

Independent Auditor's Report

To the Members of Lineage Defence And Aerospace Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lineage Defence And Aerospace Private Limited** (the "Company"), which comprise the balance sheet as at March 31, 2026, the statement of profit and loss (including other comprehensive loss), the statement of changes in equity and the statement of cash flows for the period from December 23, 2025 (being date of incorporation of the Company) to March 31, 2026 then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 ("ICAI") read together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and board of directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do 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 became available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Board of Director for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows

of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 conducted in accordance with the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Director'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 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 financial statements, including the disclosures, and whether the 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

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, to the extent applicable, 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 purposes 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 except for the matter stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on April 22, 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - (h) In our opinion, and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration during the year ended March 31, 2026. Hence, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2026;

- (i) 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2026 which would impact its financial position.
 - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in note - 15(f) of notes to the financial statements, 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;
 - b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note - 15(g) of notes to the financial statements, 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv(a) and iv(b) above contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended March 31, 2026
 - vi. Based on our examination, which included test checks, the Company has maintained its books of account using accounting software that did not have the functionality to record an audit trail (edit log) for all relevant transactions throughout the year. Accordingly, we are unable to comment on the adequacy of the audit trail feature in the said software along with the preservation in accordance with the statutory requirements.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

AMIT GOEL

Partner

Membership No. 500607

Date: May 25, 2026

Place: Bangalore

UDIN: 26500