufacturing and Self-Reliance: The Role of Make in India, Production-Linked Incentive ("PLI") Schemes, Atmanirbhar Bharat, and Global Hub Ambition

- **Make in India**

  The Make in India initiative aims to position India as a global manufacturing hub. It promotes domestic production, invites Foreign Direct Investment ("FDI"), and streamlines regulatory procedures across twenty-five key sectors. Among these, the drone sector has emerged as a priority area, with dedicated policy support encouraging local assembly, component manufacturing, and export-oriented growth.

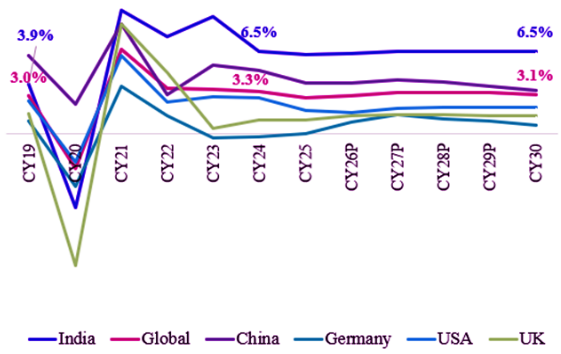
  Complementing this, the government has significantly improved India's ranking in the World Bank's 'Ease of Doing Business' index, moving from 142nd rank in Fiscal 2014 to 63rd in Fiscal 2020. These reforms include simplification of company registration, decriminalisation of minor offences, and integration of online approval

Real GDP growth – India, China, Germany, USA, UK, World
(Y-o-Y growth %, CY19-30P)

Top economies	India	China	Germany	USA	UK	World
CY19	3.9%	6.1%	1.0%	2.6%	1.6%	3.0%
CY20	-5.8%	2.3%	-4.1%	-2.1%	-10.3%	-2.7%
CY21	9.7%	8.6%	3.9%	6.2%	8.6%	6.6%
CY22	7.6%	3.1%	1.8%	2.5%	4.8%	3.8%
CY23	9.2%	5.4%	-0.9%	2.9%	0.4%	3.5%
CY24	6.5%	5.0%	-0.5%	2.8%	1.1%	3.3%
CY25	6.6%	4.8%	0.2%	2.0%	1.3%	3.2%
CY26P	6.2%	4.2%	0.9%	2.1%	1.3%	3.1%
CY27P	6.4%	4.2%	1.5%	2.1%	1.5%	3.2%
CY28P	6.5%	4.0%	1.2%	2.1%	1.4%	3.2%
CY29P	6.5%	3.7%	1.0%	1.9%	1.4%	3.2%
CY30P	6.5%	3.4%	0.7%	2.1%	1.4%	3.1%

Source(s): International Monetary Fund, 1Lattice analysis

Real GDP growth – India
(Y-o-Y growth %, CY19-30P)



systems. The Make in India initiative places a strong emphasis on strengthening the manufacturing sector with an aim to increase the manufacturing share of GDP and create millions of jobs.

- **PLI (Production-Linked Incentive) Schemes**

  The PLI schemes are designed to boost manufacturing in India by offering financial incentives to companies based on incremental sales of goods produced domestically. According to the Ministry of Commerce and Industry, these initiatives aim to attract investments totalling ₹1.97 trillion by CY26, further driving capital expenditure.

  The Government of India notified the PLI Scheme for drones and drone components on 30 September 2021. The scheme promotes domestic manufacturing and provides an incentive of ₹1.2 billion over three years, applicable only to domestic value addition, thereby encouraging reduced imports and higher local capacity.

  This initiative was formalised by the Ministry of Civil Aviation through parliamentary responses and official releases. As of CY21, the PLI schemes for drones focus on boosting investment and capability building within India's emerging drone industry.

- **Global Manufacturing Hub Roadmap**

  India's roadmap to becoming a global manufacturing and drone hub by Fiscal 2030 is supported by comprehensive policy measures, including liberalised airspace regulations, Goods and Services Tax ("GST") reduction to 5%, PLI incentives for domestic manufacturing, and strong digital infrastructure development.

  These initiatives enhance production scale, drive innovation in drone technology, and boost exports, positioning India as a leader in unmanned aerial systems. Reforms such as the Drone Rules Fiscal 2021 and dedicated drone corridors further accelerate adoption across agriculture, logistics, defence, and surveillance.

  This roadmap aligns with the Viksit Bharat vision by generating employment and strengthening supply chains for global competitiveness.

- **Atmanirbhar Bharat**

  Launched in Fiscal 2020, the Atmanirbhar Bharat initiative, with a government outlay of ₹20 lakh crore, is the Government of India's strategic push to make the country self-reliant across key sectors.

  It encourages domestic production, reduces import dependence, and strengthens supply chains across industries. This initiative also promotes innovation, ease of doing business, and global competitiveness. It serves as the foundation for major schemes such as Make in India and the PLI schemes.

  In the drone sector, Atmanirbhar Bharat has accelerated indigenous design, manufacturing, and export potential by prioritising domestic production and reducing reliance on low-cost imports. This creates a protective barrier against cheaper Chinese alternatives, shielding Indian firms from price undercutting and unfair competition.

  As a result, domestic manufacturers are better positioned to scale operations, with each drone generating multiple auxiliary jobs for pilots, maintenance technicians, and data analysts, thereby reinforcing India's emergence as a global hub for unmanned aerial systems.

Drones as Strategic Assets

Integrating defence, agriculture, industry, and disaster response in India's policy framework

India's evolving geopolitical landscape underscores drones as a critical technology for national security, disaster management, and industrial modernisation. Drones provide strategic value through real-time situational awareness, enabling rapid decision-making in dynamic scenarios. They excel in contested or inaccessible environments where traditional assets falter, ensuring persistent surveillance and response capabilities. Furthermore, drones scale seamlessly across industrial, agricultural, and defence sectors, amplifying operational efficiency and resource deployment. While satellite-based imagery offers lower costs per unit area, drone-based monitoring provides much clearer images and superior detailing for precise applications in India. Although helicopters are also used for aerial imaging, drones deliver comparable quality at significantly reduced operational costs.

The reduction of GST on drones from 18 to 28% to a uniform 5% in September CY25 aims to support broader adoption across defence, disaster response, and rural employment schemes. Alongside this, liberalised airspace regulations, robust safety frameworks, and advanced digital infrastructure are critical for scaling drone operations, aligning with the government's target to make India a global drone hub by CY30.

In the defence sector, Operation Sindoor demonstrated the performance of indigenous UAVs and counter-Unmanned Aircraft System ("UAS") systems, emphasising the need for full-spectrum indigenisation across platforms including modular upgrades, AI integration, and swarm technologies. Simultaneously, UAVs are widely deployed into agriculture for precision farming, crop monitoring, and spraying, as well as industrial applications like infrastructure inspection, asset management, and mining operations.

Indian policy now prioritises higher R&D spending, establishment of domestic test beds for startups and Defence Research & Development Organisation ("DRDO"), and advancements in stealth, swarm, and Manned–Unmanned Teaming ("MUM-T") systems. It also emphasises counter-UAS grid integration including radars, jammers, and directed-energy systems. In disaster management, UAVs have become mainstream tools for rapid assessment and search operations following major events; supported by uniform tax policy and public-private innovation programs. Collectively, these measures reinforce India's ambitions for technology sovereignty and resilience in both domestic and cross-border UAV operations.

GLOBAL DRONE MARKET

Evolution and overview of the drone industry

The drone industry has evolved from military roots to diverse industrial, agricultural, and commercial applications driven by rapid technological advancements

A drone is an aircraft that operates without a human pilot on board and can be controlled remotely or function autonomously through onboard systems. Originally developed for military and defence tasks where human operation was risky or impractical, drones have progressively evolved due to advancements in control systems and technology. Over time, their applications have broadened well beyond their military origins to include industrial asset inspections, pipeline monitoring, power grid surveys, construction site mapping, precision agriculture, crop spraying, and automated farm analytics. These use cases now form the fastest-growing segments of the global drone market, driven by enterprises seeking operational efficiency and farmers adopting precision-driven practices to increase yield and reduce input wastage.

EMPOWERING AGRICULTURE THROUGH DRONE INNOVATION

Precision Today, Prosperity Tomorrow.

With waypoint navigation, smart spray system with controlled flow, obstacle detection sensors, enabling land surveys, disease identification, crop health monitoring, precision pesticide spraying, mapping and analysis. Precision spraying capabilities, supported by intelligent spray control and onboard sensors, ensure targeted application of pesticides and fertilizers, significantly reducing chemical usage, water consumption, and operational costs while minimizing environmental impact. Automated flight paths and real-time data collection streamline processes such as field preparation, crop protection, and harvesting, saving time and labour.

The adoption of drone-based spraying has led to demonstrative improvements in crop yield, a reduction in crop losses, while also delivering cost efficiencies, resulting in cost savings of approximately ₹1,200 to ₹1,400 per acre as compared to conventional manual application methods.

WHAT DRONES CAN DO

- Land Surveys & Mapping
- Disease Identification
- Crop Health Monitoring
- Precision Pesticide Spraying
- Data Collection & Analysi

KEY BENEFITS

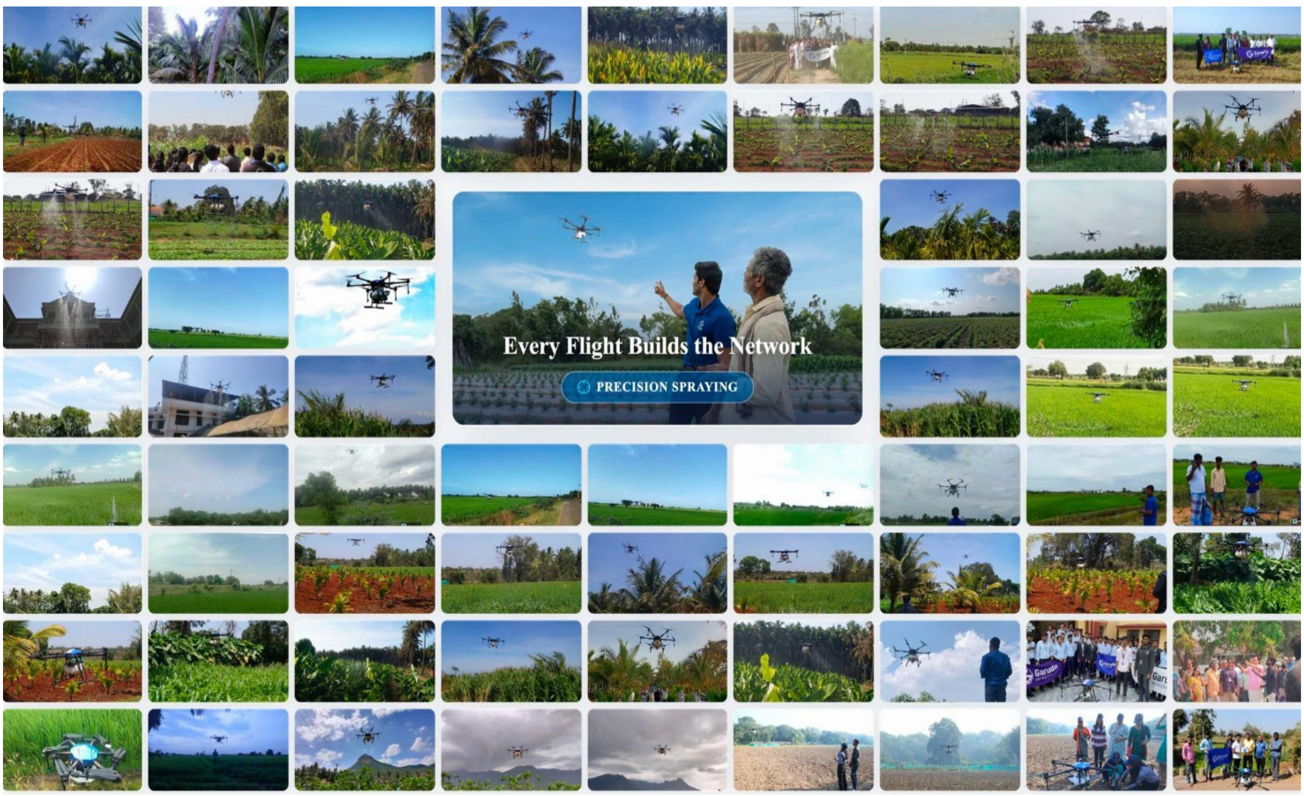
Targeted Precision
Ensures accurate application of pesticides & fertilizers

Resource Efficiency
Reduces chemical usage, water consumption & costs

Higher Productivity
Improves crop yield & reduces crop losses

Time & Labour Saving
Automated processes save valuable time & manpower

Environment Friendly
Minimizes environmental impact & promotes sustainable farming



Financial Performance

Restated Profit (Loss) for the Year (₹ in Million)

259.15

Fiscal 2026

131.12	183.67	259.15
Fiscal 2024	Fiscal 2025	Fiscal 2026

EBITA (₹ in Million)

351.03

Fiscal 2026

195.14	266.31	351.03
Fiscal 2024	Fiscal 2025	Fiscal 2026

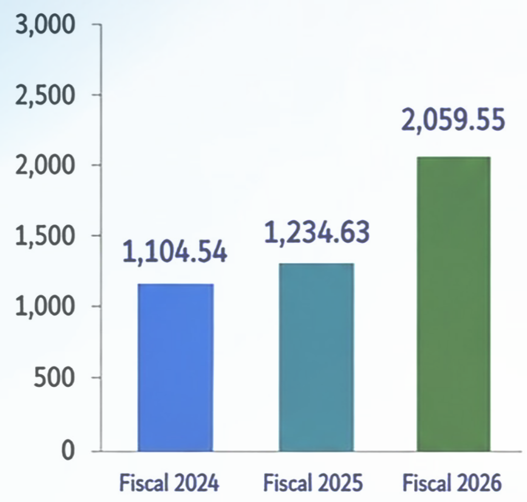
EBITA Margin (%)

19.02%

Fiscal 2026

19.89%	24.48%	19.02%
Fiscal 2024	Fiscal 2025	Fiscal 2026

Revenue from Operations (₹ in Million)



LETTER TO SHAREHOLDERS

CHAIRMAN'S NOTE

Dear Shareholders,

It gives me immense pride to present the Annual Report of Garuda Aerospace Limited.

The global drone industry is entering a transformative phase, with unmanned aerial systems becoming critical to agriculture, defence, infrastructure, surveillance, disaster response and industrial operations. India, supported by progressive policy measures and the vision of Atmanirbhar Bharat, is well positioned to emerge as a global hub for drone design, manufacturing and services.

Garuda Aerospace was founded with the belief that drone technology should not remain limited to laboratories or niche applications. It must solve real-world challenges, create meaningful employment and deliver measurable value at scale. Today, our solutions serve farmers, enterprises, government institutions and defence agencies across the country.

During the year, we continued to strengthen our manufacturing capabilities, expand our Drone-as-a-Service operations, deepen our investment in indigenous research and development, and build strategic partnerships in India and international markets. We also advanced our capabilities in artificial intelligence, autonomous flight, data analytics, defence systems and specialised mission platforms.

Our greatest strength continues to be our people. The dedication of our employees, pilots, engineers, partners and service network has enabled Garuda Aerospace to execute complex projects across diverse geographies and operating environments.

As we enter the next phase of growth, our priorities remain clear: build globally competitive products in India, increase component localisation, strengthen governance, create a sustainable and scalable organisation, and ensure that innovation translates into lasting economic and social impact.

On behalf of the Board, I thank our shareholders, customers, employees, partners, regulators and all other stakeholders for their continued trust and support. Together, we are building not only a leading drone company but an institution that can contribute meaningfully to India's technological and economic future.

Warm regards,

Agnishwar
Whole-time Director
Garuda Aerospace Limited

Board of Directors

AGNISHWAR

Whole-time Director

Agnishwar is the Whole-time Director on the Board of our Company. He has been associated with our Company since incorporation and was appointed as the Whole-time Director with effect from August 4, 2022. He holds a bachelor's degree in business law from Faculty of Law, Annamalai University and master's degree in business administration from Queens University of Charlotte. He has also completed program for leadership development from Harvard Business School. He has over 10 years of experience in the management sector. He is responsible for strategic leadership, corporate direction, business and operational management in our Company. Prior to joining our Company, he was associated with Agni Foundation. He has been awarded the Global CSR Excellence and Leadership Award, Young Achiever of the Year, UN Outstanding Youth Delegate, Rotary Young Achiever, Bharat Nirman Foundation - Entrepreneur of the Year, Certificate for excellence - Dr APJ Abdul Kalam Seva Puraskar, Economic Times 40 under 40, Fortune 40 under 40, Innovator of the Year– Start Up 2023, DataQuest ICT Awards (Pathbreaker of the Year), Gregorian Excellence Awards for young entrepreneurs, BW Disrupt 40 under 40. He has also won the first place in swimming in the 5th Asian Age Group Championship, 2007 in the 50 meter breaststroke category.

RITHIKA MOHAN

Whole-time Director

Rithika Mohan is the Whole-time Director on the Board of our Company. She has been associated with our Company since January 10, 2022 and was appointed as the Whole-time Director with effect from November 5, 2025. She holds a bachelor's degree in business management with specialization in marketing from Christ University. She has also completed program for leadership development from Harvard Business School. She has over eight years of experience in the marketing and sales sector. She is responsible for strategic and administrative leadership, business and operational oversight, board and corporate governance in our Company. Prior to joining our Company, she was associated with PC realty. She has been awarded BW Disrupt 6th Edition Women Entrepreneur Intrapreneurs summit & Awards 2024 - Agri Woman Entrepreneur of the Year, BW Disrupt 5th Edition Women Entrepreneurship Summit & Awards 2023 – Best Entrepreneur in Agritech and Best Entrepreneur in Technology.

NATARAJAN TIRUPATTUR SRINIVASAN

Independent Director

Natarajan Tirupattur Srinivasan is an Independent Director on the Board of our Company. He has been associated with our Company since February 13, 2026. He holds a Doctorate of Philosophy in Development of Microprocessor controlled microwave bench for Dielectrics measurements and dielectric dispersion and time correlation studies on some esters from Indian Institute of Technology, Madras. He has previous experience in the education sector. Prior to joining our Company, he was associated with Indian Institute of Technology, Madras.

KRISHNASAMY RAJAGOPALAN SATHIYANARAYANAN

Independent Director

Krishnasamy Rajagopalan Sathiyanarayanan is an Independent Director on the Board of our Company. He has been associated with our Company since March 9, 2026. He holds a bachelor's degree in commerce from Faculty of Commerce, Vivekananda College, Madurai Kamaraj University. He has previous experience in the finance sector. He is a member of the Institute of Chartered Accountants of India. He is associated with G.V.N Shankar & Co as a partner.

JAYAPRAKASH VISHNU

Non-Executive Director

Jayaprakash Vishnu is the Non-Executive Director on the Board of our Company. He has been associated with our Company since November 5, 2025. He holds a bachelor's degree in science from University of California and a master's degree of science in mechanical engineering from Massachusetts Institute of Technology along with a Doctor of Philosophy in Mechanical Engineering from Massachusetts Institute of Technology. He has over five years of experience in the agriculture and medical sector. Prior to joining our Company, he was associated with AgZen Inc. and CoFlo Medical Inc.

Key Managerial Personnel

SUDHARSAN RAVICHANDRAN
Chief Financial Officer

Sudharsan Ravichandran is the Chief Financial Officer of our Company since February 16, 2026. He holds a bachelor's degree in commerce from the Faculty of Commerce, University of Madras. He is an associate member of the Institute of Chartered Accountants of India. He is responsible for financial strategy and reporting, regulatory compliance and risk management, fundraising and investor relations along with business performance monitoring and maintaining internal financial controls in our Company. He has over 26 years of experience in the finance and accounts sector. Prior to joining our Company, he was associated with Hand in Hand India, Sungwoo Hitech India Private Limited (formerly known as Sungwoo Gestamp Hitech (Chennai) Limited), Hyundai Motors India Limited, Wipro BPO (A division of Wipro Limited, Computer Age Management Services Private Limited, Khimji Ramdas, Brakes India Limited.

HARISHA RAVICHANDRAN - Company Secretary and Compliance Officer

Ravichandran Harisha is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since February 16, 2026. She holds a bachelor's degree in commerce from University of Madras. She is an associate member of Institute of Company Secretaries of India since 2025. She is responsible for statutory and regulatory compliance along with assisting with corporate governance and meetings of the Board of Directors in our Company. She has ten months of experience in the compliance sector. Prior to joining our Company, she was associated with Clarion Wind Farm Private Limited.

Senior Management Personnel

VIJAYAKUMAR RAJARATHINAM
Chief Operational Officer

Vijayakumar Rajarathinam is the Chief Operating Officer of Garuda Aerospace Limited and has over 16 years of experience across operations, management and education. He has been associated with Garuda Aerospace since April 2022 and was redesignated as Chief Operating Officer in November 2025.

He oversees operations strategy and execution, manufacturing, supply chain, production management, and regulatory and compliance governance, supporting the Company's operational scale-up and execution capabilities.

He holds a Bachelor's degree in Commerce, MBA and Master's degree in Philosophy in Management, along with a Doctorate in Management Sciences. Prior to joining Garuda Aerospace, he held various roles across institutions including Texila American University, Agni College of Technology, Agni Foundation, PPG Business School and ICFAI University.

SHYAM KUMAR S
Chief Procurement Officer

Shyam Kumar S is the Chief Procurement Officer of our Company. He has been associated with our Company since November 1, 2025 as an executive and on November 5, 2025 was redesignated as Chief Procurement Officer. He holds a bachelor's degree in engineering in electrical and electronics engineering from Faculty of Electrical Engineering, Anna University. He is responsible for leadership team that is sourcing components, managing supply chain risks along with quality control and certifications of products in our Company. He has over 4 years of experience in the management sector. Prior to joining our Company, he was associated with Tejassvi Aaharam Limited.

B KRISHNA KUMAR
Chief Technology Officer

B Krishna Kumar is the Chief Technology Officer of our Company. He has been associated with our Company since July 1, 2025 and on November 5, 2025 was redesignated as Chief Technology Officer. He holds a bachelor's degree in mechanical engineering from Faculty of Engineering, Andhra University and master's degree in business administration in marketing management from Bangalore University. He has also completed a diploma for French from Bangalore University. He is responsible for technology strategy, innovation, quality, compliance research and development in our Company. He has over 37 years of experience in the aviation sector. Prior to joining our Company, he was associated with Hindustan Aeronautics Limited.

Eleventh Annual General Meeting Notice

To,

The Shareholders;
Board of Directors; and
Statutory Auditors

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GARUDA AEROSPACE LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 18, 2026 AT 12.00 NOON (IST) THROUGH VIDEO CONFERENCE OR OTHER AUDIO-VISUAL MEANS (VC / OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO 1: TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolution:

"**RESOLVED THAT** the Audited Financial Statements for the year ended 31st March 2026 together with the Auditors Report thereon, and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted."

ITEM NO.2: TO APPOINT A DIRECTOR IN THE PLACE OF MR. JAYAPRAKASH VISHNU (DIN: 07063540) WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE APPOINTMENT:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions if any, of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded to the reappointment of Mr. Jayaprakash Vishnu (DIN: 07063540) as a Director liable to retire by rotation".

ITEM NO. 3: APPOINTMENT OF M/S. MADHU BALAN & ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO. 011106S) AS THE STATUTORY AUDITORS OF THE COMPANY:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Audit Committee and the Board of Directors, M/s. Madhu Balan & Associates, Chartered Accountants (Firm Registration No. 011106S) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from (2026 - 2027 to 2030 - 2031) the conclusion of the 11th Annual General Meeting (AGM) until the conclusion of the 16th AGM of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

SPECIAL BUSINESS:

ITEM NO. 4 TO APPROVE, ISSUE, AND ALLOT 9,94,498 EQUITY SHARES ON PRIVATE PLACEMENT BASIS:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 23(1)(b), 42, 61(1)(e), 62(1)(c) of the Companies Act, 2013 ("the Act") and read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued by the Government of India) (the "Act"), Foreign Exchange Management(Non-debt Instruments) (Amendment) Rules, 2019 and subject to the enabling provisions of the Memorandum of Association and

Articles of the Company, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (the "Board") to offer, issue and allot in one or more tranches up to 9,94,498 fully paid up Equity shares at an issue price of INR. 575.18 (Indian Rupees Five Hundred and Seventy Five and Eighteen Paise Only) i.e. each Securities having a face value of INR 2 (Indian Rupees Two only) and premium of INR 573.18 (Indian Rupees Five Hundred and Seventy Three and Eighteen Paise Only), aggregating to INR 57,20,15,359.64 (Indian Rupees Fifty-Seven Crore Twenty Lakh Fifteen Thousand Three Hundred Fifty-Nine and Sixty-Four Paise Only) by way of private placement through issue of private placement offer letter to the proposed allottees as per table below, on such terms and conditions in accordance with the provisions of the Act, drafts whereof was approved by the Board at its meeting held on August 17, 2026.

S. No.	Name of the Proposed Allottee	Subscription Consideration (in INR)	No. of Equity Shares
1	Umasankar Nistala	2,50,05,950.50	43,475
2	Rakesh Pillai	2,50,05,950.50	43,475
3	Jitendra Rana	50,04,066.00	8,700
4	Vimaan Innovators LLP	1,69,99,444.90	29,555
5	AVCF1 LP acting by its general partner Aditum Management GP 1 Ltd	49,99,99,947.74	8,69,293
	Total	**57,20,15,359.64**	**9,94,498**

RESOLVED FURTHER THAT the draft of the private placement offer letter (the "Offer Letter") in Form PAS - 4 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the draft of serially numbered application forms be and is hereby approved.

RESOLVED FURTHER THAT the aforesaid Equity shares be allotted in Demat form and credited to the respective beneficiary accounts of the allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things and accept any alteration (s) or amendment(s) or correction(s) or modification(s) as may be stipulated by any relevant authorities while according such approval or consent to the Issue as may be considered necessary, proper or expedient and give effect to such modification(s) and give such directions / instructions as may be necessary to resolve and settle any question, difficulty or doubt that may arise in regard to such offer, Issue, allotment.

RESOLVED FURTHER THAT pursuant to the provision of Section 61 (1) (e) of the Act, the Board of directors of the Company are hereby authorised to cancel the Equity shares which have not been taken by person to whom so offered from the issued capital of the Company.

RESOLVED FURTHER THAT any one of the Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things, and execute all such deeds, documents and writings, give from time to time such directions as may be necessary, expedient, usual or proper, settle any question or doubt that may arise in relation thereto, and to do all acts, deeds and things in connection therewith and incidental thereto, including authorizing any other person and to delegate any of the powers granted hereunder except as powers that cannot be delegated under the Act and to execute and file necessary forms with the concerned Registrar of Companies, that may be required to give effect to this resolution.

RESOLVED FURTHER THAT any one of the Directors and the Company Secretary and Compliance Officer of the Company be and is hereby severally authorised to certify a copy of the aforementioned resolutions and issue the same."

ITEM NO. 5: TO APPROVE THE BORROWING LIMITS UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 179 and 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Companies Act"), the enabling provisions of the memorandum of association and the articles of association of the Company, and subject to such other approvals and permissions as may be required, the approval of the shareholders of the Company be and is hereby accorded to borrow from time to time any sum or sums of monies (exclusive of interest and in one or more tranches) on such terms and conditions as may be determined, from any one or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/ entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of listed/unlisted debentures, commercial papers, long/short term loans, suppliers' credit, securitized instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institution, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the moneys may be borrowed by the Company and outstanding at any time shall not exceed the sum of INR 500 Crores (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, anyone of the Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, including to make any filings, furnish any returns or submit any other documents to any government, statutory or regulatory authorities as may be required, to settle any question, difficulty or doubt and to negotiate, finalize and execute all agreements, documents, papers, instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as they may from time to time decide and give effect to such modifications, terminations, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required; and any documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Company, as the case may be.

RESOLVED FURTHER THAT duly certified copies of the above resolutions be furnished to any government, statutory or regulatory authority as may be required from time to time."

ITEM NO. 6: TO APPROVE THE POWER TO CREATE CHARGE ON THE ASSETS OF THE COMPANY:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded by way of special resolution for creation of such mortgages, charges and hypothecations as may be necessary, in addition to the existing charges, mortgages and hypothecation created by the Company and to transfer, sell or dispose of all or any part of the moveable or immovable properties of the Company, wherever situated, both present and future, in such manner as the Board may deem fit, in favor of financial institutions, banks, and other bodies corporate (hereinafter referred to as the "Lending Institutions") and Trustees for the holders of debentures/bonds and/or other instruments to secure borrowings of the Company availed / to be availed by way of rupee term loans/foreign currency loans, debentures, bonds and other instruments provided that the total amount of such loans/borrowings shall not exceed at any time the limits approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT anyone director of the Company be and is hereby authorized to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all other acts, deeds, matters and things as may be deemed necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

ITEM NO. 7: TO REGULARIZE MS. MAYA SWAMINATHAN SINHA (DIN: 03056226) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the recommendation of the board of directors ("Board") and in compliance with Sections 149, 150 and 152 read with Schedule IV, Section 161 and the other applicable provisions of the Companies Act, 2013, (including any amendments, modifications or re-enactment thereof for the time being in force) including the rules made thereunder, as amended ("Companies Act"), regulations 16, 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and other applicable provisions of law, if any, and pursuant to the provisions of the articles of association, Ms. Maya Swaminathan Sinha (DIN: 03056226) (Independent Director Registration: IDDB-DI-202002-015993) who has provided her consent in writing to act as an independent director of the Company and possesses relevant expertise and experience and who has submitted a declaration in writing that she meets the criteria for appointment as an independent director under the Companies Act and the SEBI Listing Regulations, is eligible for appointment, be and is hereby appointed as an independent director on the Board, who shall hold office for Three consecutive years commencing from August 20, 2026 up to August 19, 2029, and shall not be liable to retire by rotation and shall be entitled to receive sitting fees for attending meetings of the Board or any committees thereof as detailed in the letter of appointment dated August 21, 2026 issued to Mrs. Maya Swaminathan Sinha, (DIN: 03056226) as may be determined by the Board from time to time.

RESOLVED FURTHER THAT the Company do note the consent letter in the form DIR-2 received from Ms. Maya Swaminathan Sinha, (DIN: 03056226) providing her consent to act as an independent director of the Company, the disclosure of interest under Section 184 in the Form MBP-1 and the certificate issued by the Indian Institute of Corporate Affairs, in compliance with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, received from Mrs. Maya Swaminathan Sinha, (DIN: 03056226) providing her consent and eligibility to act as an independent director of the Company.

RESOLVED FURTHER THAT the Company does note the declaration in writing from in Form No. DIR-8 confirming that she is not disqualified under Section 164 of the Companies Act from acting as a director of the Company.

RESOLVED FURTHER THAT the terms of appointment of independent directors in terms of the provisions of the Companies Act, 2013, a draft of which was circulated to the Board, be and are hereby approved and recorded.

RESOLVED FURTHER THAT any one of the Director or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all the acts, deeds and things which are necessary to the appointment of Ms. Maya Swaminathan Sinha, (DIN: 03056226) as an independent director of the Company.

RESOLVED FURTHER THAT certified copies of this resolution be provided to those concerned under the hands of a Director or the Company secretary and compliance officer of the company whenever required."

By Order of the Board
For Garuda Aerospace Limited

sd/-
Ravichandran Harisha
Company Secretary & Compliance Officer
Membership No. A76490

Date: August 20, 2026
Place: Chennai

NOTES:

1. Pursuant to General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022 and subsequent circulars issued in this regard, the latest being 3/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs, (collectively referred to as MCA Circulars) and such other applicable circulars issued by MCA and Securities and Exchange Board of India (SEBI) (the Circulars), the Company is convening the 11th Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.
2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of all the special business mentioned in Notice is annexed hereto. The particulars of Mr. Jayaprakash Vishnu, Director proposed to be reappointed as Director and Ms. Maya Swaminathan Sinha, proposed to be regularised as an Additional Director, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed hereto.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In the case of joint holders, the vote of the first holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders.
6. The physical copies of notice of 11th Annual General Meeting and the Annual Report 2025- 26 shall be open for inspection at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. except on holidays, upto the date of the Annual General Meeting.
7. The Members can join the AGM through VC/OAVM either 15 minutes prior to the commencement of the meeting (or) within 15 minutes from the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the live proceedings on KFin Technologies Limited e-voting website at emeetings.kfintech.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 50 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairmen of the Audit Committee of Directors, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Members who have not yet registered their e-mail addresses and mobile numbers are requested to update the said details in the records of the relevant depositories (National Securities Depository Limited/ Central Depository Services (India) Limited) through their depository participants (Or) may contact the Registrar and Share Transfer Agent, Mr Aswini Kumar Panda, Manager, KFin Tech Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, e-mail: einward.ris@kfintech.com. for receiving any documents/ communication from the Company.
9. Members whose shareholding is in electronic mode are requested to notify change in address, if any, and update bank account details to their respective depository participant(s).
10. The Notice of AGM and the Annual Report for the financial year 2025-26 will be available on the Company's website https://www.garudaaerospace.com/.
11. In compliance with the aforesaid MCA circulars the Notice of the AGM along with the Annual Report for the financial year 2025-26 inter-alia indicating the process and manner of remote e-voting/evoting during the meeting is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
12. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding (as per Section 170 of the Act), the Register of Contracts or Arrangements in which the Directors are interested (as per Section 189 of the Act), and other relevant documents referred to in the Notice, may inspect the same, electronically from the date of circulation of this Notice up to the date of the AGM. Members may send their requests to cs@garudaaerospace.com from their registered

email addresses mentioning their name, Folio numbers/DP ID and Client ID.

13. Corporate members are requested to provide a duly certified copy of the board resolution/ power of attorney/Authority Letter on or before September 14, 2026 (Monday) authorizing their representatives for the purpose of voting through remote e-voting or to participate and vote in the meeting through VC/ OAVM. Corporate members can also upload their Board Resolution/Power of Attorney/Authority Letter by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-voting" tab in their login.

14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

15. The board has appointed Priya Rajagopalan (COP 28194, Membership No. A67800), partner of M/s. PRIYA R & ASSOCIATES (Firm Regn No. S2025TN1036000) Practising Company Secretaries, as the Scrutinizer to Scrutinize the e-Voting process in a fair and transparent manner.

16. The Scrutiniser shall, immediately after the conclusion of voting at annual general meeting, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall, within 2 working days of conclusion of the meeting, submit his report to the Chairman/ Managing Director of the Company.

17. The voting results of the Annual General Meeting will be declared and communicated to the Stock Exchanges and would also be displayed on the Company's website at https://www.garudaaerospace.com/.

Voting

Members holding shares either in physical or dematerialized mode, as on cut-off date, i.e. September 11, 2026, may cast their votes electronically. The e-voting period commences on Tuesday, September 15, 2026 (9:00 a.m. IST) and ends on Thursday, September 17, 2026 (5:00 p.m. IST). The e-voting module will be disabled thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. September 11, 2026. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

The facility for voting will also be made available during the AGM. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

Any person holding shares in physical mode or a person, who acquires shares and becomes a member of the Company after the Notice is sent and holding shares as on the cut-off date, i.e. September 11, 2026, may obtain the login ID and password by sending a request to einward.ris@kfintech.com. However, if he / she is already registered with KFin for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote.

In compliance with the Circulars, the Integrated Annual Report for 2025-26, the Notice of the 11th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). A letter providing the web-link for accessing the Integrated Annual report, including the exact path, will be sent to those members who have not registered their email address with the Company.

We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses, are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Integrated Annual Report 2025-26 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update bank account details for the receipt of dividend.

Scrutinizer Report

The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 7 days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be displayed on the Company's website, www.garudaaerospace.com.

By Order of the Board
For Garuda Aerospace Limited

sd/-
Ravichandran Harisha
Company Secretary & Compliance Officer
Membership No. A76490

Date: August 20, 2026
Place: Chennai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following Statements sets out material facts relating to the Ordinary and special businesses mentioned in the Notice.

ITEM 3:

The Members of the Company at the AGM held on November 30, 2021 had approved the re-appointment of M/s. S R B R & Associates LLP, Chartered Accountants (Firm Registration No. 004997S/S200051), as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of said AGM till the conclusion of the 11th AGM. They will complete their two consecutive terms as Statutory Auditors of the Company on conclusion of this AGM.

Pursuant to which, the Board of Directors of the Company (the Board), at its meeting held on August 17, 2026, considering the experience and expertise and based on the recommendation of the Audit Committee, has proposed to the Members of the Company, appointment of M/s. Madhu Balan & Associates, Chartered Accountants (Firm Registration No. 011106S), as Statutory Auditors of the Company in place of M/s. S R B R & Associates LLP.

The proposed appointment is for a term of 5 (five) consecutive years from the conclusion of 11th AGM till the conclusion of the 16th AGM on payment of such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors, from time to time.

M/s. Madhu Balan & Associates, Chartered Accountants, is a professionally managed firm offering a comprehensive range of assurance, taxation, advisory, and compliance services to businesses, institutions, trusts, and individuals. The firm is committed to providing practical, value-driven, and timely professional solutions while upholding the highest standards of integrity, independence, and professional excellence. With a team of six experienced partners and offices strategically located in three major cities, the firm combines technical expertise with industry knowledge to serve clients across diverse sectors. Our professionals possess extensive experience in audit, taxation, GST, corporate laws, financial consulting, and regulatory compliance, enabling us to provide integrated solutions tailored to the specific needs of our clients.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. Madhu Balan & Associates, has been recommended to be appointed as the Statutory Auditors of the Company.

Pursuant to Section 139 of the Companies Act, 2013 (the Act) and the Rules framed thereunder, the Company has received written consent from M/s. Madhu Balan & Associates and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Madhu Balan & Associates, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors or other Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 3 for the approval of Members.

ITEM 4:

The Board of directors of the company on its meeting dated August 17, 2026 had approved the proposal for raising funds up to INR 57,20,15,359.64 (Indian Rupees Fifty-Seven Crore Twenty Lakh Fifteen Thousand Three Hundred Fifty-Nine and Sixty-Four Paise Only) by way of issue of Equity shares on Private Placement basis to the following proposed allottees:

S. No.	Name of the Proposed Allottee	Subscription Consideration (in INR)	No. of Equity Shares
1	Umasankar Nistala	2,50,05,950.50	43,475
2	Rakesh Pillai	2,50,05,950.50	43,475
3	Jitendra Rana	50,04,066.00	8,700
4	Vimaan Innovators LLP	1,69,99,444.90	29,555
5	AVCF1 LP acting by its general partner Aditum Management GP 1 Ltd	49,99,99,947.74	8,69,293
	Total	**57,20,15,359.64**	**9,94,498**

Pursuant to Rule 14 of the Companies (Prospectus and allotment of Securities Rules) 2014 and Rule 13 of the Companies (Share Capital and Debentures) the necessary disclosure is made hereunder:

The justification for arriving at the price including premium is provided as follows: According to the valuation report issued by registered valuer, i.e. Mr. Bhavesh Mansukhbhai Rathod, having registration no. (Reg No: IBBI/RV/06/2019/10708) dated 24th June, 2026, the fair market value of the Company's share as on 31st May, 2026 (Relevant date) is INR. 575.18/-.

The material facts and information concerned with and relevant to the issue of Equity Shares to enable the members understand the meaning, scope and implications of the items of business and to take decision thereon are listed herein below for their consideration:

S. No	Subject	Particulars
1.	Size of the issue	INR 57,20,15,359.64 (Indian Rupees Fifty-Seven Crore Twenty Lakh Fifteen Thousand Three Hundred Fifty-Nine and Sixty-Four Paise Only)
	Total number of Securities to be issued;	9,94,498 (Nine Lakh Ninety-Four Thousand Four Hundred Ninety-Eight) fully paid-up Equity Shares
	Nominal value of Each securities	INR 2 (Indian Rupees Two only)
	Premium value of each securities	INR 573.18 (Indian Rupees Five Hundred and Seventy Three and Eighteen Paise Only)
2.	Objective of the issue	The proposed investment from the Investor will be utilized for business growth, meeting the Working capital, and Repayment of Loan, if any.
3.	Amount which the company intends to raise by way of such securities	INR 57,20,15,359.64 (Indian Rupees Fifty-Seven Crore Twenty Lakh Fifteen Thousand Three Hundred Fifty-Nine and Sixty-Four Paise Only)
4.	The class or classes of persons to whom the allotment is proposed to be made	Body Corporate, Individuals and AIF
5.	Kinds of securities offered and the Price at which the shares are proposed to be issued	9,94,498 (Nine Lakh Ninety-Four Thousand Four Hundred Ninety-Eight) fully paid-up Equity Shares shall be allotted at a face value of INR 2 (Indian Rupees Two only) and premium of INR 573.18 (Indian Rupees Five Hundred and Seventy Three and Eighteen Paise Only).
6.	Name and address of valuer who performed valuation	Mr. Bhavesh Mansukhbhai Rathod, Registered Valuer – SFA, 12D, White Spring, A Wing, Rivali Park Complex, Western Express Highway, Borivali East, Mumbai 400066. (Reg No: IBBI/RV/06/2019/10708).
7.	Basis on which the price has been arrived at along with report of the registered valuer and relevant date with reference to which the price has been arrived at;	The valuation has been computed using the Discounted Cash Flow Method based on the next 5 (Five) years projections of the Company. Valuation signing date 24th June, 2026 based on Relevant Date i.e. 31st May, 2026.
8.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	Not applicable.
9.	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	Equity shares: Ranking pari passu with the existing equity shares. The proposed time for which the private placement offer letter cum application form shall be valid, is 20 (Twenty Days) days from the date of the private placement offer letter cum application form or such other number of days at the discretion of the Board, which may fix or extend as the case may be. This offer may be issued in one or more tranches. Object of the Issue: As per Point No. 2 above None of the Directors, promoters or Key Managerial Personnel of the Company are subscribing to the Subscription Securities. No assets of the Company are charged under this offer.

S. No	Subject	Particulars
10.	Intention of promoters, directors or key managerial personnel to subscribe to the offer;	None of the Directors, promoters or Key Managerial Personnel of the Company are subscribing to the Subscription Securities.
11.	The change in control, if any, in the company that would occur consequent to the preferential offer;	No change in control.
12.	The names of the proposed allottee and the percentage of post preferential offer capital on fully diluted basis that may be held by them [Table 1] The pre-issue and post issue shareholding pattern on fully diluted basis of the company in the following format. [Table 2]	Refer Table 1 and Table 2
13.	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;	Number of Persons: 4 No of Equity Shares: 525 Equity - Issue Price - Rs. 1,78,758/- having a Face Value of Rs. 10/- each and with a Premium of Rs. 1,78,748/-.
14.	Nature of shares i.e. cumulative or non – cumulative, non-, participating or non - participating, convertible or non-convertible.	Equity Shares
15.	Manner of issue of shares	Private Placement
16.	Terms of issue, including terms and rate of dividend on each share.	Not Applicable
17.	Manner and modes of redemption.	Not applicable.
18.	Expected dilution in the equity share capital upon conversion of Convertible Securities (on a fully diluted basis)	After the offer: Assuming that all convertible securities are converted to equity Shares, the number of Equity shares on a fully diluted basis shall be 5,31,30,278.

None of the Directors or other Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Special Resolution set out at Item No. 4 for the approval of Members.

Item No. 5 & 6

Pursuant to Section 180(1)(c), the Company shall borrow funds, where the money to be borrowed, together with the money already borrowed by the Company exceed the aggregate of its paid-up share capital, free reserves and securities premium, such borrowing only with the prior approval of the shareholders of the Company.

Further the Company had obtained shareholders approval vide special resolution on March 11, 2026 upto Rs. 300 Crores, however the Company intends to increase the limit upto Rs. 500 crores. Pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, and the rules thereunder, each as amended, the approval of the shareholders of the Company is required to increase the borrowing limit of the Company.

Further as per Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company without the prior approval of the shareholders by way of a special resolution.

To enable the Company to secure such borrowings by creating charges or encumbrances on the assets, including by way of mortgage or hypothecation of the whole or substantially the whole of the undertaking(s) of the Company, the consent of the shareholders is sought under Section 180(1)(a) of the Act.

The Board recommends the resolution set out in Item No. 5 & 6 of the Notice for the approval of the members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item 7

The shareholders are informed that, based on the recommendation of the Nomination and Remuneration Committee, the Board of Director has appointed Mrs. Maya Swaminathan Sinha (DIN: 03056226) as an Additional Director (Non-Executive and Independent) vide circular resolution on August 20, 2026 for a term of 03 (Three) consecutive years with effect from August 20, 2026.

The Company has received the consent letter in the Form DIR-2 furnished by Mrs. Maya Swaminathan Sinha (DIN: 03056226) providing her consent to act as an independent director of the Company and the declaration and the undertakings in the Form DIR-8 be furnished by them confirming that they are not disqualified under Section 164 of the Companies Act from acting as a director of the Company.

The Company has also received a declaration from Mrs. Maya Swaminathan Sinha (DIN: 03056226) that she met the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mrs. Maya Swaminathan Sinha (DIN: 03056226) fulfills the conditions specified in the Act and she is independent of the management.

Pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, the approval of the shareholders of the Company is required to appoint an independent director.

The Board recommends the special resolution set out in item no 7 of the Notice for your approval

Except Mrs. Maya Swaminathan Sinha (DIN: 03056226) being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in these resolutions.

- As stipulated under Secretarial Standard-2, brief profile of Mrs. Maya Swaminathan Sinha and Mr. Jayaprakash Vishnu is provided in table below:

Name of the Director	Jayaprakash Vishnu	Maya Swaminathan Sinha
DIN	07063540	DIN: 03056226
Age	32 years	67 Years
Nationality	Indian	Indian
Qualification	Ph.D. Mechanical Engineering	B A (Honours) in Economics and Mathematics
Experience	More than a decade experience in Microbial fuel cells and renewable energy systems	She served has IRS officer for 26 years. After a career spanning over 28 years as a bureaucrat (an IRS officer of 1981 batch), she took VRS and commenced her journey as an entrepreneur in 2010. She is also the Founder Director of CMC Skills Private Limited, which is engaged in designing and implementing Skill Development projects for underprivileged youth, They have trained around 13,000 youth in the past 10 years and placed about 8000 of them. As a member of the IRS,she has functioned at various levels of the Income Tax Department,,specialising in the Investigation Wing where she has worked as Deputy Director and Additional Director in the cities of New Delhi and Mumbai. She has spent 7 years on deputation to Govt of India where she spent 3 years as the Commissioner of Khadi and Village Industries Commission(KVIC),an organisation engaged in promoting employment through rural entrepreneurship.
Terms and Conditions of Appointment	Non Executive and Non Independent and shall be retire by rotation	Appointment as an Independent Director for a period of 03 (three) years and shall not be eligible to retire by rotation
Remuneration last drawn (FY 2025-2026)	Nil	Not Applicable
Remuneration proposed to be paid	Nil	Sitting fees will be paid to Mrs. Maya Swaminathan Sinha as approved by the Board.
Date of first appointment on the Board	November 05, 2026	August 20, 2026

Shareholding in the Company	43,000	NIL
Relationship with other director and other KMP	Brother of Mr. Agnishwar	NIL
Number of meetings attended during the financial year 2025-2026 and till the date of Notice of this EGM	NIL	NIL
Other Directorships, Membership/Chairman of Committees of other Boards	Directorship – NIL Membership of Committees of other Boards – NIL Chairperson of Committees of other Boards – NIL	Directorship – 16 Membership of Committees of other Boards – 9 Chairperson of Committees of other Boards –5
Listed Company Directorships, Membership/Chairman of Committees	NIL	4
Resignation from Listed Entities in past three years	NIL	2
Justification for choosing the appointees for appointment as Independent Directors	-	The appointee's extensive experience in public administration, investigation, governance, entrepreneurship and skill development, coupled with her experience in senior positions in the Government of India, makes her well-suited for appointment as an Independent Director. Her diverse expertise and professional experience will provide valuable insights to the Board and contribute to effective governance, independent oversight and informed decision-making.

By Order of the Board
For Garuda Aerospace Limited

sd/-
Ravichandran Harisha
Company Secretary & Compliance Officer
Membership No. A76490

Date: August 20, 2026
Place: Chennai

TABLE – 1		
S No	Proposed Allottee	Percentage of post Private placement offer capital (on diluted basis)
1.	Umasankar Nistala	0.08
2.	Rakesh Pillai	0.08
3.	Jitendra Rana	0.02
4.	Vimaan Innovators LLP	0.06
5.	AVCF1 LP acting by its general partner Aditum Management GP 1 Ltd	1.64

TABLE -2					
Category Code	Category of Shareholder	Pre-Issue		Post-Issue	
		No. of Shares held	% Total Holding	No. of Shares held	% Total Holding
A	**Promoter's and Promoter Group Holding:**				
1	**Indian:**				
	Individual	4,00,97,590	76.91	4,00,97,590	75.47
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	**Foreign:**				
	Individuals	-	-	-	-
	NRI Individuals	-	-	-	-
	Bodies Corporate	-	-	-	-
	Banks/FI	-	-	-	-
	Any other	-	-	-	-
	Sub Total (A)	4,00,97,590	76.91	4,00,97,590	75.47
B	**Non-Promoter's Holding:**				
1	Institutional Investors	11,73,040	2.25	20,42,333	3.84
2	**Non-Institution:**				
	Private Bodies Corporate	39,15,241	7.51	39,44,796	7.42
	Directors and Relatives	-	-	-	-
	Individuals	66,87,217	12.83	66,87,217	12.59
	Others (including NRI, TRUST & HUF)	2,62,692	0.50	3,58,342	0.67
	Sub Total (B)	**1,20,38,190**	**23.09**	**1,30,32,688**	**24.53**
	Total (A+B)	**5,21,35,780**	**100.00**	**5,31,30,278**	**100.00**

Format Board Resolution – To Authorise Body Corporate Shareholders Representative to attend General Meetings.

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF BOARD OF DIRECTORS OF THE COMPANY (COMPANY NAME) HELD ON (DATE) (DAY) (TIME) AT (VENUE OF THE BOARD MEETING)

REG.: AUTHORIZING COMPANY'S REPRESENTATIVE TO ATTEND GENERAL MEETINGS

"**RESOLVED THAT** pursuant to the provisions of Section 113 of the Companies Act, 2013, and any other applicable provisions of Companies Act, 2013 read with Rules thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), Mr/Mrs.(Representative Name), be and is hereby authorized to act as representative of the Company and the above mentioned Representative shall nominate any person to attend in respect of all items of business at all General Meetings of GARUDA AEROSPACE LIMITED or any adjournment thereof as an authorized representative of the Company."

BOARD'S REPORT

To

The Members of GARUDA AEROSPACE LIMITED

Your Directors are pleased to present the 11th Annual Report on the business and operations of the Company together with the Audited Accounts of the Company for the year ending on 31st March, 2026.

1. Garuda Affairs & Industry Outlook

The financial year 2025-26 has been phenomenal, marked by exceptional growth in both business and technological advancements. Garuda surpassed Rs. 250 crore in revenue, achieving an EBITDA margin of 19.2% and PAT margins of 12.57%. Garuda Aerospace had a landmark year marked by innovation, recognition, and impact across multiple sectors.

Our Company has Inaugurated Garuda's Agri Drone Facility & Virtually flagged off Garuda's opening of 300 Center of Excellence across India. Garuda became the largest Drone Manufacturing company numbers of over 3000 drones Manufactured & sold. Garuda became 1st ever Drone company to have 3 Defence PSU partnership when it signed MOU with BEL.

Garuda received TTT authorization from DGCA for Training trainers. Garuda had also expanded its Indigenous Manufacturing Capabilities by leasing a 70,000 sq feet Facility near Oragadam, Chennai, TN to increase Localisation of Drone parts, components & subsystems.

2. Financial Summary and Highlights

During the financial year, the performance of the company was as under:

(In Millions)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Turnover	2,059.55	1,234.63
Other Income	2.65	13.45
Total Income (Gross)	2,062.20	1,248.08
Total Expenditure	1,721.57	994.02
Profit / (Loss)before Tax	340.63	254.06
Less: Tax expenses:		
1. Current tax	105.13	67.00
2. Deferred tax	(18.61)	2.43
3. Adjustments for Previous years	(4.96)	0.96
Profit / (Loss) after tax	259.15	183.67

3. Details of Revision of Financial Statements or Board's Report

During the year the Company has changed the accounting policy from GAAP and adopted the Indian Accounting Standard (IND-AS) for preparing the financial statements.

4. Amount, which the Board proposes to carry to any Reserves

During the year, the Company has not transferred any amount to Reserves and the profit of the year has been move to accumulated profit and loss of the company. The total Reserves & Surplus for the year ended 31st March 2026 stood at INR 2,294.18 Million.

5. Dividend

Your directors did not recommend any dividend for the financial year ended 31st March 2026.

6. Transfer to unclaimed dividend to investor education and protection fund

The provisions of Section 125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid during previous years.

7. Major events during the year

a) State of the company's affairs: During the year under review ended on 31st March, 2026, your Company has earned a profit of Rs. 259.15 million against the profit of Rs. 183.67 million for the corresponding period ended 31st March 2025.

The Earnings per share (basic) were at Rs. 4.99 against Rs. 3.67 for the previous year and the Earnings per share (Diluted) were at Rs. 4.99 against Rs. 3.67 for the previous year.

b) Change in the nature of business: No change in the Nature of Business.

c) Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the Financial Statements relates and the date of the Report: NIL

8. Conversion from Private to Public Company

At the meeting of the Board of Directors held on November 5, 2025, the Board approved the proposal for conversion of the Company from a private limited company to a public limited company. Subsequently, the shareholders approved the conversion by way of a Special Resolution passed at the Extraordinary General Meeting held on November 21, 2025.

Pursuant thereto, the Company received a revised Certificate of Incorporation dated December 5, 2025, evidencing its conversion into a public limited company and the consequent change of name from Garuda Aerospace Private Limited to Garuda Aerospace Limited.

9. Brief history of the company, overview of the industry and important changes in the industry during the last financial year:

Your company was incorporated on 06th October 2015 and carries out the business of providing services of Unmanned Aerial Vehicle for aerial topography, crop monitoring and mapping purposes.

The drone industry in India and globally is entering a transformative phase, with unmanned aerial systems becoming critical to agriculture, defence, infrastructure, surveillance, disaster response and industrial operations. India, supported by progressive policy measures and the vision of Atmanirbhar Bharat, is well positioned to emerge as a global hub for drone design, manufacturing and services.

10. Capital Structure

The share capital of the Company as on 31st March 2026 is as mentioned below:

Particulars	No. of Shares	Amount (in Rs.)	
Authorised Capital	Equity Shares of Rs.2/- each	7,00,00,000	14,00,00,000
	Preference shares of Rs.2/- each	50,00,000	1,00,00,000
Issued Capital, Subscribed and Paid-up	Equity Shares of Rs.2/- each	4,82,46,430	9,64,92,860
	Series A Preference shares of Rs.2/- each	13,80,300	27,60,600
	Series A1 Preference shares of Rs.2/- each	11,85,080	23,70,160
	Series B Preference shares of Rs.2/- each	2,55,850	5,11,700
	Series B1 Preference shares of Rs.2/- each	84,280	1,68,560
	Series B2 Preference shares of Rs.2/- each	8,36,350	16,72,700
	Series B3 Preference shares of Rs.2/- each	1,47,490	2,94,980

11. Change in Share Capital

a. Authorised capital

During the year under review the Authorised Share capital of the Company has been increased from Rs. 20,00,000 (Twenty Lakhs) comprised of 19,00,000 divided into 1,90,000 Equity Shares of Rs. 10 each and Rs. 1,00,000 divided into 10,000 Preference Shares of Rs. 10 each, to Rs. 15,00,00,000 (Fifteen Crores) comprised of 14,00,00,000 divided into 1,40,00,000 Equity Shares of Rs. 10 each and 1,00,00,000 divided into 10,00,000 Preference Shares of Rs. 10 each.

Subsequently the Authorised Share capital of the Company has been subdivided Rs. 15,00,00,000 comprised of Rs. 14,00,00,000 divided into 7,00,00,000 Equity Shares of Rs. 2 each and 1,00,00,000 divided into 50,00,000 Preference Shares of Rs. 2 each.

b. Paid up capital

During the Year under review, the Company has allotted the following securities:

S. No	Date of Allotment	Mode of Allotment	Type of Shares	No. of Shares	Total Consideration
1.	05-05-2025	Private Placement	Equity	1,025	2,09,39,796.75
2.	20-05-2025	Private Placement	Equity	300	5,26,00,500.00
3.	16-08-2025	Private Placement	Equity	525	9,38,47,950.00
4.	28-04-2025	Private Placement	Compulsorily Convertible Debentures	1,427	25,02,03,045.00
5.	20-05-2025	Private Placement	Compulsorily Convertible Debentures	283	4,96,19,805.00
6.	13-06-2025	Private Placement	Compulsorily Convertible Debentures	85	1,49,03,475.00
7.	16-02-2026	Conversion of CCD*	Equity	1,996	-
8.	12-03-2026	Bonus Issue**	Equity	95,37,085	-
9.	12-03-2026	Bonus Issue**	Compulsory Convertible Preference Shares	7,68,825	-

* Pursuant to the resolution passed by our Board dated February 16, 2026 1,996 Compulsorily Convertible Debentures (CCDs) was converted into 1,996 Equity Shares of the Company in the ratio of 1:1.

** Pursuant to resolutions passed by the Board at their meeting held on February 16, 2026 and the Shareholders at their EGM held on March 11, 2026, the Company has issued bonus Equity Shares and CCPS of face value of Rs. 10/- each in the ratio of 85:1 (i.e., Eighty Five Bonus shares for every one Equity Share and CCPS), which were allotted to the shareholders on March 12, 2026.

- Pursuant to the resolution passed by our Board dated February 23, 2026 and the Shareholders' dated March 19, 2026 the equity shares and CCPS of face value of INR 10 were sub-divided into Equity Shares and CCPS of face value of INR 2 each. Consequently, the issued, subscribed and Paid-up Equity and CCPS Share capital of our Company, comprising 9,649,286 equity shares of face value of INR 10 each, was sub-divided into 48,246,430 Equity Shares of face value of INR 2 each and 7,77,870 CCPS of face value of INR 10 each, was sub-divided into 38,89,350 CCPS of face value of INR 2 each

c. Buy back of securities:

The Company has not bought back any of its securities during the year under review.

d. Sweat equity:

The Company has not issued any Sweat Equity Shares during the year under review.

e. **Employees stock option plan:**

The Board of Directors at their meeting held on 06th December 2023 and the shareholder at the Extraordinary General Meeting held on 07th December 2023 approved the "Garuda employee stock option scheme 2023" (GARUDA ESOS 2023) to create and grant Employee Stock option to identified employees to an extend of 6000 options.

Further, the Board of Directors, at its meeting held on February 16, 2026 and the shareholders at the Extraordinary General Meeting held on March 11, 2026, approved the amendment and restatement of Garuda ESOS 2023 to align the existing Employee Stock Option Scheme, Garuda ESOS 2023, with the requirements of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Details of the Employee Stock Option Scheme (ESOS):

Particulars	**as at 31st March 2026**
Plan	GARUDA ESOS 2023 (w.e.f 7th December, 2023)
Options Granted	-
Exercise Price	Rs. 2/- per option or any other price as may be decided to the board
Options Exercised	-
The total number of shares arising as a result of exercise of Options	-
Options Lapsed	-
Variation of Terms of Options	-
Money realised by exercise of Options	-
Total number of Options in force	-
Employee wise details of Options granted to	-

12. Credit rating

No Credit Rating was required to be obtained by the company.

13. Board, Committees of the Board & Key Managerial Personnel

A. Composition of the Board

The composition of the Board is in accordance with the provisions of Section 149 of the Act with an optimum combination of Executive, Non-Executive and Independent Directors.

As on March 31, 2026 the Board has 6 (Six) Directors, of which Two Executive Directors (including one woman director), One Non-Executive Director and Three Independent Directors.

During the year under review, following changes were incurred in the Board:

S. No.	Name of the Director	Designation at the beginning / during the financial year	Date of appointment/ change in designation / cessation	Nature of change (Appointment/ Change in designation/ Cessation)
1.	Rithika Mohan	Whole Time Director	05-11-2025	Change in Designation from Executive Director to Wholetime Director
2.	Jayaprakash Vishnu	Additional Director (Non-Executive)	05-11-2025	Appointment
3.	Mandakulathur Ramachandran Venkatesh	Additional Director (Non-Executive Independent Director)	05-11-2025	Appointment

S. No.	Name of the Director	Designation at the beginning / during the financial year	Date of appointment/ change in designation / cessation	Nature of change (Appointment/ Change in designation/ Cessation)
4.	Asha Vijayaraghavan	Additional Director (Non-Executive Independent Director)	05-11-2025	Appointment
5.	Jayaprakash Vishnu	Director	21-11-2025	Regularisation from Additional Director to Director
6.	Mandakulathur Ramachandran Venkatesh	Director (Non-Executive Independent Director)	21-11-2025	Regularisation from Additional Director to Director
7.	Asha Vijayaraghavan	Director (Non-Executive Independent Director)	21-11-2025	Regularisation from Additional Director to Director
8.	Mandakulathur Ramachandran Venkatesh	Director (Non-Executive Independent Director)	12-02-2026	Cessation
9.	Natarajan Tirupattur Srinivasan	Additional Director (Non-Executive Independent Director)	13-02-2026	Appointment
10.	Sudharsan Ravichandran	Chief Financial Officer	16-02-2026	Appointment
11.	Ravichandran Harisha	Company Secretary	16-02-2026	Appointment
12.	Krishnasamy Rajagopalan Sathiyanarayanan	Additional Director (Non-Executive Independent Director)	09-03-2026	Appointment
13.	Natarajan Tirupattur Srinivasan	Director (Non-Executive Independent Director)	11-03-2026	Regularisation from Additional Director to Director
14.	Krishnasamy Rajagopalan Sathiyanarayanan	Director (Non-Executive Independent Director)	19-03-2026	Regularisation from Additional Director to Director

Subsequent to the year under review, Ms. Asha Vijayaraghavan, Director, ceased to hold office upon her demise on May 1, 2026.

B. Retirement by Rotation and Re-appointments

Mr. Jayaprakash Vishnu, Director of the Company, who retires by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible for re-appointment, offers himself for reappointment. Necessary resolution, seeking approval of the Members, in respect of the above reappointment has been included in the Notice of the ensuing Annual General Meeting, and the Board recommends the same for approval by the Members with the requisite majority.

C. Composition of the Committees

In terms of the Companies Act, 2013 following Committees are constituted by the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

- **Composition of Audit Committee as on March 31, 2026**

Name of the Director	Designation	Designation in the Committee
Asha Vijayaraghavan*	Independent Director	Chairman
Natarajan Tirupattur Srinivasan	Independent Director	Member
Krishnasamy Rajagopalan Sathiyanarayanan	Independent Director	Member
Agnishwar	Whole Time Director	Member

* Asha Vijayaraghavan ceased to be a member effective May 1, 2026

- **Composition of Nomination and Remuneration Committee as on March 31, 2026**

Name of the Director	Designation	Designation in the Committee
Asha Vijayaraghavan*	Independent Director	Chairman
Natarajan Tirupattur Srinivasan	Independent Director	Member
Krishnasamy Rajagopalan Sathiyanarayanan	Independent Director	Member
Vishnu Jayaprakash	Director	Member

* Asha Vijayaraghavan ceased to be a member effective May 1, 2026

- **Composition of Stakeholders' Relationship Committee as on March 31, 2026**

Name of the Director	Designation	Designation in the Committee
Natarajan Tirupattur Srinivasan	Independent Director	Chairman
Asha Vijayaraghavan*	Independent Director	Member
Rithika Mohan	Whole Time Director	Member

* Asha Vijayaraghavan ceased to be a member effective May 1, 2026

- **Composition of Risk Management Committee as on March 31, 2026**

Name of the Director	Designation	Designation in the Committee
Asha Vijayaraghavan*	Independent Director	Chairman
Natarajan Tirupattur Srinivasan	Independent Director	Member
Agnishwar	Whole Time Director	Member

* Asha Vijayaraghavan ceased to be a member effective May 1, 2026

- **Composition of Corporate Social Responsibility Committee as on March 31, 2026**

Name of the Director	Designation	Designation in the Committee
Krishnasamy Rajagopalan Sathiyanarayanan	Independent Director	Chairman
Agnishwar	Whole Time Director	Member
Rithika Mohan	Whole Time Director	Member

13. Statement on Declaration by Independent Directors

All Independent Directors of your Company have submitted their declaration of independence as required under provisions of Section 149(7) of the Act. These declarations affirm that they meet the criteria of independence as provided in Section 149(6) of the Act and are not disqualified from continuing as Independent Directors of your Company.

The Board is of the opinion that Independent Directors of the Company hold highest standards of integrity and possess requisite qualifications, expertise & experience (including the proficiency) and competency in the business & industry knowledge, financial expertise, digital & information technology, corporate governance, legal and compliance, marketing & sales, risk management, leadership & human resource development and general management as required to fulfil their duties as Independent Directors.

Further, in terms of the provisions of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended from time to time), all Independent Directors have confirmed that they have registered themselves with databank maintained by the Indian Institute of Corporate Affairs ('IICA'). These declarations/ confirmations have been placed before the Board.

14. Number of board meetings

The Directors of the Company met 19 Times during the financial year 2025-2026. The intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013.

15. Opinion of the Board on Integrity, Expertise and Experience of Independent Directors

The Board is of the opinion that the Independent Directors appointed during the year, possess the requisite integrity, expertise, experience and proficiency required for the effective discharge of their duties and responsibilities as Independent Directors of the Company.

15. Company's Policy on Director's Appointment and Remuneration

The Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178(1) of the Companies Act, 2013. The Committee has formulated a policy on matters relating to the appointment of Directors, payment of managerial remuneration, criteria for determining qualifications, positive attributes and independence of Directors, and other related matters as provided under Section 178(3) of the Act.

Remuneration to Independent Director

The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committees or such amount as may be prescribed from time to time.

Managerial Remuneration

The remuneration paid to Executive Directors is approved by the Board, and shareholders. The remuneration was decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

16. Board Evaluation

Pursuant to provisions of the Act, annual performance evaluation of the Directors including the Chairperson, Board and its Committees has been carried out. As part of the evaluation process, individual criteria for each of the exercise was formulated. Each member of the Board/Committee/Director was sent a formal questionnaire to evaluate different categories based on several parameters. According to the Act, they had to rate each parameter individually.

17. Directors' Responsibility Statement

The Report shall include a Directors' Responsibility Statement which shall set out the following details:

a. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the Annual Accounts on a going concern basis;

e. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. Internal Financial Controls

The Company has established and maintained adequate Internal Financial Controls ("IFCs") commensurate with the size and nature of its operations. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records, and the timely preparation of financial statements in accordance with applicable accounting standards.

During the year under review, the IFCs were found to be operating effectively. The Statutory Auditors have not reported any material weakness or significant deficiency in the design or operation of such controls.

19. Disclosure Regarding Frauds

There are no frauds reported during 2025-2026.

20. Loan from Directors and Relatives

Details of Loan from Directors and their relatives are given in the notes to financial statements which is part of related party transaction.

21. Disclosures Relating to Subsidiaries, Associates and Joint Ventures

The Company has no subsidiary or associates or Joint venture as on 31st March 2026.

However, subsequent to the close of the financial year, the Company acquired the entire shareholding of Garuda Technology Inc., USA, pursuant to which Garuda Technology Inc. became a wholly owned subsidiary of the Company.

22. Details of Deposits

The Company did not accept any deposits during the year.

23. Particulars of Loans, Guarantees and Investments

Details of Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

24. Particulars of Contracts or Arrangements with Related Parties

The Company has entered any contracts or arrangements with parties specified under sub-section (1) of Section 188 of the Companies Act, 2013 for the financial year 2025-26. The details of the same is provided in Annexure I.

25. Disclosures Pertaining to Corporate Social Responsibility

During the year the Company had spent an amount of INR 2.04 Million towards Education and Skill Development Activities. The excess spent during the previous year is adjusted toward the CSR expenditure for the current year. Pursuant to rule 8 of The Companies (Corporate Social Responsibility Policy) Rules 2014, the disclosure on CSR is attached as Annexure -II.

26. Details of Remuneration of Employees

The Statement containing such particulars of employees as required in terms of provision of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report. Pursuant to the provision of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all the members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours upto the date of the Annual General Meeting and if any members is interested in obtaining such information, may write to the Whole Time Director at the Registered Office of the Company in this regard.

Name of employee	Rithika Mohan
Salary	48,00,000.00
Nature of Employment whether contractual or otherwise	Wholetime Director
Qualification	Post Graduate
Date of Commencement of Employment	10/01/2022
Age of employee and experience	33 years & Over 16 Years
% of equity share capital held, if any	0.33%
If he/she is a relative of director/manager, name of such director/manager	Mr. Agnishwar - Spouse

27. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Board's report should include a statement as per rule 8 of the Companies (accounts) rules, 2014 with respect to the following matters:

CONSERVATION OF ENERGY:

1.	The steps taken or impact on conservation of energy;	The Company has taken adequate measures to generate energy through non-conventional method in order to conserve energy.
2.	The steps taken by the Company for utilising alternate sources of energy;	-
3.	The capital investment on energy conservation equipment;	-

TECHNOLOGY ABSORPTION:

The Company continues to use the latest Technology for improving the quality and productivity of its product and services. – NA

(i)	the efforts made towards technology absorption;	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	
	(a) the details of technology imported;	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed;	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	-
(iv)	the expenditure incurred on Research and Development.	-

FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. in Million)

Foreign Exchange Earnings: INR Nil (P.Y.: 0.39)

Foreign Exchange Outgo: INR 233.15 (P.Y.: INR 260.98)

28. Risk Management

Risk is an integral and unavoidable aspect of business. While risks cannot be entirely eliminated, an effective risk management program ensures that they are reduced, avoided, mitigated, or appropriately shared. The Company has implemented a comprehensive risk management framework to proactively identify and address potential risks, thereby enhancing risk management practices and strengthening the overall resilience of its business operations.

29. Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals.

During the financial year 2025-2026 the company has not received any material orders passed by regulatory or courts or tribunal.

30. Details of Establishment of Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, the Company has established a Vigil Mechanism/ Whistle Blower Policy. The policy enables Directors and employees to report genuine concerns or grievances, significant deviations from key management policies, and any non-compliance or wrongful practices, including but not limited to unethical behaviour, fraud, violation of law, or inappropriate conduct.

The objective of this mechanism is to provide a structured redressal system for addressing complaints related to questionable accounting practices, deficiencies in internal controls, or fraudulent reporting of financial information.

The Whistle Blower Policy is in compliance with the provisions of the Act and is available on the Company's website.

31. Auditors

The members of the company during the AGM held on 30th November 2021 had re-appointed M/S S R B R & Associates LLP., (ICAI Firm Reg. No. 04997S) Chartered Accountants as Statutory Auditor of the Company for a period of 5 years from the conclusion of that Annual General Meeting till the conclusion of Annual General Meeting to be held during the financial year 2026.

Based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on August 17, 2026, has recommended the appointment of M/s. Madhu Balan & Associates, Chartered Accountants (Firm Registration No. 011106S), as the Statutory Auditors of the Company for a term of five consecutive years (2027-2031), commencing from the conclusion of the ensuing 11th AGM until the conclusion of the 16th AGM, subject to the approval of the Members.

The Company has received the written consent and certificate of eligibility from M/s. Madhu Balan & Associates confirming that their appointment, if made, will be in accordance with the provisions of Sections 139 and 141 of the Companies Act, 2013 and the rules made thereunder. The proposed auditors have also confirmed that they hold a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

32. Secretarial Audit Report

Not Applicable to the company.

33. Explanations in Response to Auditors' Qualifications

The Auditors' Report on the Balance Sheet and Profit and Loss Account for the Year ending 31st March 2026 is self-explanatory and contains no qualification, reservations, adverse remarks and disclaimer except for the following:

Auditor's comment	Director's response
Point no ix(a) to Annexure A of Auditor's report- According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance and other statutory dues, have generally been regularly deposited by the Company with the appropriate authorities. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, except for advance tax payable under the Income-tax Act, 1961.	The company recognizes the importance of timely compliance with all statutory requirements and regret the non-payment of Advance Tax on/before respective due dates. It was primarily due to temporary operational challenges faced during the reporting period. However, we wish to assure all stakeholders that the management has taken corrective measures to streamline internal processes and strengthen financial discipline.

34. Compliance with Secretarial Standards

The Company is in compliance with the Secretarial Standards as issued by Institute of Company Secretaries of India.

35. Details of Sickness of the Company

Not Applicable to the company.

36. Failure to Complete Buy Back

Not Applicable to the company.

37. Annual Return

As per the MCA Notification on Rule 12(1) of Companies (Management and Administration) Rules, 2014, the Disclosure of Annual Return not is required to attach in this Board's Report in accordance with sub-section (3) of section 92 of the Companies Act, 2013. The link of the Annual return is https://www.garudaaerospace.com/.

38. Management Discussion and Analysis Report

Not Applicable to the company.

39. Cost Auditor and Cost Audit Report

Your company does not come under the ambit of section 148 of the Companies Act, 2013. Hence appointment of cost auditor and cost audit report does not apply to the company.

40. Details of Valuation Made while taking Loan from Bank or Financial Institution

The requirement to disclose details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the banks or financial institution along with the reasons thereof is not applicable.

41. Details of Application made or Proceeding Pending Under Insolvency and Bankruptcy Code 2016

No application has been made under the insolvency and bankruptcy code: hence the requirement to disclose the details of application made or any proceeding pending under the insolvency and bankruptcy code 2016 during the year along with their status as at the end of the financial year is not applicable.

42. Disclosures Under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has a policy on prevention of sexual harassment at workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee ("ICC") to redress complaints received regarding sexual harassment has been constituted in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy extends to all employees (permanent, contractual, temporary and trainees). Employees at all levels are being sensitized about the Policy and the remedies available thereunder.

During the year under review,

Number of complaints received in the year	Nil
Number of complaints disposed off during the year	Not Applicable
Number of cases pending for more than 90 days	Nil
Nature of Action taken by the employer or District Officer	Nil

43. Compliance with the Provisions Relating to the Maternity Benefits Act, 1961:

The Company is committed to providing a safe, inclusive, and supportive workplace for all its employees and recognises the importance of compliance with applicable labour laws, including the provisions of the Maternity Benefit Act, 1961. The Company is in the process of reviewing and strengthening its internal policies and procedures to ensure alignment with the applicable statutory requirements relating to maternity benefits.

The Company shall take necessary steps to implement the required measures and ensure compliance with the applicable provisions of the Maternity Benefit Act, 1961, going forward.

44. Code for Prevention of Insider Trading

The Company has complied and formulated a Code of Conduct for Prevention of Insider Trading.

Policy, which prohibits trading in shares of the Company by insiders while in possession of unpublished price sensitive information in relation to the Company is available on the Company's website https://www.garudaaerospace.com/

The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by way of dealing in securities of the Company by its Designated Persons. The code is applicable to all directors, designated persons and their immediate relatives and connected persons who have access to unpublished price sensitive information.

Further, the Company has maintained a Structural Digital Database (SDD) pursuant to Regulations 3(5) and (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

45. Compliance with Code of Conduct

The Company has framed a Code of Conduct for the Board of Directors and Senior Management personnel of the Company. All the Board of Directors and Senior Management personnel have affirmed compliance with the Code of conduct as on March 31, 2026. The Code of Conduct is available on the Company's website.

46. Gratitude & Acknowledgments

Your Directors place on record their sincere & high appreciation for the unflinching commitment, dedication, hard work and valuable contribution made by the employees of the company and its subsidiaries for sustained growth of group as a whole.

For Garuda Aerospace Limited

Place: Chennai
Date: August 17, 2026

Sd/-	Sd/-
Agnishwar	**Rithika Mohan**
Whole-time Director	Whole-time Director
DIN: 02288785	DIN: 08116670

Annexure – I

Form No. AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** NA

   (a) Name(s) of the related party and nature of relationship

   (b) Nature of contracts/arrangements/transactions

   (c) Duration of the contracts / arrangements/transactions

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any

   (e) Justification for entering into such contracts or arrangements or transactions

   (f) Date(s) of approval by the Board

   (g) Amount paid as advances, if any:

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis**

(In Million)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Amount paid as advances, if any
M/s Agni Estates and Foundations Private Limited	Sale of Good/ services	Yearly	-
M/s Vishnusurya Projects and Infra Limited	Purchase of Goods	Yearly	0.06
M/s Agni Estates and Foundations Private Limited	Advance paid for purchase of land	Yearly	145.91
M/s Agni Estates and Foundations Private Limited	Lease Service	Yearly	-
M/s Sri Balaji Charitable and Educational Trust	Lease Service	Yearly	-
M/s. Agni College of Technology	Sale of Services	Yearly	-

Date of Board Approval – April 28, 2025

For Garuda Aerospace Limited

Place: Chennai

Date: August 17, 2026

Sd/-

Agnishwar

Whole-time Director

DIN: 02288785

Sd/-

Rithika Mohan

Whole-time Director

DIN: 08116670

Annexure – II

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Outline of the CSR Policy

The Corporate Social Responsibility (CSR) policy is aimed at demonstrating care for the community through its focus on education & skill development. The CSR Policy includes the following objects, contribution and adoption of the projects in the areas defined in the Schedule VII of the Companies Act 2013.

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure is headed by the Board CSR Committee. The members of the CSR Committee are:

Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Krishnasamy Rajagopalan Sathiyanarayanan	Independent Director	NIL	
Agnishwar	Whole Time Director		
Rithika Mohan	Whole Time Director		

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://www.garudaaerospace.com/.

4. Provide the executive summary along with web link of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable.

5. Average net profit of the company as per section 135(5)

Rs. 180.49 Million.

6.
a. Two percent of average net profit of the company as per section 135(5) – Rs. 3.61 Million.
b. Surplus arising out of the CSR projects or programs or activities of the previous financial years – Rs. 1.85 Million
c. Amount required to be set off for the financial year, if any - Rs. 1.85 Million
d. Total CSR obligation for the financial year (6a+6b-6c) – Rs. 1.76 Million.

7.
a. Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project): Rs. 2.04 Million
b. Amount spent in Administrative Overheads: Nil
c. Amount Spent on Impact Assessment, if applicable: Nil
d. Total amount spent for the Financial Year : Rs. 2.04 Million
e. CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (Rs in Million)	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.04	-	-	-	-	-

f. Excess amount for set off, if any:

S No	PARTICULARS	AMOUNT (In Million)
i.	Two percent of average net profit of the company as per section 135(5)	3.61
ii.	Total amount spent for the Financial Year	2.04
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.28*
iv.	Surplus arising out of the CSR projects or programmers or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.28

* Note: Company's total CSR obligation for the financial year post set off from the previous year is Rs. 1.76 Million and the total CSR spent for the FY is Rs. 2.04 Million. Total the excess amount spent for the financial year is Rs. 0.28 Million and the Excess expenditure spent CSR has been carried forward to the next financial year.

8. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs in Million)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (Rs in Million)	Amount Spent in the Financial Year (Rs. In Million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (Rs in Million)	Deficiency, if any
					Amount (in Rs. Million)	Date of Transfer		
1	FY 1	-	-	-	-	-	-	-
2	FY 2	-	-	-	-	-	-	-
3	FY 3	-	-	-	-	-	-	-

9. Whether any capital assets have been or acquired through Corporate Social Responsibility amount spent in financial year

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135

– Not applicable.

For Garuda Aerospace Limited

Place: Chennai

Date: August 17, 2026

Sd/-

Krishnasamy Rajagopalan Sathiyanarayanan
Non-Executive Independent Director
Chairman of the CSR Committee
DIN: 11590048

INDEPENDENT AUDITOR'S REPORT

To the Members of GARUDA AEROSPACE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of GARUDA AEROSPACE LIMITED ("the Company"), which comprises the Balance sheet as at March 31, 2026, and the Statement of Profit and Loss for the year then ended, Cash flows for the year then ended, Statement of changes in equity and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit, its cash flows and changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of Standalone financial statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and We have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which explains that these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The accounting policies set out in Note 2 have been applied in the preparation of the financial statements for the year ended March 31, 2026, the comparative information for the year ended March 31, 2025, and in the preparation of the opening Ind AS Balance Sheet as at April 1, 2024, being the Company's date of transition to Ind AS.

Our opinion is not modified in respect of this matter.

Information other than the standalone financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report and Report on CSR Activities but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in equity and the Statement of Cash Flows, dealt with by this Report are in agreement with the books of accounts.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026, from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the Report on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of the information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position, except as disclosed in the financial statements in Note No. 30.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,

      a. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      b. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      c. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

   v. The Company has neither declared nor paid any dividend during the year.

   vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account (Tally Editlog) which has the feature of recording audit trail (edit log) facility as required by Rule 11(g) and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further, the audit trail has been preserved as per the statutory requirements for record retention.

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

R. Sundararajan
Partner
M. No : 029814
UDIN: 26029814MRNTRF8775

Date: 17.08.2026
Place: Chennai

"Annexure A" to the Independent Auditors' Report on the Standalone Financial Statements of GARUDA AEROSPACE LIMITED for the year ended 31st March 2026

As Referred in 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2026:

i) (a) (A) the company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) the Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment are physically verified by the management according to Phased programme designed to cover all the items over the period of 3 years which, in our opinion, is reasonable having regard to the size of the company and nature of the assets. Pursuant to programme a portion of the Property, Plant and Equipment has been physically verified by the management during the year, and no material discrepancies have been noticed on such verification

(c) the Company does not hold any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under this clause is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment during the period.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016)(Formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and rules made thereunder.

ii) (a) The inventory has been physically verified by the management at reasonable intervals during the year and in our opinion, the coverage and procedures as followed by the Management are appropriate. The discrepancies noticed on physical verification of inventory as compared to the books of accounts were less than 10% in each class of inventory and have been properly dealt with.

iii) (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets during the year. To the extent that the Company has filed quarterly reports or statements with the bank, the same are in agreement with the books of account.

iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments, guarantee or security or any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(a) During the year, the Company has not provided any Loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

(b) The company has not made any investments, provided guarantee or given any security.

v) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

vi) In our opinion, and according to the information's and explanations given to us, the company has complied with the provisions of sec 185 and section 186 of the Companies Act 2013 in respect of the investments made. There are no loans or guarantees and security provided by the company.

vii) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public referred in sections 73, 74, 75 and 76 of the Act and Rules framed thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable.

viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by the Company and/or services provided by it. Accordingly, reporting under this clause 3(vi) of the Order is not applicable.

ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance and other statutory dues, have generally been regularly deposited by the Company with the appropriate authorities. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, except for advance tax payable under the Income-tax Act, 1961.

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance tax	Rs 318.64 Lakhs	June 2025 and September 2025	15th June 2025 and 15th September 2025	Not yet paid

(b) The Company does not have any disputed statutory dues outstanding as at 31st March 2026.

x) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, reporting under clause 3(viii) is not applicable.

xi) (a) The Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority during the year.

(c) In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of Term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised any loans during the year on the pledge of securities held in subsidiaries, associates or joint ventures.

xii) (a) The Company has not raised any money by way of Initial public offer or Further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the order is not applicable to the company.

(b) According to the information and explanations given to us and procedures performed by us, we report that the company has raised share capital by the way of preferential allotment or private placement of equity and preference shares, convertible debentures (fully convertible) during the year and the company has complied with requirements of section 42 and section 62 of the Companies Act, 2013 and the funds raised have been used for the purposes for which the funds were raised.

xiii) (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, not have been informed of any such case by the Management.

(b) No report was required to be filed under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistleblower complaints received by the company during the Year.

xiv) The company is not a Nidhi Company as defined under Section 406 of the Act. Hence reporting under sub – clauses (a) to (c) of this clause is not applicable.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards and the Act.

xvi) In our opinion and based on our examination, the Company is not required to have an internal audit system as per the provisions of section 138 of the Companies Act, 2013. Hence, reporting under clause (xiv) does not arise.

xvii) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xviii) (a) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), hence reporting under this sub-clause is not applicable.

(b) the company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934, hence reporting under this sub-clause is not applicable

(c) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under this sub-clause is not applicable.

xix) The company has not incurred cash losses in the Financial Year or immediately preceding financial year.

xx) There has not been any resignation of the statutory auditors during the year and accordingly this clause is not applicable.

xxi) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xxii) The provisions of section 135 regarding the corporate social responsibility (CSR) is applicable to the company for the current financial year. The Company has spent the entire amount as at the end of the financial year, for specified CSR activities as per Schedule VII of the Act.

xxiii) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

R. Sundararajan
Partner
M. No : 029814
UDIN: 26029814MRNTRF8775

Date: 17.08.2026
Place: Chennai

“Annexure B” to the Independent Auditor’s Report on the Standalone Financial Statements of GARUDA AEROSPACE LIMITED for the year ended 31st March 2026

As referred in clause (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of GARUDA AEROSPACE LIMITED of even date.

Report on the Internal Financial Controls Over Financial Reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Controls Over Financial Reporting of GARUDA AEROSPACE LIMITED as at March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for Internal Financial Controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Control system over financial reporting.

Meaning of Internal Financial Controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

R. Sundararajan
Partner
M. No : 029814
UDIN: 26029814MRNTRF8775

Date: 17.08.2026
Place: Chennai

Statement of Balance Sheet

Statement of Assets and Liabilities

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
ASSETS				
Non Current Assets				
(a) Property, plant and equipment	3	179.83	151.71	133.29
(b) Right-of-use assets	4	73.73	1.08	5.30
(c) Other intangible assets	5	10.16	1.78	4.39
(d) Intangible assets under development	6	31.48	35.26	-
(e) Financial assets				
(i) Investments	7.1	4.97	4.97	-
(ii) Other financial assets	7.5	108.26	60.29	48.04
(f) Deferred tax assets (Net)	8	27.22	9.07	11.37
(g) Other non-current assets	9	129.30	64.90	-
Total non-current assets		**564.94**	**329.06**	**202.39**
Current Assets				
(a) Inventories	10	342.67	245.88	261.58
(b) Financial assets				
(i) Trade receivables	7.2	2,343.97	1,119.51	918.66
(ii) Cash and cash equivalents	7.3	23.90	9.50	98.06
(iii) Bank balances other than (ii) above	7.4	28.03	34.32	56.39
(iv) Other financial assets	7.5	42.55	32.06	10.72
(c) Other current assets	11	250.10	320.02	143.93
Total current assets		**3,031.22**	**1,761.28**	**1,489.34**
Total assets		**3,596.16**	**2,090.34**	**1,691.74**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12A	96.49	1.08	1.08
(b) Instruments entirely equity in nature	12B	7.77	0.08	0.06
(c) Other equity	13	2,294.18	1,654.73	970.08
Total Equity		**2,398.44**	**1,655.89**	**971.22**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14.1	-	4.59	21.79
(ii) Lease liabilities	14.2	72.73	0.68	0.46
(iii) Other financial liabilities	14.4	-	-	40.83
(b) Provisions	15	2.50	2.95	1.55
Total non-current liabilities		**75.23**	**8.22**	**64.63**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14.1	222.67	62.53	174.91
(ii) Lease liabilities	14.2	3.33	0.42	11.62
(iii) Trade payables	14.3			
- Total outstanding dues of micro enterprises and small enterprises		5.77	136.60	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		639.75	121.63	157.03
(iv) Other financial liabilities	14.4	116.25	31.37	51.78
(b) Provisions	15	2.76	2.41	0.12
(c) Other current liabilities	16	41.63	14.94	243.16
(d) Current tax liabilities (net)	17	90.33	56.33	17.27
Total current liabilities		**1,122.49**	**426.23**	**655.89**
Total liabilities		**1,197.72**	**434.45**	**720.52**
Total equity and liabilities		**3,596.16**	**2,090.34**	**1,691.74**

The above Statement should be read together with basis of preparation and material accounting policies forming part of the financial statements and notes to the financial statements.

The accompanying notes are an integral part of the Ind AS Financial Statements.
As per our report of even date attached

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

For and on behalf of the Board of Directors of Garuda Aerospace Limited

R. Sundararajan
Partner
Membership No.: 029814
Place: Chennai
Date: 17.08.2026

Agnishwar
Whole-time Director
DIN: 02288785
Place: Chennai
Date: 17.08.2026

Rithika Mohan
Whole-time Director
DIN: 08116670
Place: Chennai
Date: 17.08.2026

Sudharsan Ravichandran
Chief Financial Officer
Place: Chennai
Date: 17.08.2026

Ravichandran Harisha
Company Secretary and Compliance Officer
ACS No: A76490
Place: Chennai
Date: 17.08.2026

Statement of Profit and Loss

(All amounts are in INR Million, except share data and unless otherwise stated)

	Particulars	Note No.	For the period ended March 31, 2026	For the period ended March 31, 2025
I	Revenue from operations	18	2,059.55	1,234.63
II	Other income	19	2.65	13.45
III	Total Income (I+II)		**2,062.20**	**1,248.08**
IV	**Expenses**			
	Cost of materials consumed	20	1,168.20	723.23
	Purchases of stock-in-trade		0.44	1.09
	Changes in inventories of finished goods, stock-in-trade and work in progress	20A	18.15	(165.93)
	Employee benefit expenses	21	80.15	95.51
	Finance costs	22	10.40	12.25
	Depreciation and amortisation expenses	23	40.77	35.98
	Impairment losses (including reversals of impairment losses) on financial assets	24	111.32	0.65
	Other expenses	25	292.14	291.25
	Total expenses (IV)		**1,721.57**	**994.02**
V	Profit (loss) before exceptional items and tax (III-IV)		340.63	254.06
VI	Exceptional items		-	-
VII	**Profit/(loss) before tax (V-VI)**		**340.63**	**254.06**
VIII	Tax expense	8		
	1. Current tax		105.13	67.00
	2. Tax expense of earlier years		(4.96)	0.96
	3. Deferred tax charge/(credit)		(18.69)	2.43
	Total tax expense		**81.48**	**70.39**
IX	**Profit/(loss) for the year (VII-VIII)**		**259.15**	**183.67**
	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss:			
	a) Remeasurement gain/(loss) on net defined benefit plans	13	2.15	(0.53)
	(ii) Income tax relating to items under (i) above			
	Deferred tax charge/(credit)	8	0.54	(0.13)
X	**Total other comprehensive income/(loss) for the year (i-ii)**		**1.61**	**(0.40)**
XI	**Total comprehensive income/(loss) for the year (IX+X)**		**260.76**	**183.27**
	Earnings per share of face value INR 2/- each	26		
	Basic (in Rs.)		4.99	3.67
	Diluted (in Rs.)		4.99	3.67

The above Statement should be read together with basis of preparation and material accounting policies forming part of the financial statements and notes to the financial statements.

The accompanying notes are an integral part of the Ind AS Financial Statements.
As per our report of even date attached

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

For and on behalf of the Board of Directors of Garuda Aerospace Limited

R. Sundararajan
Partner
Membership No.: 029814
Place: Chennai
Date: 17.08.2026

Agnishwar
Whole-time Director
DIN: 02288785
Place: Chennai
Date: 17.08.2026

Rithika Mohan
Whole-time Director
DIN: 08116670
Place: Chennai
Date: 17.08.2026

Sudharsan Ravichandran
Chief Financial Officer
Place: Chennai
Date: 17.08.2026

Ravichandran Harisha
Company Secretary and Compliance Officer
ACS No: A76490
Place: Chennai
Date: 17.08.2026

Statement of Cash flows

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Operating Activities		
Profit/(loss) before tax	**340.63**	**254.06**
Adjustments for:		
Interest income	(1.85)	(3.81)
Fair value income on Security Deposit (lease)	(0.03)	(0.07)
Finance costs on lease liabilities	6.60	-
Finance costs	3.80	12.25
Impairment losses, net of reversals, on financial assets	111.32	0.65
Fair valuation (gain) / loss from financial liabilities/investments designated at FVTPL	-	0.03
Depreciation and Amortization	40.77	35.98
(Profit)/loss on sale of property, plant & equipment	-	-
Provision for gratuity	1.68	0.83
Provision for warranty	0.45	2.34
Operating cash flows before movements in working capital	**503.37**	**302.26**
Decrease/(increase) in inventories	(96.79)	15.70
Decrease/(increase) in trade receivables	(1,335.58)	(200.46)
Decrease/(increase) in other non-current financial assets	21.71	15.06
Decrease/(increase) in other current financial assets	(10.69)	(22.37)
Decrease/(increase) in other current assets	69.92	(176.09)
Increase/(decrease) in trade payables	387.29	106.90
Increase/(decrease) in other current financial liabilities	84.88	(20.31)
Increase/(decrease) in other current liabilities	26.69	(228.22)
Increase/(decrease) in long-term provisions	0.02	0.04
Increase/(decrease) in short-term provisions	(0.10)	(0.04)
Cash generated/(used) in operations	**(349.28)**	**(207.53)**
Income taxes paid	(66.17)	(28.90)
Net cash generated from/ (used in) operating activities	**(415.45)**	**(236.43)**
Investing activities		
Interest received	1.85	3.81
Proceeds/(Investment) in bank deposits (other than cash & cash equivalents)	(42.43)	11.15
Proceeds/(Investment) in other earmarked deposits (Net)	(20.93)	(16.32)
Purchase of Property, Plant and Equipment, Intangible assets including expenditure on capital work in progress, intangible assets under development, capital advances and capital creditors	(133.07)	(152.97)
Investment in equity instruments	-	(5.00)
Purchase of equity instruments designated at FVTOCI	-	-
Net cash generated from/ (used in) investing activities	**(194.58)**	**(159.33)**

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Financing activities		
Proceeds from allotment of equity and preference shares including securities premium	177.37	471.40
Refund of share application money	(9.99)	(18.45)
Proceeds from allotment of debentures including securities premium	314.73	35.24
Share application money pending allotment (Net)	-	-
Proceeds from secured borrowings	-	-
Proceeds from unsecured borrowings	108.26	-
Repayments of secured borrowings	(2.48)	(2.20)
Repayments of unsecured borrowings	(0.17)	(35.90)
Proceeds from / (Repayments of) bank overdrafts	(59.88)	(91.48)
Expenses incurred on issue of securities	(0.33)	(27.58)
Interest paid	(2.29)	(9.37)
Other borrowing costs paid	(1.51)	(2.31)
Repayment of lease liabilities	(9.12)	(12.14)
Net cash generated from/ (used in) financing activities	**514.60**	**307.20**
Net increase/(decrease) in cash and cash equivalents	**(95.42)**	**(88.56)**
Cash and cash equivalents at beginning of year	9.50	98.06
Cash and cash equivalents at end of year	**(85.92)**	**9.50**

Components of cash and cash equivalents comprise of:

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Banks	23.90	9.50
Cash on hand	-	-
Bank Overdraft with ICICI Bank Limited	(109.82)	-
Total cash and cash equivalents	**(85.92)**	**9.50**

Reconciliation of financial liabilities forming part of financing activities in accordance with IND AS 7:

Particulars	As at April 1, 2025	Cash flows	Interest	Non cash changes	As at March 31, 2026
Secured term loans	7.07	(2.74)	0.26	-	4.59
Unsecured loans	60.05	156.59	1.44		218.08
Lease liabilities	1.10	(9.12)	6.60	77.47	76.05
Total	**68.22**	**144.73**	**8.30**	**77.47**	**298.72**

Particulars	As at April 1, 2024	Cash flows	Interest	Non cash changes	As at March 31, 2025
Secured term loans	9.27	(3.20)	1.00	-	7.07
Unsecured loans	187.43	(145.20)	17.82	-	60.05
Lease liabilities	12.08	(12.14)	0.57	0.59	1.10
Total	**208.78**	**(160.54)**	**19.39**	**0.59**	**68.22**

Notes:

Notes to cash flow statement:

1. The cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard 7 on Statement of Cash flows as notified under Section 133 of the Companies Act, 2013
2. Negative figures have been shown in brackets.

The accompanying notes are an integral part of the Ind AS Financial Statements.

As per our report of even date attached

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

For and on behalf of the Board of Directors of
Garuda Aerospace Limited

R. Sundararajan
Partner
Membership No.: 029814
Place: Chennai
Date: 17.08.2026

Agnishwar
Whole-time Director
DIN: 02288785
Place: Chennai
Date: 17.08.2026

Rithika Mohan
Whole-time Director
DIN: 08116670
Place: Chennai
Date: 17.08.2026

Sudharsan Ravichandran
Chief Financial Officer
Place: Chennai
Date: 17.08.2026

Ravichandran Harisha
Company Secretary and Compliance Officer
ACS No: A76490
Place: Chennai
Date: 17.08.2026

Statement of Changes in Equity

(All amounts are in INR Million, except share data and unless otherwise stated)

(A) Equity share capital

Equity shares of INR 10 each, fully paid up			
Balance as at April 1, 2024	12A	108,288	1.08
Changes in equity share capital during the year		67	0.00
Balance as at March 31, 2025		**108,355**	**1.08**
Balance as at April 1, 2025	12A	108,355.00	1.08
Changes in equity share capital during the year		48,138,075.00	95.41
Balance as at March 31, 2026		**48,246,430**	**96.49**

(B) Instruments entirely equity in nature

Compulsorily Convertible Preference Shares

(i) Series A 0.001% Compulsorily Convertible Preference Shares of INR 10 each, fully paid up ("Series A CCPS")

Particulars	Balance at the beginning of the year	Changes in Preference Share Capital due to prior period errors	Balance at the beginning of the current reporting year	Bonus shares issued during the year	Increase in shares due to share split	Preference Share Capital issued during the year/period	Balance at the end of the year/ period
As at March 31, 2025							
Number of shares	3,210.00	-	3,210.00			-	3,210.00
Amount	**0.03**	**-**	**0.03**			**-**	**0.03**
As at March 31, 2026							
Number of shares	3,210.00	-	3,210.00	272,850.00	1,104,240.00	-	1,380,300.00
Amount	**0.03**	**-**	**0.03**	**2.73**		**-**	**2.76**

(ii) Series A1 0.001% Compulsorily Convertible Preference Shares of INR 10 each, fully paid up ("Series A1 CCPS")

Particulars	Balance at the beginning of the year	Changes in Preference Share Capital due to prior period errors	Balance at the beginning of the current reporting year	Bonus shares issued during the year	Increase in shares due to share split	Preference Share Capital issued during the year/period	Balance at the end of the year/ period
As at March 31, 2025							
Number of shares	2,756.00	-	2,756.00			-	2,756.00
Amount	**0.03**	**-**	**0.03**			**-**	**0.03**
As at March 31, 2026							
Number of shares	2,756.00	-	2,756.00	234,260.00	948,064.00	-	1,185,080.00
Amount	**0.03**	**-**	**0.03**	**2.34**		**-**	**2.37**

(All amounts are in INR Million, except share data and unless otherwise stated)

(iii) Series B 0.001% Compulsorily Convertible Preference Shares of INR 10 each, fully paid up ("Series B CCPS")

Particulars	Balance at the beginning of the year	Changes in Preference Share Capital due to prior period errors	Balance at the beginning of the current reporting year	Bonus shares issued during the year	Increase in shares due to share split	Preference Share Capital issued during the year/period	Balance at the end of the year/ period
As at March 31, 2025							
Number of shares	330.00	-	330.00			265.00	595.00
Amount	**0.00**	**-**	**0.00**			**0.00**	**0.00**
As at March 31, 2026							
Number of shares	595.00	-	595.00	50,575.00	204,680.00	-	255,850.00
Amount	**0.00**	**-**	**0.00**	**0.51**		**-**	**0.51**

(iv) Series B1 0.001% Compulsorily Convertible Preference Shares of INR 10 each, fully paid up ("Series B1 CCPS")

Particulars	Balance at the beginning of the year	Changes in Preference Share Capital due to prior period errors	Balance at the beginning of the current reporting year	Bonus shares issued during the year	Increase in shares due to share split	Preference Share Capital issued during the year/period	Balance at the end of the year/ period
As at March 31, 2025	-	-	-			196.00	196.00
Number of shares	-	-	-			0.00	0.00
Amount							
As at March 31, 2026							
Number of shares	196.00	-	196.00	16,660.00	67,424.00	-	84,280.00
Amount	0.00	-	0.00	0.17		-	0.17

(v) Series B2 0.001% Compulsorily Convertible Preference Shares of INR 10 each, fully paid up ("Series B2 CCPS")

Particulars	Balance at the beginning of the year	Changes in Preference Share Capital due to prior period errors	Balance at the beginning of the current reporting year	Bonus shares issued during the year	Increase in shares due to share split	Preference Share Capital issued during the year/period	Balance at the end of the year/ period
As at March 31, 2025							
Number of shares	-	-	-			1,945.00	1,945.00
Amount	-	-	-			0.02	0.02
As at March 31, 2026							
Number of shares	1,945.00	-	1,945.00	165,325.00	669,080.00	-	836,350.00
Amount	**0.02**	**-**	**0.02**	**1.65**		**-**	**1.67**

(vi) Series B3 0.001% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid up ("Series B3 CCPS")

Particulars	Balance at the beginning of the year	Changes in Preference Share Capital due to prior period errors	Balance at the beginning of the current reporting year	Bonus shares issued during the year	Increase in shares due to share split	Preference Share Capital issued during the year/period	Balance at the end of the year/ period
As at March 31, 2025							
Number of shares	-	-	-			343.00	343.00
Amount	-	-	-			0.00	0.00
As at March 31, 2026							
Number of shares	343.00	-	343.00	29,155.00	117,992.00	-	147,490.00
Amount	**0.00**	**-**	**0.00**	**0.29**		**-**	**0.29**

(All amounts are in INR Million, except share data and unless otherwise stated)

Compulsorily Convertible Debentures

Compulsorily Convertible debentures of INR 10 each, fully paid up ("CCDs")

Particulars	Balance at the beginning of the year	Changes in Debentures due to prior period errors	Balance at the beginning of the current reporting year	Debentures issued during the year/period	Debentures converted into equity shares	Balance at the end of the year/ period
As at March 31, 2025						
Number of shares	-	-	-	201.00	-	201.00
Amount	-	-	-	**0.00**	**-**	0.00
As at March 31, 2026						
Number of shares	201.00	-	201.00	1,795.00	-1,996.00	-
Amount	**0.00**	**-**	**0.00**	**0.02**	**-0.02**	**0.00**

(C) Other equity

Particulars	Reserves and Surplus		Items of OCI	Total
	Securities premium	Retained earnings	Remeasurement of defined benefit plans through other comprehensive income	
Balance as at April 1, 2024	**763.54**	**204.86**	**-**	**970.08**
Profit for the year	-	183.67	-	183.67
Other comprehensive income for the year, net of income tax	-	-	(0.40)	(0.40)
Sub total	**763.54**	**388.53**	**1.28**	**1,153.35**
Premium arising on issue/conversion of securities	528.96	-	-	528.96
Expenses incurred on issue of securities	(27.58)	-	-	(27.58)
Balance as at March 31, 2025	**1,264.92**	**388.53**	**1.28**	**1,654.73**
Balance as at April 1, 2025	**1,264.92**	**388.53**	**1.28**	**1,654.73**
Profit for the year	-	259.15	-	259.15
Other comprehensive income for the year, net of income tax	-	-	1.61	1.61
Sub total	**1,264.92**	**647.68**	**2.89**	**1,915.49**
Premium arising on issue/conversion of securities	482.08	-	-	482.08
Issue of bonus equity shares	(95.37)	-	-	(95.37)
Issue of bonus CCPS	(7.69)	-	-	(7.69)
Expenses incurred on issue of securities	(0.33)	-	-	(0.33)
Balance as at March 31, 2026	**1,643.61**	**647.68**	**2.89**	**2,294.18**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

For and on behalf of the Board of Directors of Garuda Aerospace Limited

R. Sundararajan
Partner
Membership No.: 029814
Place: Chennai
Date: 17.08.2026

Agnishwar
Whole-time Director
DIN: 02288785
Place: Chennai
Date: 17.08.2026

Rithika Mohan
Whole-time Director
DIN: 08116670
Place: Chennai
Date: 17.08.2026

Sudharsan Ravichandran
Chief Financial Officer
Place: Chennai
Date: 17.08.2026

Ravichandran Harisha
Company Secretary and Compliance Officer
ACS No: A76490
Place: Chennai
Date: 17.08.2026

Material accounting policies to Restated Financial Information

(All amounts are in INR Million, except share data and unless otherwise stated)

1. Corporate Information

Garuda Aerospace Limited (formerly known as GARUDA AEROSPACE LIMITED) ('the Company') was incorporated on October 06, 2015 under the provisions of the Companies Act, 2013. The Company has its registered office at Third Floor, Agni Business Center, No. 24/46, K B Dasan Road, Alwarpet, Chennai, Tamil Nadu - 600018. The Company is engaged in the business of manufacturing, operating, and providing services of Unmanned Aerial Vehicle (UAV or drones) for aerial topography, crop monitoring, and mapping purposes.

Pursuant to the Board resolution dated November 05, 2025 and shareholders resolution dated November 21, 2025, the Company has approved its conversion from Private Limited to Public Limited Company in accordance with the applicable provisions of Companies Act, 2013, as amended and rules and regulations made thereunder. Upon conversion, the name of the Company was changed from "GARUDA AEROSPACE LIMITED" to "Garuda Aerospace Limited" and a fresh Certificate of Incorporation dated December 05, 2025 was issued by Registrar of Companies, Chennai (ROC).

2. Basis of preparation, measurement, and Material accounting policies:

2.1 Basis of Preparation & Measurement:

A. Basis of preparation

The Financial Statements of the Company comprise of the Balance Sheet as at March 31, 2026, March 31, 2025 and the transition date, April 01, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the years ended March 31, 2026 and March 31, 2025, and the Summary of Material Accounting Policies and other explanatory information (collectively, the 'Financial Statements').

These Financial Statements have been prepared by the Company in accordance with Section 129 of the Companies Act, 2013, as amended ("the Act"), and comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and the other accounting principles generally accepted in India, together with the presentation requirements of Division II of Schedule III to the Act, as amended, to the extent applicable.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has mandatorily adopted Ind AS with effect from April 01, 2025. Accordingly, the transition date for adoption of Ind AS is April 01, 2024. These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has applied Ind AS 101 "First-time Adoption of Indian Accounting Standards" in preparing these Financial Statements, with April 01, 2024 as the date of transition. The mandatory exceptions and optional exemptions availed by the Company on transition to Ind AS, together with a reconciliation of equity as at March 31, 2025 and April 01, 2024, and of total comprehensive income for the year ended March 31, 2025, as previously reported under the Company's previous GAAP, to the amounts reported under Ind AS, are set out in Note 39.

B. Basis of measurement

The Financial Statements have been prepared on a historical cost basis, except for financial instruments that are measured at fair values respectively at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The Company has established policies and procedures with respect to the measurement of fair values.

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 and liabilities.
- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

C. Functional currency and presentation currency

The Financial Statements are presented in 'Indian Rupees' (INR), which is the currency of the primary economic environment in which the Company operates (the functional currency).

All financial information has been rounded off to the nearest Million, except for share data and unless otherwise stated.

D. Going concern

The directors have at the time of approving the Financial Statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has applied the going concern basis of accounting in preparing the Financial Statements.

E. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Key sources of estimation uncertainty, critical judgments, and assumptions, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of the following:

(i) Classification of securities with exit rights - Certain identified investor securities were granted exit rights including the right to require the Company to buy-back such investor securities. Subsequently, the investors have waived the exit rights pertaining to the buy-back by the Company and such securities are accounted for as equity instruments - Refer Note 12 for a detailed description.

(ii) Capitalisation of internally developed intangible assets - Refer Note B - Intangible assets in section 2.2.

(iii) Recognition of provisions and contingences - Refer Note I - Provisions, contingent liabilities and contingent assets and Note J - Revenue recognition: Warranty in section 2.2.

(iv) Sponsorship expenses paid to a related party - The sponsorship agreement entered with the related party reflect a lease arrangement in substance as per Ind AS 116 and hence the sponsorship expenses were concluded as lease payments. Refer Note 14.2 for a detailed explanation of the same.

(v) Useful lives of property, plant and equipment and other intangible assets - Refer Note A - Property, Plant and equipment and Note B - Intangible assets in section 2.2.

(vi) Impairment of financial and non-financial assets - Refer Note C - Impairment in section 2.2.

(vii) Initial recognition and subsequent measurement of investments in unquoted equity shares - Refer to Note H – Financial instruments: Financial Assets in section 2.2.

(viii) Recognition of deferred tax assets and liabilities - Refer note M – Income taxes in section 2.2.

F. Current and non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on the requirement under Schedule III of the Companies Act, 2013 to be classified as current or non-current.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless 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 current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2.2 Material accounting policies:

A. Property, plant and equipment

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Capital Work in Progress (CWIP) are stated at cost less accumulated impairment losses, if any. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition and installation of the Property, Plant and Equipment and borrowing cost if capitalization criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Subsequent expenditure relating to Property, Plant and Equipment is capitalized only if it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, it is depreciated separately based on their specific useful life. The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its or disposal. Any gain or loss arising on de-recognition 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 de-recognized. The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Depreciation

Depreciation is computed with reference to cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of profit or loss. Depreciation on property, plant and equipment is provided on written down value method considering the useful life of the assets and the estimated residual value as provided in Part C of Schedule II to the Companies Act, 2013. Useful life and residual values are reviewed by management at every balance sheet date and adjusted, if appropriate.

Tangible Asset	Useful life (in years)
Computers and Data Processing units	3
Plant & machinery	15
Furniture & Fixtures	10
Office Equipment	5
Vehicles	8

Capital Advances

Advances paid to acquire Property, Plant and Equipment before the Balance Sheet date are disclosed under other non-current assets.

B. Intangible assets

Intangible assets comprise computer software and patents. Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates

Intangible assets are amortized on a written down value method basis over the estimated economic useful life of the asset.

Amortization method, useful lives, and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible Asset	Useful life (in years)
Software	1-10

The useful life of a capitalised patent is determined as the lower of:

(a) its economic useful life, being the lower of (i) the period over which the underlying product generation is expected to remain commercially viable before technical supersession and (ii) the period over which the Company expects to commercially exploit the asset; and

(b) its remaining legal life, being the period of legal protection remaining under the relevant registration or patent as at the date the asset became available for use. Legal life operates only as a ceiling on useful life and is never a basis for extending it. A renewal period is added to the remaining legal life only where renewal is probable and obtainable at insignificant cost.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets under development

Intangible assets under development include the cost of patents, drones and software that are under development phase and not put to use as at the end of the financial year. The Company is currently undertaking the development of design structures of drones and AI based drone spraying products and such development activities are at various stages of completion. Upon completion and accreditation by the Directorate General of Civil Aviation (DGCA), the designs are patented and registered in the name of the Company and are reclassified under “Intangible Assets” and amortized over its estimated useful life.

The Company is also involved in development of mobile applications and web portals with third party developers for which payments are milestone based. Such payments are recognized as intangible assets under development till the time of its completion, post which these are recognized as intangible assets.

Intangible Assets under Development are not depreciated as these assets are not yet available for use.

Research and development costs:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- How the asset will generate future economic benefits and the availability of adequate resources to complete the development and to use or sell the assets
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. The cost comprises directly attributable cost to development which includes salary cost of employees working on the development of intangible assets along with such other costs identified to be directly attributable to the development phase of the asset.

C. Impairment

i. Non-financial assets:

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-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 considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

ii. Financial assets:

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The Company considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL is measured in a manner that they reflect unbiased, and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions, and forecasts of future economic conditions. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off during the year.

D. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. At the inception of the contract, the Company assesses whether a contract is or contains a lease, The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

E. Inventories

Inventories comprise of raw material, work in progress and finished goods. Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average method. Cost, including production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis.

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. The replacement cost of materials as at the end of the year has been considered as the best available measure of their net realizable value.

F. Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances in current accounts and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

'Other bank balances' comprise of items such as bank deposits with more than three months maturity and balances with banks to the extent of held as margin money or security against borrowings, etc. Further, bank deposits with more than twelve months maturity and balances with banks to the extent of held as margin money or security against borrowings, etc. are presented separately under 'Other Non-current financial assets'.

G. Government Grants:

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income. Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

H. Financial Instruments:

i) Financial Assets

Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent Measurement

Financial Assets measured at Amortised Cost (AC):

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

ii) Financial Liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at Fair Value Through Profit and Loss-[FVTPL]; and
- those measured at Amortised Cost [AC]

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at Fair Value Through Profit and Loss or at amortised cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, lease liabilities, loans and borrowings including bank overdrafts and liability component of convertible instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at Fair Value Through Profit and Loss

Financial liabilities at Fair Value Through Profit and Loss [FVTPL] include 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 Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, 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 recognized in OCI. These gains/losses are not subsequently transferred to statement of profit or 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 (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings 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 amortization 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. This category generally applies to borrowings.

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 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.

Modification

Where the estimates of payments of financial liabilities are revised, the amortised cost of the financial liability are adjusted to reflect the actual and revised estimated contractual cash flows. The revised estimated contractual cash flows are calculated as the present value of the estimated future contractual cash flows that are discounted at the original effective interest rate. The adjustment so made 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, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Compound Financial Instruments

Compound Financial Instruments are separated into liability and equity components based on the terms of the contract. On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at FVTPL (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity since conversion option meets Ind AS 32 criteria for fixed-to-fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is remeasured at each reporting date. Transaction Costs are apportioned between the liability and equity components of the compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

Compulsorily Convertible Preference Shares (CCPS):

Compulsorily Convertible Preference Shares (CCPS) are those shares which are issued with the terms that it can be converted into certain number of equity shares after a period of time. CCPS offer fixed income to the investors and compulsorily convert into Equity Shares of the issuing company after a predetermined period. The terms of conversion are also pre-decided at the time of issue.

Compulsorily Convertible Debentures (CCD):

Compulsorily Convertible Debentures (CCD) are those debentures which are issued with the terms that it can be converted into certain number of equity shares after a period of time. CCD offer fixed income to the investors and compulsorily convert into Equity Shares of the issuing company after a predetermined period. The terms of conversion are also pre-decided at the time of issue.

I. Provisions, contingent liabilities, and contingent assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which 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 a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

J. Revenue recognition

Revenue is recognised to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes goods or services contributed by the customer, as non-cash consideration, over which the company has control. Revenue is recognised net of any taxes collected from customers, which are remitted to governmental authorities.

i) Sale of goods

Revenue from sale of goods is recognized a point in time when control of the goods is transferred to the Customers. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

ii) Sale of services

Sale of services comprise of maintenance services, training services, and revenue from other services like drone demonstration services, project management & structural inspection services, highway monitoring services, topographical survey services, etc. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Warranty

The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

Contract balances - Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract balances - Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

K. Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time when employee leaves the Company. The gratuity liability amount is unfunded and formed exclusively for gratuity payment to the employees. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the periods during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

L. Foreign exchange transactions and translation

Transactions in foreign currencies i.e., other than the Company's functional currency of Indian Rupees are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in the Statement of profit and loss in the period in which they arise.

M. Expenditure in Foreign Currency

in million

Earnings in Foreign Currency	For the year ended March 31, 2026	For the year ended 31 March 2025
Sale of Product (Export)	-	0.39
Total	**-**	**0.39**

Expenditure in Foreign Currency	For the year ended March 31, 2026	For the year ended 31 March 2025
Purchase of Product (Import)	233.15	260.98
Total	**233.15**	**260.98**

N. Income Taxes

Income tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the other comprehensive income or in equity. In which case, the tax is also recognized in the other comprehensive income or in equity.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or subsequently enacted at the Balance sheet date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set and presented as net.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Ind AS Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have enacted or substantively enacted by the end of the reporting year. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting year. Deferred taxes are recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Group.

O. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year after tax by the weighted average number of equity shares outstanding during the year, adjusted for bonus and split elements in equity shares issued during the period/year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

The Weighted average number of equity share outstanding during the period/years is adjusted for events such as sub division and bonus, that have changed the number of equity share outstanding.

P. Operating Segments

The Company is exclusively engaged in the business of manufacturing, operating, and providing services of UAV systems which are used for security and surveillance. The ancillary business of providing training and maintenance services revolve around the main business of manufacturing, operating, and providing services of UAV systems. Based on Management Approach, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of overall country level performance indicators. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole.

3. Amendments issued but not effective:

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendment requires that if a covenant breach is rectified after the reporting date, the same will be treated as a non-adjusting event and this amendment will be applicable from annual reporting periods beginning on or after April 01, 2026. The application of the amendments to Ind AS 1 is not expected to have material impact on the Company's financial statements.

4. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has notified the following amendments to Ind AS which have been applied by the Company for the first time:

i. Amendments to Ind AS 21 – Lack of exchange ability

The MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 on May 07, 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 01, 2025. The application of the amendments to Ind AS 21 had no material impact on the Company's financial statements.

ii. Amendments to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with Covenants

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 on August 13, 2025, which amend paragraphs 69 to 76 of Ind AS 1 Presentation of Financial Statements 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.

- 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.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of the amendments to Ind AS 1 had no material impact on the Company's financial statements.

iii. Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 on August 13, 2025, which amend 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 are effective for annual reporting periods beginning on or after April 01, 2025. The application the amendments to Ind AS 7 and Ind AS 107 had no material impact on the Company's financial statements.

iv. Amendments to Ind AS 12 - International Tax Reform—Pillar Two Model Rules

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 on August 13, 2025, which amend 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 April 01, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. The application of the amendments to Ind AS 12 had no material impact on the Company's financial statements.

v. Ind AS 117 Insurance Contracts

The MCA notified the Ind AS 117, Insurance Contracts, vide notification dated August 12, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after April 01, 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

a) A specific adaptation for contracts with direct participation features (the variable fee approach)

b) A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Company's financial statements.

vi. Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after April 01, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment had no impact on the Company's financial statements.

Notes to Financial Information

(All amounts are in INR Million, except share data and unless otherwise stated)

3 Property, plant and equipment

Description	Building*	Computers and Data Processing units	Plant & machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Deemed Cost (Gross Carrying Value)							
At April 1, 2024	-	3.99	119.23	0.92	0.98	8.17	133.29
Additions	-	2.18	43.91	3.20	1.13	-	50.42
Disposals	-	-	(1.45)	-	-	-	(1.45)
At March 31, 2025	**-**	**6.17**	**161.69**	**4.12**	**2.11**	**8.17**	**182.26**
At April 1, 2025	**-**	**6.17**	**161.69**	**4.12**	**2.11**	**8.17**	**182.26**
Additions	27.38	2.45	26.33	4.46	1.64	-	62.26
Disposals	-	-	-	-	-		-
At March 31, 2026	**27.38**	**8.62**	**188.02**	**8.58**	**3.75**	**8.17**	**244.52**
Accumulated Depreciation							
At April 1, 2024	-	-	-	-	-	-	-
Charge for the year	-	3.32	23.79	0.50	0.63	2.55	30.79
Eliminated on disposals	-	-	(0.24)	-	-	-	-0.24
At March 31, 2025	**-**	**3.32**	**23.55**	**0.50**	**0.63**	**2.55**	**30.55**
At April 1, 2025	-	3.32	23.55	0.50	0.63	2.55	30.55
Charge for the year	0.01	2.35	27.52	1.58	0.93	1.75	34.14
Eliminated on disposals	-	-	-	-	-	-	-
At March 31, 2026	**0.01**	**5.67**	**51.07**	**2.08**	**1.56**	**4.30**	**64.69**
Carrying Amount							
At March 31, 2026	27.37	2.95	136.95	6.50	2.19	3.87	179.83
At March 31, 2025	-	2.85	138.14	3.62	1.48	5.62	151.71
At April 1, 2024	-	3.99	119.23	0.92	0.98	8.17	133.29

3.1 There are no impairment losses recognised during the period ended March 31, 2026 and March 31, 2025.

3.2 The Company has not revalued its property, plant and equipment as on each reporting period/year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

3.3 Building represents floor constructed above underlying leasehold building.

4 Right-of-use assets

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	Land	Buildings	Total
Cost			
At April 1, 2024	0.96	12.58	13.54
Additions	-	0.59	0.59
At March 31, 2025	**0.96**	**13.17**	**14.13**
At April 1, 2025	**0.96**	**13.17**	**14.13**
Additions	-	77.48	77.48
At March 31, 2026	**0.96**	**90.65**	**91.61**
Accumulated Depreciation			
At April 1, 2024	0.38	7.86	8.24
Charge for the year	0.19	4.62	4.81
At March 31, 2025	**0.57**	**12.48**	**13.05**
At April 1, 2025	0.57	12.48	13.05
Charge for the year	0.19	4.64	4.83
At March 31, 2026	**0.76**	**17.12**	**17.88**
Carrying Amount			
At March 31, 2026	0.20	73.53	73.73
At March 31, 2025	0.39	0.69	1.08
At April 1, 2024	**0.58**	**4.72**	**5.30**

5 Other Intangible Assets

Description	Patent	Software	Total
Deemed Cost (Gross Carrying Value)			
At April 1, 2024	**-**	**6.94**	**6.94**
Additions	-	2.26	2.26
Disposals	-	(4.25)	-4.25
At March 31, 2025	**-**	**4.95**	**4.95**
At April 1, 2025	**-**	**4.95**	**4.95**
Additions	6.45	3.78	10.23
Disposals	-	-	-
At March 31, 2026	**6.45**	**8.73**	**15.18**
Accumulated Amortisation			
At April 1, 2024	-	2.55	2.55
Charge for the year	-	1.60	1.60
Eliminated on disposals	-	(0.98)	(0.98)
At March 31, 2025	**-**	**3.17**	**3.17**
At April 1, 2025	**-**	**3.17**	**3.17**
Charge for the year	0.44	1.41	1.85
Eliminated on disposals	-	-	-
At March 31, 2026	**0.44**	**4.58**	**5.02**
Carrying Amount			
At March 31, 2026	**6.01**	**4.15**	**10.16**
At March 31, 2025	**-**	**1.78**	**1.78**

5.1 There are no impairment losses recognised during the period ended March 31, 2026 and March 31, 2025.

5.2 The Company has not revalued its intangible assets as on each reporting period/year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

(All amounts are in INR Million, except share data and unless otherwise stated)

6 Intangible assets under development

Description	Internally generated	Acquired		Total
	Patents under development	Drone under development	Software under development	
At April 1, 2024	-	-	-	-
Additions	8.73	14.33	12.20	35.26
Transfer to Patents/Software	-	-	-	-
At March 31, 2025	**8.73**	**14.33**	**12.20**	**35.26**
At April 1, 2025	**8.73**	**14.33**	**12.20**	**35.26**
Additions	2.25	-	-	2.25
Transfer to Patents/Software	(6.02)	-	-	(6.02)
At March 31, 2026	**4.96**	**14.33**	**12.20**	**31.49**

At March 31, 2026

Particulars	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress:					
Patents under development	2.23	2.71	-	-	4.96
Drone under development	14.33	-	-	-	14.33
Software under development	12.20	-	-	-	12.20
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**28.78**	**2.71**	**-**	**-**	**31.49**

At March 31, 2025

Particulars	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress:					
Patents under development	8.73	-	-	-	8.73
Drone under development	14.33	-	-	-	14.33
Software under development	12.20	-	-	-	12.20
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**35.26**	**-**	**-**	**-**	**35.26**

(All amounts are in INR Million, except share data and unless otherwise stated)

7 Financial assets

7.1 Financial assets - Investments

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Non-current				
Unquoted				
Designated and measured at FVTPL				
Investment in equity instruments				
Zuppa Geo Navigation Technologies Private Limited	2,390.00	4.97	2,390.00	4.97
Total	2,390.00	4.97	2,390.00	4.97
Aggregate carrying amount of quoted investments	-	-	-	-
Aggregate market value of quoted investments	-	-	-	-
Aggregate carrying amount of unquoted investments	2,390.00	4.97	2,390.00	4.97
Aggregate impairment in value of investments	-	-	-	-

7.2 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Considered good - Unsecured	2,430.70	1,146.22	956.02
Trade receivables which have a significant increase in credit risk	-	-	-
Trade receivables - Credit impaired	2.09	2.09	0.31
Less: Loss allowance	(88.82)	(28.80)	(37.67)
Total	**2,343.97**	**1,119.51**	**918.66**

Movement in the allowance for impairment of trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Balance at the beginning of the year	28.80	37.67	8.62
Net remeasurements of loss allowance	111.11	(0.39)	29.05
Amounts written off	(51.09)	(8.48)	-
Balance at the end of the year	**88.82**	**28.80**	**37.67**

(All amounts are in INR Million, except share data and unless otherwise stated)

Trade receivables ageing schedule as at March 31, 2026

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	1,559.90	396.27	409.60	67.02	-	2,432.79
Undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade Receivables – considered good	-	-	-	-	-	-	-
Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Provision for impairment allowance							(88.82)
Total	**-**	**1,559.90**	**396.27**	**409.60**	**67.02**	**-**	**2,343.97**

Trade receivables ageing schedule as at March 31, 2025

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	764.39	243.22	138.61	-	-	1,146.22
Undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade Receivables – credit impaired	-	-	-	-	-	2.09	2.09
Disputed trade Receivables – considered good	-	-	-	-	-	-	-
Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Provision for impairment allowance							(28.80)
Total	**-**	**764.39**	**243.22**	**138.61**	**-**	**2.09**	**1,119.51**

Trade receivables ageing schedule as at March 31, 2024

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	750.27	3.52	171.36	30.87	-	956.02
Undisputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade Receivables – credit impaired	-	-	-	-	-	0.31	0.31
Disputed trade Receivables – considered good	-	-	-	-	-	-	-
Disputed trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Provision for impairment allowance							(37.67)
Total	-	**750.27**	**3.52**	**171.36**	**30.87**	**0.31**	**918.66**

(All amounts are in INR Million, except share data and unless otherwise stated)

7.3 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Balances with Banks			
- in current accounts	23.90	9.50	97.75
- in bank deposits with original maturity of 3 months or less	-	-	-
Cash on hand	-	-	0.31
Total	**23.90**	**9.50**	**98.06**

7.4 Bank balances other than the above

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
In deposit accounts with original maturity for more than 3 months but less than 12 months	0.64	33.98	53.26
In earmarked accounts			
- Balances held as margin money	27.39	0.34	3.13
Total	**28.03**	**34.32**	**56.39**

7.5 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Non-current			
Security deposits	11.27	30.68	45.07
EMD deposits	-	2.27	2.87
Bank deposits with more than 12 months of original maturity	84.00	8.23	0.10
In earmarked accounts			
- Balances held as margin money	12.99	19.11	-
Total	**108.26**	**60.29**	**48.04**
Current			
Security deposits	-	-	-
EMD deposits	31.92	19.01	4.07
Interest accrued but not received on deposits	1.10	3.32	2.09
Product linked incentive receivable	-	-	5.08
Receivable from factoring arrangement	-	-	-
Other advances	11.28	11.28	-
	44.30	**33.61**	**11.24**
Less: Loss allowance on EMD deposits	(1.75)	(1.55)	(0.52)
Total	**42.55**	**32.06**	**10.72**

Movement in the allowance for impairment of EMD Deposits

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Balance at the beginning of the year	1.55	0.52	0.15
Net remeasurements of loss allowance	0.20	1.03	0.37
Amounts written off	-	-	-
Balance at the end of the year	**1.75**	**1.55**	**0.52**

(All amounts are in INR Million, except share data and unless otherwise stated)

8 Income Taxes

A Amount recognized in the statement of profit or loss

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Current Tax		
In respect of the current period	105.13	67.00
In respect of the earlier periods	(4.96)	0.96
Deferred Tax		
Origination and reversal of temporary differences	(18.69)	2.43
Income tax expense reported in the statement of profit or loss	**81.48**	**70.39**

B Amount recognized to other comprehensive income

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Deferred tax on:		
Remeasurement of defined benefit plans	0.54	(0.13)
Income tax recognized in other comprehensive income	0.54	(0.13)

C Reconciliation of Effective tax rate

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	340.63	254.06
Enacted tax rate in India	25.17%	25.17%
Income tax on accounting profit	85.73	63.94
Effect of		
Expenses not allowable under Income tax	17.44	1.60
Permanent disallowances	2.30	-
Utilisation of tax losses	-	(0.96)
Tax effect of prior years	(4.96)	0.96
Change in deferred tax assets	(18.69)	2.43
Others	(0.34)	2.42
Income tax expense recognized in the Statement of Profit or loss	**81.48**	**70.39**

D Deferred tax assets/(liabilities), net

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax asset/(liabilities):		
Property, plant and equipment & Intangible assets	2.77	0.65
Provision for Gratuity	0.64	0.76
Financial liabilities carried at FVTPL	-	-
Right of use assets	(18.56)	(0.27)
Lease liabilities	19.14	0.28
Security deposit	-	-
Expected credit loss on financial assets	22.80	7.64
Fair value adjustment on borrowings	-	-
Equity investments measured at FVTPL	0.01	0.01
Tax disallowance	0.42	
Deferred tax asset/(liability), net	**27.22**	**9.07**

(All amounts are in INR Million, except share data and unless otherwise stated)

E Movement of deferred tax assets/(liabilities), net

For the period ended March 31, 2026

Particulars	As at April 1, 2025	Recognized in the Statement of Profit or loss	Recognized in Other comprehensive income	Recognized directly in equity	As at March 31, 2026
Property, plant and equipment & Intangible assets	0.65	2.12	-	-	2.77
Provision for Gratuity	0.76	0.42	(0.54)	-	0.64
Financial liabilities carried at FVTPL	-	-	-	-	-
Right of use assets	(0.27)	(18.29)	-	-	(18.56)
Lease liabilities	0.28	18.86	-	-	19.14
Security deposit	-	-	-	-	-
Expected credit loss on financial assets	7.64	15.16	-	-	22.80
Fair value adjustment on borrowings	-	-	-	-	-
Equity investments measured at FVTPL	0.01	-	-	-	0.01
Tax disallowance		0.42			0.42
Deferred tax asset/(liability), net	**9.07**	**18.69**	**(0.54)**	**-**	**27.22**

For the year ended March 31, 2025

Particulars	As at April 1, 2024	Recognized in the Statement of Profit or loss	Recognized in Other comprehensive income	Recognized directly in equity	As at March 31, 2025
Property, plant and equipment & Intangible assets	(0.36)	1.01	-	-	0.65
Provision for Gratuity	0.42	0.21	0.13	-	0.76
Financial liabilities carried at FVTPL	-	-	-	-	-
Right of use assets	(1.33)	1.06	-	-	(0.27)
Lease liabilities	3.04	(2.76)	-	-	0.28
Security deposit	0.02	(0.02)	-	-	-
Expected credit loss on financial assets	9.61	(1.97)	-	-	7.64
Fair value adjustment on borrowings	(0.03)	0.03	-	-	-
Equity investments measured at FVTPL	-	0.01	-	-	0.01
Deferred tax asset/(liability), net	**11.37**	**(2.43)**	**0.13**	**-**	**9.07**

(All amounts are in INR Million, except share data and unless otherwise stated)

9 Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	129.30	64.90
Total	**129.30**	**64.90**

10 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials*	182.56	67.62
Work in progress	-	-
Finished goods	160.11	178.26
Total	**342.67**	**245.88**

* Raw materials includes stock lying with supplier of Rs.120.42 million

11 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Balances with revenue authorities	119.49	76.01	41.13
Advances for expenses	-	0.33	1.97
Advances to suppliers	119.16	140.72	82.31
Advances to employees	-	0.28	0.25
Prepaid expenses	1.96	1.78	17.64
Prepaid lease acquisition cost	5.15	-	-
Other advances	0.04	100.90	0.63
Deferred IPO Expenses*	4.30	-	-
Total	**250.10**	**320.02**	**143.93**

*** Deferred IPO Expenses:**

The Company has incurred certain expenses in connection with the proposed Initial Public Offering (IPO), which have been deferred and classified under Other Current Assets as at 31 March 2026. Based on management's assessment, these expenses are expected to be adjusted against the securities premium arising from the proposed issue of equity shares, in accordance with Ind AS 32, subject to the successful completion of the IPO. The IPO process is currently in progress and the proposed issue is subject to applicable regulatory and other approvals.

(All amounts are in INR Million, except share data and unless otherwise stated)

12A Equity share capital

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Authorised share capital:									
Equity shares	70,000,000	2.00	140.00	190,000.00	10.00	1.90	190,000.00	10.00	1.90
Preference shares	5,000,000	2.00	10.00	10,000.00	10.00	0.10	10,000.00	10.00	0.10
Issued, subscribed and full paid up share capital:									
Equity shares	48,246,430	2.00	96.49	108,355.00	10.00	1.08	108,288.00	10.00	1.08
Total	**48,246,430**	**2.00**	**96.49**	**108,355.00**	**10.00**	**1.08**	**108,288.00**	**10.00**	**1.08**

12B Instruments entirely equity in nature

Compulsorily Convertible Preference Shares	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares/ securities	Par value	Amount	No. of shares/ securities	Par value	Amount	No. of shares/ securities	Par value	Amount
Series A CCPS	1,380,300	2.00	2.76	3,210.00	**10.00**	**0.03**	**3,210.00**	**10.00**	**0.03**
Series A1 CCPS	1,185,080	2.00	2.37	2,756.00	10.00	0.03	2,756.00	10.00	0.03
Series B CCPS	255,850	2.00	0.51	595.00	10.00	-	330.00	10.00	-
Series B1 CCPS	84,280	2.00	0.17	196.00	10.00	-	-	-	-
Series B2 CCPS	836,350	2.00	1.67	1,945.00	10.00	0.02	-	-	-
Series B3 CCPS	147,490	2.00	0.29	343.00	10.00	-	-	-	-
Compulsorily Convertible Debentures	-		-	201.00	10.00	-	-	-	-
Total	**3,889,350**	**2.00**	**7.77**	**9,246.00**	**10.00**	**0.08**	**6,296.00**	**10.00**	**0.06**

12C (a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	108,355	10.00	1.08	108,288.00	**10.00**	**1.08**	**107,312.00**	**10.00**	**1.07**
CCCPS converted into equity shares of the company	-	10.00	-	-	10.00	-	-	10.00	-
CCDs converted into equity shares of the company	1,996	10.00	0.02	-	10.00	-		10.00	
Shares issued during the year	1,850	10.00	0.02	67.00	10.00	0.00	976.00	10.00	0.01
Bonus shares issued during the year	9,537,085	10.00	95.37	-	10.00	-		10.00	
Increase due to share split	38,597,144		-	-		-	-		-
Balance at the end of the year	**48,246,430**	**2.00**	**96.49**	**108,355.00**	**10.00**	**1.08**	**108,288.00**	**10.00**	**1.08**

(All amounts are in INR Million, except share data and unless otherwise stated)

12C (b) Reconciliation of instruments entirely in the nature of equity outstanding at the beginning and at the end of the reporting period

Compulsorily Convertible Preference Shares

Series A CCPS

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	3,210	10.00	0.03	3,210.00	**10.00**	**0.03**	-	-	-
Issue of bonus shares	272,850	10.00	2.73	-	-	-	-	-	-
CCPS issued during the year	-	10.00	-	-	-	-	3,210.00	10.00	0.03
CCPS converted into equity shares of the company	-	10.00	-	-	-	-	-	-	-
Increase due to share split	1,104,240		-	-		-	-		-
Balance at the end of the year	**1,380,300**	**2.00**	**2.76**	**3,210.00**	**10.00**	**0.03**	**3,210.00**	**10.00**	**0.03**

Series A1 CCPS

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	2,756	10.00	0.03	2,756.00	**10.00**	**0.03**	-	-	-
Issue of bonus shares	234,260	10.00	2.34	-	-	-	-	-	
CCPS issued during the year	-	10.00	-	-	-	-	2,756.00	10.00	0.03
CCPS converted into equity shares of the company	-	10.00	-	-	-	-	-	-	-
Increase due to share split	948,064		-	-		-	-		-
Balance at the end of the year	**1,185,080**	**2.00**	**2.37**	**2,756.00**	**10.00**	**0.03**	**2,756.00**	**10.00**	**0.03**

Series B CCPS

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	595	10.00	0.00	330.00	**10.00**	**0.00**	-	-	-
Issue of bonus shares	50,575	10.00	0.51		-			-	
CCPS issued during the year	-	10.00	-	265.00	10.00	0.00	330.00	10.00	0.00
CCPS converted into equity shares of the company	-	10.00	-	-	-	-	-	-	-
Increase due to share split	204,680		-	-		-	-		-
Balance at the end of the year	**255,850**	**2.00**	**0.51**	**595.00**	**10.00**	**0.00**	**330.00**	**10.00**	**0.00**

(All amounts are in INR Million, except share data and unless otherwise stated)

Series B1 CCPS

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	196	10.00	0.00	-	-	-	-	-	-
Issue of bonus shares	16,660	10.00	0.17		-			-	
CCPS issued during the year	-	10.00	-	196.00	10.00	0.00	-	-	-
CCPS converted into equity shares of the company	-	10.00	-	-	-	-	-	-	-
Increase due to share split	67,424		-						
Balance at the end of the year	**84,280**	**2.00**	**0.17**	**196.00**	**10.00**	**0.00**	**-**	**-**	**-**

Series B2 CCPS

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	1,945	10.00	0.02	-	-	-	-	-	-
Issue of bonus shares	165,325	10.00	1.65		-			-	
CCPS issued during the year	-	-	-	1,945.00	-	0.02	-	-	-
CCPS converted into equity shares of the company	-	-	-	-	-	-	-	-	-
Increase due to share split	669,080		-						
Balance at the end of the year	**836,350**	**2.00**	**1.67**	**1,945.00**	**-**	**0.02**	**-**	**-**	**-**

Series B3 CCPS

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	343	10.00	0.00	-	-	-	-	-	-
Issue of bonus shares	29,155	10.00	0.29	-	-	-	-	-	
CCPS issued during the year	-	-	-	343.00	10.00	0.00	-	-	-
CCPS converted into equity shares of the company	-	-	-	-	-	-	-	-	-
Increase due to share split	117,992		-	-		-	-		-
Balance at the end of the year	**147,490**	**2.00**	**0.29**	**343.00**	**-**	**0.00**	**-**	**-**	**-**

(All amounts are in INR Million, except share data and unless otherwise stated)

Compulsorily Convertible Debentures

CCDs

Particulars	As at March 31, 2026			As at March 31, 2025			As at April 1, 2024		
	No. of shares	Par value	Amount	No. of shares	Par value	Amount	No. of shares	Par value	Amount
Balance at the beginning of the year	201	10.00	0.00	-	-	-	-	-	-
CCDs issued during the year	1,795	10.00	0.02	201.00	10.00	0.00	-	-	-
CCDs converted into equity shares of the company	-1,996	10.00	(0.02)	-	-	-	-	-	-
Balance at the end of the year	**-**	**-**	**0.00**	**201.00**	**10.00**	**0.00**	**-**	**-**	**-**

12D (i) Terms/rights attached to equity shares

The Company has only one class of equity shares having a face value of INR 2 per share (previous year: INR 10 per share). Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting ("AGM"), except in case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2026, pursuant to shareholders' approval, each equity share having a face value of INR 10 each was subdivided into 5 equity shares having a face value of INR 2 each. Consequent to the subdivision, the number of equity shares increased proportionately with no change in the aggregate amount of issued, subscribed and paid-up share capital.

Pursuant to the amended and restated SHA dated October 18, 2023, the investors who are a party to the SHA as on the said date have the right to call for an exit to be facilitated by the Company, including the right to require the Company to buy back / purchase all of the Investors' securities upon the failure of the Company to consummate an exit as specified in the amended and restated SHA. The Company has obtained a waiver from all relevant parties to the SHA with respect to the exit option provided and is of the view that the Company has a substantive contractual right to avoid making cash payment and therefore the exit option does not result in the instrument being classified as financial liability. Accordingly, the Company has accounted for the securities as equity instrument. Further, the Company has entered into a waiver agreement dated March 15, 2026 with the signatories to the shareholders' agreement dated October 18, 2023 ("SHA"), pursuant to which all special rights granted under the SHA have been waived. The articles of association of the Company ("AoA") have also been amended, to the extent applicable, to reflect such waiver.

12D (ii) Terms/rights attached to Compulsorily Convertible Preference Shares (CCPS):

The Company has Six classes of preference shares - Series A Compulsorily Convertible Preference, Series A1 Compulsorily Convertible Preference issued at a premium of INR 75,296.88/- each (Face Value INR 10 each) and Series B, Series B1, Series B2, Series B3 Compulsorily Convertible Preference shares issued at a premium of INR 1,75,324.93/- each (Face Value INR 10 each). The CCPS shall be participating, compulsorily convertible and non-cumulative preference shares of the Company. The holders of the CCPS shall have the right to receive dividend in preference and priority to any other shareholder of the Company at a rate of 0.001% ("Preferential Dividend"), if declared by the Board of Directors. In addition to and after payment of the Preferential Dividend, each CCPS would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of shares of all other classes (including Equity Shares) or series on a pro rata, as-if converted basis. In the event of liquidation of the Company, the holders of Compulsorily Convertible Preference Shares shall have a preference over other share holders of the Company.

A holder of CCPS may, issue a notice to the Company for conversion of the CCPS into Equity Shares, on the occurrence of the following:

(a) Prior to the last day permitted under and if required, under the Applicable Law in connection with an IPO; or

(b) At any time at the option of the holders of the CCPS; or

(c) 1 day prior to the expiry of 19 years from date of issuance of the CCPS.

Each CCPS shall be convertible into Equity Shares in the ratio of 1:1.

During the year ended March 31, 2026:

(a) The Company issued 768,825 bonus CCPS by capitalisation of reserves.

(b) Subsequently, each CCPS having a face value of INR 10 each was subdivided into 5 (five) CCPS having a face value of INR 2 each. Consequently, the number of CCPS increased proportionately without any change in the aggregate preference share capital.

Pursuant to the amended and restated SHA dated October 18, 2023, the Series A CCPS investors, who are a party to the SHA as on the said date, have the right to call for an exit to be facilitated by the Company, including the right to require the Company to buy back / purchase all of the Investors' securities upon the failure of the Company to consummate an exit as specified in the amended and restated SHA. The Company has obtained a waiver from all relevant parties to the SHA with respect to the exit option provided and is of the view that the Company has a substantive contractual right to avoid making cash payment and therefore the exit option does not result in the instrument being classified as financial liability. Accordingly, the Company has accounted for the aforementioned CCPS as equity instruments. Further, the Company has entered into a waiver agreement dated March 15, 2026 with the signatories to the shareholders' agreement dated October 18, 2023 ("SHA"), pursuant to which all special rights granted under the SHA have been waived. The articles of association of the Company ("AoA") have also been amended, to the extent applicable, to reflect such waiver.

12D (iii) Terms/rights attached to Compulsorily Convertible Debentures:

During the period ended March 31, 2026, the Company issued 1,795 Compulsorily Convertible Debentures (CCDs) of INR 10/- each at a premium of INR 1,75,325 per debenture, aggregating to INR 314.73 Million. During the year ended March 31, 2025, the Company issued 201 Compulsorily Convertible Debentures (CCDs) of INR 10/- each at a premium of INR 1,75,325 per debenture, aggregating to INR 35.24 Million. These CCDs are compulsorily convertible into equity shares with a conversion ratio of 1:1. The CCDs carry a coupon rate of 0.001% per year and are unsecured.

Each holder of CCD may, at any time, but prior to the expiry of 10 (Ten) years from the date of issuance of the CCD, issue a notice to the Company for conversion of its CCDs into Equity Shares of the Company at the Conversion Ratio, on the occurrence of the following:

(i) Prior to the last day permitted under applicable Law in connection with an initial public offering ("IPO"); or

(ii) At any time at the option of the holders of the CCDs; or

(iii) 1 (One) day prior to the expiry of 10 (Ten) years from date of allotment of the CCDs, whichever is earlier. The Conversion Ratio will be suitably adjusted on the occurrence of Anti-Dilution.

Pursuant to the Board resolution dated February 16, 2026, the Compulsorily Convertible Debentures (CCDs) were converted into Equity Shares in accordance with the terms of their issuance, and the Debenture Subscription Agreement dated February 16, 2026 stood terminated in accordance with its terms.

(All amounts are in INR Million, except share data and unless otherwise stated)

12E (a) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2026			As at March 31, 2025		
	No. of shares	Par value	% of shares held	No. of shares	Par value	% of shares held
Equity shares						
Agnishwar	37,137,620	2.00	76.97%	95,723.00	10.00	88.34%
Bhavani Jayaprakash	3,910,180	2.00	8.10%	-	-	-
Instruments entirely equity in nature						
Compulsorily Convertible Preference Shares						
Series A CCPS						
ZNL Growth Fund Scheme 1	570,180	2.00	41.31%	1,326.00	10.00	41.31%
Invstt Trust	401,190	2.00	29.07%	933.00	10.00	29.07%
Series A1 CCPS						
Bharat Taparia	285,520	2.00	24.09%	664.00	10.00	24.09%
Invstt Trust	134,590	2.00	11.36%	313.00	10.00	11.36%
Series B CCPS						
Hathor Corporate Advisors LLP	117,820	2.00	46.05%	274.00	10.00	46.05%
Rishabh Homes Private Limited	24,080	2.00	9.41%	56.00	10.00	9.41%
Vikram Kishorechandra Gajiwala	14,190	2.00	5.55%	33.00	10.00	5.55%
Series B1 CCPS						
Amit Gangadhar Bhor	6,880	2.00	8.16%	16.00	10.00	8.16%
C D Investments, represented by its Partner Ms. Dhvani K Jhunjhunwala	6,880	2.00	8.16%	16.00	10.00	8.16%
Nitin Gopal Deshpande	6,880	2.00	8.16%	16.00	10.00	8.16%
Makarand Dattatraya Phadke	6,880	2.00	8.16%	16.00	10.00	8.16%
Nirwana Growth LLP	11,180	2.00	13.27%	26.00	10.00	13.27%
Nitin Om Prakash Kariwala	7,310	2.00	8.67%	17.00	10.00	8.67%
R. G. Kasat Industries Private Limited	6,880	2.00	8.16%	16.00	10.00	8.16%
Sanjay Krishnarao Gaat	6,880	2.00	8.16%	16.00	10.00	8.16%
Shashank Manohar Deshpande	6,880	2.00	8.16%	16.00	10.00	8.16%
Shirish Prabhakar Deodhar	6,880	2.00	8.16%	16.00	10.00	8.16%
Zalak Jatin Sanghvi	10,750	2.00	12.76%	25.00	10.00	12.76%
Series B2 CCPS						
Biz Secure Labs Private Limited	122,120	2.00	14.60%	284.00	10.00	14.60%
Kailash Ramanlal Jhaveri	122,120	2.00	14.60%	284.00	10.00	14.60%
Kirti Family Trust, represented by its Trustee Mr. Bhutada Arjun Ashokkumar	48,590	2.00	5.81%	113.00	10.00	5.81%
Padma Lochan Mohanty	195,650	2.00	23.39%	455.00	10.00	23.39%
Series B3 CCPS					10.00	
Advance Agrisearch Limited	36,980	2.00	25.07%	86.00	10.00	25.07%
Hitesh Mehra	36,980	2.00	25.07%	86.00	10.00	25.07%
Pranav Dushyant Patel	30,530	2.00	20.70%	71.00	10.00	20.70%
Sunil Nayyar	43,000	2.00	29.15%	100.00	10.00	29.15%

(All amounts are in INR Million, except share data and unless otherwise stated)

12E (b) Shareholding of promoter and promoter group

Particulars	As at March 31, 2026			As at March 31, 2025		
	No. of shares	Par value	% of shares held	No. of shares	Par value	% of shares held
Promoter						
Agnishwar	37,137,620	2.00	76.97%	95,723.00	10.00	88.34%
Jayaprakash Vishnu	43,000	2.00	0.09%	100.00	10.00	0.09%
Rithika Mohan	171,140	2.00	0.35%	398.00	10.00	0.37%
Sub total (A)	**37,351,760**	**2.00**	**77.42%**	**96,221.00**	**10.00**	**88.80%**
Promoter group*						
Bhavani Jayaprakash	3,910,180	2.00	8.10%	-	-	-
Sub total (B)	**3,910,180**	**2.00**	**8.10%**	**-**	**-**	**-**
Total (A+B)	**41,261,940**	**2.00**	**85.52%**	**96,221.00**	**10.00**	**88.80%**

*Jayaprakash Vishnu and Rithika Mohan were classified as Promoters w.e.f November 5, 2025 pursuant to Board Resolution dated November 5, 2025.

12E (c) Details of shares allotted as fully paid up pursuant to contract without payment being received in cash

The Company had entered into a celebrity endorsement agreement with Mahendra Singh Dhoni (MSD) dated May 12, 2022, whereby MSD shall provide brand endorsement services over a defined tenure of six committed days during the two year term of the agreement for a remuneration of INR 70 Million, which has been accounted over the period in which the services were rendered. Additionally, they have entered into a Right to Subscribe agreement (RTS agreement) with MSD on the same date. During the period ended March 31, 2026, as per the terms of the RTS agreement, the Company has allotted 1,025 shares to MSD at an exercise price of INR 20,429.07 per share.

13 Other Equity

A Reserves and Surplus

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Securities premium (refer to A (i))	1,643.61	1,264.92	763.54
Retained earnings (refer to A (ii))	647.68	388.53	204.86
Total	**2,291.29**	**1,653.45**	**968.40**

A (i) Securities Premium

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,264.92	763.54
Premium arising on issue/conversion of securities	482.08	528.96
Issue of bonus equity shares	(95.37)	-
Issue of bonus CCPS	(7.69)	-
Expenses incurred on issue of securities	(0.33)	(27.58)
Balance at the end of the year	**1,643.61**	**1,264.92**

A (ii) Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	388.53	204.86
Profit/(loss) for the year	259.15	183.67
Balance at the end of the year	**647.68**	**388.53**

(All amounts are in INR Million, except share data and unless otherwise stated)

B Items of other comprehensive income

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1.28	1.68
Actuarial gain or loss on remeasurement of defined benefit obligation, net of taxes	2.15	(0.53)
Deferred tax on above	(0.54)	0.13
Balance at the end of the year	**2.89**	**1.28**

C Nature and purpose of other equity

(i) Securities Premium:

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The same is available for utilization in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit after tax/ loss is transferred from the statement of profit and loss to retained earnings.

14 Financial liabilities

14.1 Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Non-current			
Secured - at amortised cost			
Term Loans			
From ICICI Bank Limited	-	4.59	7.07
Unsecured - at amortised cost			
Hinduja Leyland Finance Limited	-	-	14.72
Total	**-**	**4.59**	**21.79**
Current			
Secured - at amortised cost			
Current portion of Non-current term loans			
From ICICI Bank Limited	4.59	2.48	2.20
Bank Overdrafts with ICICI Bank Limited and HDFC	109.82	59.88	151.36
Unsecured - at amortised cost			
From other parties			
Hinduja Leyland Finance Limited	-	-	1.32
Prabhakar Associates Private Limited	-	0.17	20.03
UGRO Capital Limited	18.26	-	-
From related parties			
Rithika Mohan	90.00	-	-
Total	**222.67**	**62.53**	**174.91**

(All amounts are in INR Million, except share data and unless otherwise stated)

14.1 Borrowings

Particulars	Security	Terms of repayment	Interest rate
Term loan from ICICI Bank Limited	Hypothecation of Maruti Suzuki Eeco cars	Within 60 months over a pre-determined repayment schedule	12.00%
Term loan from Hinduja Leyland Finance Limited	Unsecured	Within 120 months over a pre-determined repayment schedule	9.95%
Loan from UGRO Capital Limited	Unsecured	Within 12 months over a pre-determined repayment schedule	16.00%
Loan from Prabhakar Associates Private Limited	Unsecured	Repayable on demand	18.00%

During the year ended March 31, 2025, the Company had preclosed the unsecured loan availed from Hinduja Leyland Finance Limited. There is no default in payment of interest or repayment of loan.

Bank overdraft is secured by exclusive charge over the current assets, movable properties and fixed deposits of INR 84 Million.

14.2 Lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Non-current			
Lease liabilities	72.73	0.68	0.46
Total	**72.73**	**0.68**	**0.46**
Current			
Lease liabilities	3.33	0.42	11.62
Total	**3.33**	**0.42**	**11.62**

Set out below are the carrying amounts of Lease liabilities and the movements during the year:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1.10	12.08	12.46
Additions during the year	77.48	0.59	-
Finance cost	6.60	0.57	1.15
Cash outflow on account of Leases	(9.12)	(11.90)	(1.23)
Other adjustments	-	(0.24)	(0.30)
Balance at the end of the year	**76.06**	**1.10**	**12.08**

The amounts recognised in the statement of profit or loss are as follows:

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025	As at April 1, 2024
Interest expense on Lease liabilities (Refer note 22)	6.60	0.57	1.15
Amortisation expense of Right-of-use assets (Refer note 23)	4.83	4.81	4.65
Expense relating to short-term leases & low-value assets (Refer note 25)	4.52	3.58	0.87
Total amount recognised in the statement of profit or loss	**15.95**	**8.96**	**6.67**

(All amounts are in INR Million, except share data and unless otherwise stated)

The Company as a lessee

The Company as a lessee has leased premises and land for usage as office spaces and RPTO training centers. Most of the lease contracts are made under usual terms and conditions, which means they include options to extend the lease by a defined amount of time and escalation clauses in line with general office rental market conditions.

The Company has applied the Simplified approach as per the Indian Accounting Standard (Ind AS 116) with effect from April 1, 2024 wherein it has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and the right-of-use asset at its present value of remaining lease payments using lessee's incremental borrowing rate after adjusting unamortized portion of security deposits paid in respect of leases.

In adopting Ind AS 116, the Company has applied the below practical expedients:

(1) The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(2) The Company has applied the exemption not to recognise right-of-use-assets and liabilities for leases of low value assets.

(3) The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

(4) The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

In substance lease arrangements

The Company had entered into a sponsorship agreement dated October 05, 2021 with Agni college of Technology ('Partner') wherein the Company had offered to sponsor the Partner as part of its CSR initiative by payment of a sponsorship fee. In consideration of the sponsorship fee, the Company was, inter alia, granted the leave and license rights in respect of the drone assembly unit by the Partner. On analysis of the agreements, it is concluded that the Company has the 'right to control' the drone assembly unit and accordingly the sponsorship arrangement contains an implicit 'lease' under Ind AS 116. Hence, the sponsorship expenses are accounted as lease payments as per Ind AS 116.

14.3 Trade payables:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(a) Total outstanding dues of micro enterprises and small enterprises	5.77	136.60	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises:	639.75	121.63	157.03
Total	**645.52**	**258.23**	**157.03**

(All amounts are in INR Million, except share data and unless otherwise stated)

14.3 (a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development act, 2006 (MSMED act, 2006) under the chapter on delayed payments to Micro, Small and Medium enterprises which are also required as per Ind AS schedule III:

Information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year			
- Principal	5.77	136.60	-
- Interest	-	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:			
- Payment	-	-	-
- Interest	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(v) 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
Total	**5.77**	**136.60**	**-**

(All amounts are in INR Million, except share data and unless otherwise stated)

14.3 (b) Trade payables ageing schedule as at March 31, 2026

Particulars	Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	-	5.77		-	-	5.77
Others	0.48	545.06	94.21	-	-	639.75
Disputed - Micro and small enterprises	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**0.48**	**550.83**	**94.21**	**-**	**-**	**645.52**

Trade payables ageing schedule as at March 31, 2025

Particulars	Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	-	131.08	5.52	-	-	136.60
Others	-	121.41	0.22	-	-	121.63
Disputed - Micro and small enterprises	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**-**	**252.48**	**5.75**	**-**	**-**	**258.23**

Trade payables ageing schedule as at April 1, 2024

Particulars	Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	-	-	-	-	-	-
Others	-	156.30	0.73	-	-	157.03
Disputed - Micro and small enterprises	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**-**	**156.30**	**0.73**	**-**	**-**	**157.03**

(All amounts are in INR Million, except share data and unless otherwise stated)

14.4 Other financial liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Non-current			
Share application money pending allotment	-	-	40.83
Total	**-**	**-**	**40.83**
Current			
Caution deposit refundable	2.25	2.55	12.09
Share application money due for refund	-	-	-
Liability from factoring arrangement	-	-	-
Expenses payable	89.56	6.52	8.50
Salary payable	7.53	5.39	5.68
Other payables	1.79	1.79	10.26
Amounts due under contractual obligations for purchase of property, plant and equipment	15.12	15.12	15.25
Total	**116.25**	**31.37**	**51.78**

15 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Non-current			
Provision for gratuity	2.50	2.95	1.55
Total	**2.50**	**2.95**	**1.55**
Current			
Provision for gratuity	0.05	0.08	0.12
Provision for product warranty	2.71	2.33	-
Provision for expenses	-	-	
Total	**2.76**	**2.41**	**0.12**

Movement in Provision for warranty

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2.33	-	-
Additional provision recognised/ (written back)	0.45	2.33	-
Provision utilised	-0.07	-	-
Balance at the end of the year	**2.71**	**2.33**	**-**

(All amounts are in INR Million, except share data and unless otherwise stated)

16 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Statutory dues	7.75	8.95	3.37
Customer advances	33.88	5.99	239.79
Total	**41.63**	**14.94**	**243.16**

17 Current tax liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Current			
Provision for tax (Net of Prepaid taxes)	90.33	56.33	17.27
Total	**90.33**	**56.33**	**17.27**

18 Revenue from operations

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
(a) Sale of drones and drone parts	993.62	597.14
(b) Sale of services	1,064.60	578.29
(c) Other operating revenue		
Delivery Charges	1.33	1.36
PLI Incentive	-	57.84
Total	**2,059.55**	**1,234.63**

Disaggregated revenue information

(i) The table below presents disaggregated revenues from contracts with customers based on the time of transfer of goods and services and geographical region:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Sale of products (transferred at a point in time)		
India	994.95	598.11
Outside India	-	0.39
Sale of service (transferred over a period of time)		
India	1,064.60	578.29
Outside India	-	-

(ii) Reconciliation of the amount of revenue recognised in the Standalone Statement of Profit and Loss with the contracted price:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Contracted price	2,059.55	1,176.79
Less : Adjustments for cash discounts/others	-	-
Total Revenue as per Standalone Statement of Profit and Loss	**2,059.55**	**1,176.79**

(All amounts are in INR Million, except share data and unless otherwise stated)

(iii) Contract balances and the related disclosures have been included in the following places in the financial statements:

Trade receivables	Refer note 7.2
Advances from customer	Refer note 16

(iv) Movement in contract liabilities (Advances from customer) during the year:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Opening balance	5.99	239.79
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2.23)	(238.20)
Advance received during the year	30.12	4.40
Closing Balance	**33.88**	**5.99**

19 Other income

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Interest income		
- Bank deposits	1.85	3.81
- Other financial assets measured at amortised cost	0.03	0.07
Other gains and losses		
Miscellaneous Income	0.77	9.57
Total	**2.65**	**13.45**

20 Cost of materials consumed

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Opening stock	67.62	249.25
Add: Purchases	728.45	273.66
Add: Outsourced contract cost	518.71	217.75
Add: Other direct expenses	35.98	50.19
Less: Closing stock	(182.56)	(67.62)
Total	**1,168.20**	**723.23**

20A Changes in inventories of finished goods, stock-in-trade and work in progress

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Opening stock		
Finished goods	178.26	9.12
Work in progress	-	3.21
	178.26	**12.33**
Closing stock		
Finished goods	160.11	178.26
Work in progress	-	-
	160.11	**178.26**
Net decrease (increase) in stock	**18.15**	**(165.93)**

(All amounts are in INR Million, except share data and unless otherwise stated)

21 Employee benefit expenses

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Salaries and wages	69.79	89.33
Contribution to provident and other funds	3.29	2.40
Gratuity	1.68	0.83
Staff welfare expenses	5.39	2.95
Total	**80.15**	**95.51**

22 Finance costs

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Interest costs		
On loans	0.85	2.44
On bank overdrafts	1.44	6.93
On lease liabilities	6.60	0.57
Other borrowing costs	1.51	2.31
Total	**10.40**	**12.25**

23 Depreciation and amortization

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Depreciation of property, plant and equipment	34.09	30.55
Depreciation of right-of-use assets	4.83	4.81
Amortisation of intangible assets	1.85	0.62
Total	**40.77**	**35.98**

24 Impairment losses (including reversals of impairment losses) on financial assets

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
On trade receivables	111.11	(0.39)
On EMD deposits	0.21	1.04
Total	**111.32**	**0.65**

(All amounts are in INR Million, except share data and unless otherwise stated)

25 Other expenses

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Business promotion expenses	61.02	102.52
Professional expenses	128.85	66.19
Expenditure on CSR activities	2.04	-
Travelling & conveyance expenses	33.75	59.69
Software expenses	-	21.60
Rent	4.52	3.58
Commission & brokerage	3.82	5.62
Forms & fees	1.57	0.72
Administrative expenses	1.79	1.92
Repairs & maintenance	16.93	4.22
Postage, Printing & Stationery	2.36	2.43
Communication expenses	8.60	5.56
Rates and taxes	12.12	4.25
Power and fuel	0.40	0.11
Net loss on equity instruments designated at FVTPL	-	0.03
Net loss on foreign exchange transactions	1.93	-
Insurance	2.37	4.83
Transportation & Freight	-	0.28
Bank charges	0.47	1.39
Miscellaneous expenses	8.15	3.21
Payments to the auditors	1.00	0.76
Warranty expenses	0.45	2.34
Total	**292.14**	**291.25**

25.1 Payments to the auditors

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
For statutory audit	1.00	0.70
Total	**1.00**	**0.76**

(All amounts are in INR Million, except share data and unless otherwise stated)

26 Earnings per share

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Profit/(Loss) attributable to equity holders of the Company	259.15	183.67
Weighted average number of equity shares:		
Basic EPS		
Number of equity shares at the beginning of the year	108,355	108,288
Add: Weighted average number of equity shares issued during the year	1,755	51
Add: Weighted average number of instruments entirely in the nature of equity	10,642	7,902
Add: Weighted average number of instruments classified as Financial liability	-	-
Add: Impact of bonus issue and stock split	51,802,938	49,867,389
Weighted average number of shares for Basic EPS	51,923,690	49,983,630
Diluted EPS		
Weighted average number of shares for Basic EPS	51,923,690	49,983,630
Add: Effect of options outstanding	-	906
Weighted average number of shares for Diluted EPS	51,923,690	49,984,536
Earnings per share		
Basic EPS	4.99	3.67
Diluted EPS	4.99	3.67

* Pursuant to resolutions passed by the Board of Directors held on February 16, 2026 and the extra ordinary general meeting of shareholders held on March 11, 2026, the Company has issued 85 bonus shares for every one share held by the existing shareholders. In compliance with Ind AS 33, i.e. "Earnings Per Share", the disclosure of basic and diluted earnings per share for all the period / years presented has been arrived at after giving effect to the issuance of bonus shares.

27 Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The Company is required to spend INR 3.61 million towards CSR activities during the period ended March 31, 2026, in accordance with the provisions of section 135(5) of the Companies Act, 2013. During FY 2023-24, the Company has spent INR 5 million against the requirement of INR 0.85 million, resulting in excess expenditure of INR 4.15 million. As permitted under the second proviso of Section 135(5) of Companies Act, 2013 and Rule 7(3) of Companies (CSR Policy) Rules, 2014 as amended, the Company has set off INR 2.30 million of this excess against its CSR obligation for FY 2024-25 and INR 1.85 million for the year ended March 31, 2026.

As per section 135 of the Companies Act, 2013, the Following year wise amount was utilized as financial contribution towards CSR Activities:

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
(a) Amount required to be spent by the Company during the year	3.61	2.30
(b) Amount approved by the Board of Directors and incurred during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii)| On purposes other than (i) above	2.04	-
(c) Shortfall/(Excess) at the end of the year	(0.28)	(1.85)
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	Education and skill development	Education and skill development
(g) Details of related party transactions in relation to CSR expenditure	NA	NA
(h) Details of provision with respect to CSR liability	NA	NA
Amounts contributed to political parties	-	-
Amounts contributed to National Defence Fund or any other fund approved by the Central Government	-	-

* Excess expenditure spent on CSR has been carried forward to the next financial year

28 Employee benefit obligations - Defined benefit plan

Gratuity (included as part of employee benefits expense in note 21)

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

The most recent actuarial valuations of the present value of the defined benefit liability was carried out at March 31, 2026. The present value of the defined benefit liability, and the related current service cost and past service cost, was measured using the projected unit credit method. The principal assumptions used for the purposes of the actuarial valuations were as follows:

Interest rate risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.
Liquidity risk	This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Regulatory risk	Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Key assumptions used:		
Discount rate(s)	7.12%	6.89%
Expected rate(s) of salary increase	5.00%	5.00%
Demographic assumptions - Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	4.00%	4.00%
Retirement age	58 years	58 years

Amounts recognised in the statement of profit or loss and other comprehensive income in respect of these defined benefit plans are as follows:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Cost of the defined plan for the year:		
Current service cost	1.07	0.71
Past service cost	0.40	
Net interest cost	0.22	0.12
Net cost recognised in the statement of profit and loss	**1.68**	**0.83**
Net actuarial gain (loss) recognised in other comprehensive income		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(0.28)	0.73
Actuarial gains and losses arising from experience adjustments	(1.87)	(0.20)
Net cost/(income) recognised in other comprehensive income	**(2.15)**	**0.53**

(All amounts are in INR Million, except share data and unless otherwise stated)

Movements in the present value of defined benefit obligations in the year were as follows:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Opening defined benefit obligation	3.03	1.67
Current service cost	1.07	0.71
Past service cost	0.40	-
Interest cost	0.22	0.12
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(0.28)	0.73
Actuarial gains and losses arising from experience adjustments	(1.87)	(0.20)
Benefits paid	-	-
Liabilities extinguished on settlements	-	-
Losses/(gains) on curtailments	-	-
Closing defined benefit obligation	**2.55**	**3.03**

Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are as follows:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Increase of 1% in assumptions	**Increase/ (Decrease)**	**Increase/ (Decrease)**
Discount rate(s)	(2.27)	(2.70)
Expected rate(s) of salary increase	2.92	3.45
Decrease of 1% in assumptions	**Increase/ (Decrease)**	**Increase/ (Decrease)**
Discount rate(s)	2.90	3.43
Expected rate(s) of salary increase	(2.25)	(2.67)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Mortality and Attrition does not have a significant impact on the defined benefit obligation, hence they are not considered as a significant actuarial assumption for the purposes of sensitivity analysis.

(All amounts are in INR Million, except share data and unless otherwise stated)

29 Related party transactions

(In accordance with Ind AS 24)

List of Related Parties

Key management personnel (KMPs):	**Nature of relationship**
Agnishwar	Whole-time director
Rithika Mohan	Director (until November 4, 2025)
Rithika Mohan	Whole-time director (w.e.f. November 5, 2025)

Close members of KMP's family:

RN Jayaprakash

Bhavani Jayaprakash

Jayaprakash Vishnu

Shivaya

P C Mohan

Shyla Mohan

Rithin Mohan Perical

KMP's:	**Nature of relationship**
Sudharsan Ravichandran	Chief Financial Office (w.e.f. February 16, 2026)
R Harisha	Company Secretary and Compliance Officer (w.e.f. February 16, 2026)

Entities in which the KMPs or their relatives exercise significant influence:

Agni Estates and Foundations Private Limited

Flame Advertising Company Private Limited

Fourthforce Surveillance Indo Private Limited

Vagas Aqua Private Limited

Vishnusurya Projects and Infra Limited (formerly known as Vishnusurya Projects and Infra Private Limited)

Agni Business and Management Services Private Limited

Sri Balaji Charitable and Educational Trust

(All amounts are in INR Million, except share data and unless otherwise stated)

Transactions with related parties

Particulars	Relationship	For the period ended March 31, 2026	For the year ended March 31, 2025
Sale of services			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	95.33
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	1.23	-
Sri Balaji Charitable and Educational Trust	Entities in which the KMPs or their relatives exercise significant influence	-	-
Sale of drones and drone components			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	0.71
Bhavani Jayaprakash	Close family members of KMPs	-	0.08
Agni College of Technology - Drs	Entities in which the KMPs or their relatives exercise significant influence	1.08	-
Purchase of drones and drone components			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	7.34	-
Purchases of Property, Plant & Equipment			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Proceeds from borrowings			
Rithika Mohan	Key management personnel	90.00	-
Interest on borrowings			
Rithika Mohan	Key management personnel	-	-
Repayment of borrowings (including interest thereto)			
Rithika Mohan	Key management personnel	-	-
Conversion of debt into equity			
Rithika Mohan	Key management personnel	-	-
Capital Advances paid			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	145.91	105.90
Capital Advances refunded			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	53.07	27.74

(All amounts are in INR Million, except share data and unless otherwise stated)

Transactions with related parties

Particulars	Relationship	For the period ended March 31, 2026	For the year ended March 31, 2025
Payment of lease liabilities			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	0.94	0.24
Sri Balaji Charitable and Educational Trust	Entities in which the KMPs or their relatives exercise significant influence	6.60	10.60
Bhavani Jayaprakash	Close family members of KMPs	2.27	-
Security Deposits towards Lease			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	0.10	-
Advances paid for Purchase of drones and drone components			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	0.06	-
Other Advances paid			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Redemption of other advances			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	2.75
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Other Advances received			
Agnishwar	Key management personnel	-	-
Sri Balaji Charitable and Educational Trust	Entities in which the KMPs or their relatives exercise significant influence	-	-
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Other Advances repaid			
Agnishwar	Key management personnel	-	3.63
Bhavani Jayaprakash	Close family members of KMPs	-	1.36
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-

(All amounts are in INR Million, except share data and unless otherwise stated)

Particulars	Relationship	For the period ended March 31, 2026	For the year ended March 31, 2025
Business Promotion Expenses			
Flame Advertising Company Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	0.50
Communication Expenses			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Management recharge for expenses			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Reimbursements paid/(received) for expenses (net)			
Agnishwar	Key management personnel	-	-
Rithika Mohan	Key management personnel	-	-
R N Jayaprakash	Close family members of KMPs	-	0.19
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Reimbursements paid/(received) for EMD & Tender Deposits (net)			
Agnishwar	Key management personnel	-	-
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	0.14
Remuneration to key management personnel *			
Agnishwar	Key management personnel	-	-
Rithika Mohan	Key management personnel	4.80	3.40

* pertains only to Short-term employee benefits

(All amounts are in INR Million, except share data and unless otherwise stated)

The following amounts were outstanding as at the end of the respective reporting periods:

Particulars	Relationship	For the period ended March 31, 2026	For the year ended March 31, 2025
Trade Receivables			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Sri Balaji Charitable and Educational Trust	Entities in which the KMPs or their relatives exercise significant influence	-	16.61
Loan from directors			
Rithika Mohan	Key management personnel	90.00	-
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Capital advances			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	129.31	64.90
Advances for Purchase of drones and drone components			
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	0.06	-
Other advances			
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	11.28	11.28
Flame Advertising Company Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Fourthforce Surveillance Indo Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Vishnusurya Projects and Infra Limited	Entities in which the KMPs or their relatives exercise significant influence	-	100.81
Other payables			
Agnishwar	Key management personnel	-	-
Bhavani Jayaprakash	Close family members of KMPs	-	-
R N Jayaprakash	Close family members of KMPs	-	-
Agni Estates and Foundations Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-
Sri Balaji Charitable and Educational Trust	Entities in which the KMPs or their relatives exercise significant influence	2.27	1.79
Vagas Aqua Private Limited	Entities in which the KMPs or their relatives exercise significant influence	-	-

(All amounts are in INR Million, except share data and unless otherwise stated)

30 Contingent liabilities and Commitments

i) Contingent liabilities

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
(a) Claims against the company not acknowledged as debt		
- Income tax matters (Note 1)	-	0.28
- Indirect tax matters		-
- Other than above (Note 2)	-	2.45
Total	**-**	**2.73**

1. **Income tax - TDS demand**

   The company has received a demand notice from the Income tax department under section 201 of the Income Tax Act, 1961, for short deduction of TDS amounting to INR 0.28 Million for FY 2024-25. As at March 31, 2026, the Company paid the amount of outstanding demand.

2. **Litigation - Pending civil case**

   A civil suit filed by the vendor is pending before the Hon'ble High court demanding INR 2.45 million for alleged breach of contract. As at March 31, 2026, the suit was disposed of by the Hon'ble High court and the Company had settled the claims of the vendor.

(ii) Commitments:

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided	-	-
Uncalled liability on shares and other investments partly paid	-	-
Other commitments	-	-
Total	**-**	**-**

31 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108- Operating Segments and the Company's sole operating segment is 'Drone Manufacturing and Drone as a Service'. The CODM evaluates the Company performance and allocates resources based on the nature of products/services of the Company which constitutes a single reporting segment. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

(All amounts are in INR Million, except share data and unless otherwise stated)

Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues:		
India	2,059.55	1,176.40
Outside India	-	0.39
	2,059.55	**1,176.79**
Non-current assets (other than income-tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets:		
India	537.72	319.99
Outside India	-	-
	537.72	**319.99**
Details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale and services:		
Revenue from top customer	160.00	156.64
Percentage	7.77%	13.31%
Revenue from customers contributing 10% or more to the Company's revenues from product sale	-	450.54
Percentage	0.00%	38.29%

32 Details of leasing arrangements

Maturity analysis: Contractual undiscounted cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	10.20	0.51
One to five years	28.91	0.72
More than five years	180.00	-

Refer note 22 and 23 for amounts recognised as interest expense on lease liabilities and amortisation expense on right-of-use assets respectively in the statement of profit and loss.

Amount recognised in statement of cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Cash outflows for leases	9.12	12.14
Interest portion of lease liabilities	6.60	0.57
Principal portion of lease liabilities	2.52	11.57

(All amounts are in INR Million, except share data and unless otherwise stated)

33 Financial instruments

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Note no.	As at March 31, 2026		As at March 31, 2025		As at April 1, 2024	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Measured at FVTPL							
Investment in unquoted equity shares	7.1	4.97	4.97	4.97	4.97	-	-
Measured at amortised cost							
Trade receivables	7.2	2,343.97	2,343.97	1,119.51	1,119.51	918.66	918.66
Cash and cash equivalents	7.3	23.90	23.90	9.50	9.50	98.06	98.06
Bank balances other than cash and cash equivalents	7.4	28.03	28.03	34.32	34.32	56.39	56.39
Other financial assets	7.5	150.81	150.81	92.35	92.35	58.76	58.76
Total Financial assets		**2,551.68**	**2,551.68**	**1,260.65**	**1,260.65**	**1,131.87**	**1,131.87**
Financial liabilities							
Measured at amortised cost							
Borrowings	14.1	222.67	222.67	67.12	67.12	196.70	196.70
Lease liabilities	14.2	76.06	76.06	1.10	1.10	12.08	12.08
Trade payables	14.3	645.52	645.52	258.23	258.23	157.03	157.03
Other financial liabilities	14.4	116.25	116.25	31.37	31.37	92.61	92.61
Total Financial liabilities		**1,060.50**	**1,060.50**	**357.82**	**357.82**	**458.42**	**458.42**

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis:

Particulars	Total	Level 1	Level 2	Level 3
As at March 31, 2026				
Financial assets measured at FVTPL				
Investment in unquoted equity shares	4.97	-	-	4.97
As at March 31, 2025				
Financial assets measured at FVTPL				
Investment in unquoted equity shares	4.97	-	-	4.97

(All amounts are in INR Million, except share data and unless otherwise stated)

Description of valuation techniques and significant unobservable inputs for Financial asset:

Particulars	Valuation technique	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Investment in unquoted equity shares	For the purpose of determining fair value, the Company has used the Discounted cash flow technique The valuation model considers the present value of expected cash flows, discounted using a risk-adjusted discount rate. The expected cashflows is determined by considering the forecast free cash flow to equity.	Discounted Cash Flow: - Forecasted long term and terminal growth rate - Risk adjusted discount rate	The estimated fair value would increase (decrease) if: - the forecast long term and terminal growth rate were higher (lower); - the risk adjusted discount rate were lower (higher).

Significant unobservable inputs used for Level III fair valuation are as follows:

Risk adjusted discount rate 19.54%

Long term growth rate 5.00%

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the period ended March 31, 2026 and March 31, 2025.

Level 3 Fair values - Investment in unquoted equity shares

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the period	4.97	-
Investments made during the year	-	5.00
Unrealized fair value gain or (loss) recognized in the statement of profit or loss	-	(0.03)
Balance at the end of the period	4.97	4.97

35 Financial instruments - risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(a) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from operating activities (primarily trade receivables, unbilled revenue and contract assets) and from its investing activities (primarily deposits with banks). The carrying amount of financial assets represents the maximum credit exposure.

(All amounts are in INR Million, except share data and unless otherwise stated)

(i) Trade receivables:

The Company's exposure to credit risk is the exposure that Company has major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received.

(ii) Other financial assets:

Cash at bank and fixed deposits are placed with financial institutions which are regulated. As at the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Carrying amount	Within 1 year	More than 1 year	Total
As at March 31, 2026				
Loans and borrowings	222.67	222.67	-	222.67
Lease liabilities	76.06	10.20	208.91	219.11
Trade and other payables	645.52	645.52	-	645.52
Other financial liabilities	116.25	116.25	-	116.25
Total	**1,060.50**	**994.64**	**208.91**	**1,203.55**

Particulars	Carrying amount	Within 1 year	More than 1 year	Total
As at March 31, 2025				
Loans and borrowings	67.12	62.53	4.59	67.12
Lease liabilities	1.10	0.51	0.72	1.23
Trade and other payables	258.23	258.23	-	258.23
Other financial liabilities	31.37	31.37	-	31.37
Total	**357.82**	**352.64**	**5.31**	**357.95**

Particulars	Carrying amount	Within 1 year	More than 1 year	Total
As at April 1, 2024				
Loans and borrowings	196.70	174.91	21.79	196.70
Lease liabilities	12.08	12.14	0.50	12.64
Trade and other payables	157.03	157.03	-	157.03
Other financial liabilities	92.61	51.78	40.83	92.61
Total	**458.42**	**395.86**	**63.12**	**458.98**

(All amounts are in INR Million, except share data and unless otherwise stated)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk
- Interest rate risk
- Price risk

(i) Currency risk

The Company's functional currency is Indian rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's costs of service received, primarily in relation to other services.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in the Company's overall debt position in rupee terms without the Company having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

There were no outstanding monetary assets and monetary liabilities at the end of March 31, 2026 and March 31, 2025.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings are carried at amortised cost and are fixed rate borrowings. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

The Company is mainly exposed to the price risk due to its investment in unlisted equity shares. Such investments are held and classified in Balance sheet at fair value through profit or loss. The price risk arises due to uncertainties about the future fair values of these investments. Further, the company's operating activities require the ongoing purchase of raw materials from other countries exposing it to commodity price risk due to reliance on international suppliers, fluctuations in global market prices, currency exchange rates and geopolitical events. The Company's effective risk management strategies are in place to mitigate potential adverse effects on production and profitability.

The carrying amount of the investment and the impact on increase or decrease in their prices on the profit/loss of the company is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in equity instruments	4.97	4.97
Sensitivity analysis:		
1% increase in price	0.05	0.05
1% decrease in price	(0.05)	(0.05)

(All amounts are in INR Million, except share data and unless otherwise stated)

36 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company defines capital as total Equity including issued Equity capital, share premium and all other equity reserves attributable to Equity holders of the Company (which is the Company's net asset value).The Company's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans/ borrowings and lease liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is analyzed as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities	76.06	1.10
Borrowings	222.67	67.12
Total Debts (A)	**298.73**	**68.22**
Cash & Cash equivalents (B)	23.90	9.50
Adjusted debt (C = A-B)	**274.83**	**58.72**
Share capital (D)	104.26	1.16
Other equity (E)	2,294.18	1,654.73
Adjusted equity (F = D+E)	**2,398.44**	**1,655.89**
Adjusted net debt to adjusted equity ratio (C/F)	**0.11**	**0.04**
Adjusted net debt to adjusted equity ratio considering only borrowings as debt	**0.08**	**0.03**

(All amounts are in INR Million, except share data and unless otherwise stated)

37 Research Expenditure Recognised as Expense

The Company has incurred expenditure on research activities relating to development of new products, processes and technology platforms.

In accordance with the requirements of Ind AS 38, expenditure incurred during the research phase of an internal project is recognised as an expense when incurred, as the criteria for capitalisation of development expenditure are not met at this stage.

Accordingly, the total research expenditure recognised in the Statement of Profit and Loss during the year amounts to:

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
Purchases	-	38.74
Employee Benefit	-	10.19
Other Expenses	12.40	27.10
Total Expenditure	**12.40**	**76.03**

38 Analytical Ratios for the years/period ended as at March 31, 2026 and March 31, 2025:

Components of Ratio

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025
Current ratio (in times)	Total current assets	Total current liabilities	2.70	4.13
Debt-Equity ratio (in times)	Borrowings (Current + Non-current)	Total equity	0.09	0.04
Debt-service coverage ratio (in times)	Profit for the year from continuing operations + Depreciation and amortisation expense + Finance costs +/- Fair value changes on financial instruments + Loss on derecognition on financial liability	Finance costs paid + Repayment of borrowings (net of Proceeds) +Repayment towards lease liabilities	22.07	3.89
Return on equity ratio (in %)	Profit after tax (attributable to owners)	Average shareholders' equity	12.78%	13.98%
Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventory	4.03	2.20
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	1.19	1.21
Trade payables turnover ratio (in times)	Purchases of stock in trade & materials consumed	Average trade payables	1.61	1.32
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e.. Total current assets less Total current liabilities)	1.08	0.92
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	12.58%	14.88%
Return on capital employed (in %)	Profit before interest and tax	Capital Employed = Tangible net worth+Total Debt+ Deferred tax liability	13.61%	15.80%
Return on investment (in %)	Income generated from invested funds	Total invested funds in investments	1.42%	5.67%

(All amounts are in INR Million, except share data and unless otherwise stated)

Variance in ratios and reason for variance of more than 25%

Ratio	% change in ratios		Reason for variance	
	March 31, 2026 vs March 31, 2025	March 31, 2025 vs March 31, 2024	March 31, 2026 vs March 31, 2025	March 31, 2025 vs March 31, 2024
Current ratio (in times)	-34.65%	81.98%	Decrease in ratio attributable to increase in trade receivables and increase in trade paybales and short term borrowings.	Increase in ratio attributable to increase in trade receivables, advances given and repayment of overdrafts and short term borrowings.
Debt-Equity ratio (in times)	129.04%	-79.99%	Increase in ratio is due to increase in equity through bonus issue of equity and preference shares.	Decline in ratio is due to repayment of borrowings and increase in equity base through issue of equity and preference shares.
Debt-service coverage ratio (in times)	467.47%	287.33%	Increase in ratio is due to increase in profit cover available for servicing debt costs along with reduction in debt service costs due to repayment of borrowings.	Increase in ratio is due to increase in profit cover available for servicing debt costs along with reduction in debt service costs due to repayment of borrowings.
Return on equity ratio (in %)	-8.57%	-33.05%	Increase in ratio is due to increase in profit and significant increase in equity base through issue of equity and preference shares.	Decline in ratio is due to significant increase in equity base through issue of equity and preference shares.
Inventory turnover ratio (in times)	83.25%	-38.12%	Increase in ratio is due to increase in cost of goods sold	Decline in ratio due to increase in inventory levels.
Trade receivable turnover ratio (in times)	-1.83%	-28.14%	Decline in ratio is due to increase in balance of trade receivables along with corresponding increase in revenue.	Decline in ratio is due to increase in balance of trade receivables with no corresponding increase in revenue.
Trade payables turnover ratio (in times)	21.90%	-72.57%	Increase in ratio is due to increase in balance of trade payables and increase in purchase costs.	Decline in ratio is due to increase in balance of trade payables and decrease in purchase costs.
Net capital turnover ratio (in times)	16.68%	-30.22%	Increase in ratio is due to increase in working capital along with increase in revenue.	Decline in ratio is due to increase in working capital with no corresponding increase in revenue.
Net profit ratio (in %)	-15.42%	25.32%	Decline in ratio is due to increase in sales with no corresponding increase in profitnility.	Improvement in ratio is due to improved profitability on increased sales during the year.
Return on capital employed (in %)	-13.85%	-5.82%	Delcine in ratio is due to significant increase in capital employed	NA
Return on investment (in %)	-74.90%	37.48%	Decrease in ratio is due to increased base of investment	Improvement in ratio is due to higher investment income on increased base of investment.

Notes

1. Cost of goods sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work in progress
2. Income generated from invested funds = Interest income on deposits + Fair value gain/loss on investments
3. Explanation are provided for variance more than 25%

39 Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2026, the comparative information presented in these financial statements for the year ended March 31, 2025 and in the preparation of an opening Ind AS balance sheet at April 1, 2024 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

A Optional exemptions availed

1. Property, plant and equipment and Intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment or intangible asset at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment or intangible asset at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

− fair value;

− or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

(iii) use carrying values of property, plant and equipment or intangible asset as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.

2. Leases

As per Ind AS 101, a lessee may apply the following approach to all of its leases:

a) measure lease liability at the present value of remaining lease payments for existing operating leases discounted using its incremental borrowing rate at date of transition.

b) measure right of use asset at the date of transition using either of the following approaches on a lease-by-lease basis

- measure right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments
- measure right of use asset as if Ind AS 116 had been applied from the lease commencement date but discounted using its incremental borrowing rate at date of transition

The Company has elected to measure lease liability at the present value of remaining lease payments for existing operating leases discounted using its incremental borrowing rate at date of transition. Right of use assets are measured as if Ind AS 116 had been applied from the lease commencement date discounted using its incremental borrowing rate at date of transition.

3. Designation of previously recognized financial instruments

All financial instruments are initially measured at fair value. As regards subsequent measurement, Ind AS 109 permits that upon initial recognition, an entity may designate financial instruments as subsequently measured at fair value if certain criteria are met. Ind AS 101 exempts an entity from retrospective designation of financial instruments and permits that such designation be done on the basis of the facts and circumstances that exist at the date of transition to Ind AS. This exemption can be applied for designation of any financial liability or asset at fair value through profit or loss or investment in an equity instrument at fair value through other comprehensive income.

The Company has elected to apply the above practical expedient with respect to the Compulsorily Convertible Preference Shares (CCPS) issued to Silver Swan Investments Limited by designating the liability at FVTPL on the date of transition.

B Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS, at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

3. Impairment of financial assets

An entity shall apply the impairment requirements of Ind AS 109 retrospectively subject to the below:

(i) At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised.

(ii) An entity is not required to undertake an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition.

(iii) If, at the date of transition to Ind AS, determining whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, an entity shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised, unless that financial instrument is low credit risk at a reporting date.

The Company has availed the practical expedient and applied the impairment requirements of Ind AS 109 prospectively in computation of Expected Credit Loss (ECL) on trade receivables, as reasonable and supportable information is not available without undue cost and effort.

(All amounts are in INR Million, except share data and unless otherwise stated)

Restatement adjustments

Reconciliation of total equity as at March 31, 2025 and as at April 1, 2024:

Particulars	As at March 31, 2026	As at March 31, 2025
Total equity under previous GAAP	**1,680.35**	**1,047.11**
Adjustments:		
Adjustment on account of reclassification of equity instruments to liability	(38.98)	(38.98)
Adjustment on account of reclassification of share application money pending allotment to liability	-	(40.83)
Adjustment to retained earnings for expected credit loss allowance on financial assets	(30.35)	(38.18)
Adjustment on account of fair valuation of financial instruments carried at FVTPL	(104.74)	(104.71)
Adjustment on account of conversion of CCCPS to equity	143.69	143.69
Adjustment on account of reclassification of CCDs to instruments entirely equity in nature	0.00	-
Adjustment on account of depreciation and finance cost on leases	(0.77)	(7.35)
Adjustment on account of fair valuation of borrowings	-	0.13
Deferred tax adjustments	6.69	10.34
Total adjustments	**(24.45)**	**(75.89)**
Total equity under Ind AS as per restated financial statements	**1,655.90**	**971.22**

Reconciliation of total comprehensive income for the period/years ended March 31, 2025:

Particulars	As at March 31, 2025
Profit after tax as per previous GAAP	**172.66**
Adjustments:	
Adjustment on account of expected credit loss allowance on financial assets	7.84
Adjustment on account of fair valuation of financial instruments carried at FVTPL	(0.03)
Adjustment on account of depreciation and finance cost on leases	6.58
Adjustment on account of fair valuation of borrowings	(0.13)
Adjustment on account of reclassification of remeasurement gain/(loss) on net defined benefit plans to other comprehensive income	0.53
Deferred tax adjustments	(3.78)
Total adjustments	**11.01**
Profit after tax under Ind AS as per restated financial statements	**183.67**
Other comprehensive income (net of taxes)	(0.40)
Total comprehensive income under Ind AS as per restated financial statements	**183.27**

(All amounts are in INR Million, except share data and unless otherwise stated)

Reconciliation of Cash flow statement:

For the year ended March 31, 2025:

Particulars	As per previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash generated from/ (used in) operating activities	(336.68)	100.25	(236.43)
Net cash generated from/ (used in) investing activities	(71.23)	(88.10)	(159.33)
Net cash generated from/ (used in) financing activities	319.35	(12.15)	307.20
Net increase/(decrease) in cash and cash equivalents	**(88.56)**	**-**	**(88.56)**
Cash and cash equivalents at beginning of period	98.06	-	98.06
Cash and cash equivalents at end of period	**9.50**	**-**	**9.50**

40 Other statutory disclosures:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not traded or invested in crypto currency or virtual currency during the reporting periods.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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 company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iv) The Company 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 company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(v) The Company do not have any transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(vi) The Company does not have any subsidiaries and hence it is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The Competent authority in terms of section 230 to 237 of the Companies Act, 2013, has not approved any scheme of arrangement during any of the reporting periods.

(ix) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956

(x) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xi) The Company has neither declared nor paid any dividend during the reporting period.

(xii) During the year ended March 31, 2026, the Company has availed overdraft facilities of INR 110 Million from ICICI Bank Limited and INR 250 Million from HDFC Bank Limited, secured by the Company's current assets and movable fixed assets, along with lien-marked callable fixed deposits and personal guarantees of the promoters. As at the date of this representation, against the HDFC Bank facility, an overdraft limit of INR 100 Million has been sanctioned. The balance facility is pending due to non-receipt of NOC from ICICI Bank Limited for creation of a pari passu charge over stock-in-trade, book debts and receivables. Further, the quarterly stock and book debt statements for the respective facility terms have been submitted to the banks and are in agreement with the books.

(All amounts are in INR Million, except share data and unless otherwise stated)

Details of loans given, investments made and guarantee given covered U/S 186 (4) of The Companies Act, 2013

No investments are made, no loans and guarantees are given by the Company during any of the reporting periods.

41 Events after the reporting period

Subsequent to the reporting date, 5,70,180 Series A Compulsorily Convertible Cumulative Preference Shares (CCPS) held by Venture Catalysts Angel Growth Fund Scheme 1 (formerly known as Z Nation Lab Growth Fund) were converted into 5,70,180 fully paid-up equity shares of face value ₹2 each pursuant to the conversion notice dated 28 May 2026. Accordingly, the CCPS held by the said investor were converted and extinguished upon allotment of the equity shares. The remaining Series A CCPS continue to remain outstanding as at the date of approval of these financial statements.

42 Note on Audit Trail

Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206 (E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3(1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement of only using such accounting software w.e.f April 1, 2023 which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Institute of Chartered Accounts of India ("ICAI") issued an "Implementation guide on reporting on audit trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" in February 2024 relating to feature of recording audit trail.

The Company has used an accounting software for maintaining its books of account for the period ended March 31, 2025 and March 31, 2024, which did not have the feature of recording audit trail (edit log) facility for the period from April 1, 2023 to 6 December 2024. The Company upgraded its accounting software and accordingly, they have used accounting software which has the feature of recording audit trail (edit log) facility for transactions from the period December 07, 2024 till March 31, 2026.

The audit trail that was enabled and operated during the year ended March 31, 2025, has been preserved by the Company as per the statutory requirements for record retention.

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Earnings in Foreign Currency	For the year ended March 31, 2026	For the year ended 31 March 2025
Sale of Product (Export)	-	0.39
Total	**-**	**0.39**

Expenditure in Foreign Currency	For the year ended March 31, 2026	For the year ended 31 March 2025
Purchase of Product (Import)	233.15	260.98
Total	**233.15**	**260.98**

As per our report of even date attached

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

For and on behalf of the Board of Directors of Garuda Aerospace Limited

R. Sundararajan
Partner
Membership No.: 029814
Place: Chennai
Date: 17.08.2026

Agnishwar
Whole-time Director
DIN: 02288785
Place: Chennai
Date: 17.08.2026

Rithika Mohan
Whole-time Director
DIN: 08116670
Place: Chennai
Date: 17.08.2026

Sudharsan Ravichandran
Chief Financial Officer
Place: Chennai
Date: 17.08.2026

Ravichandran Harisha
Company Secretary and Compliance Officer
ACS No: A76490
Place: Chennai
Date: 17.08.2026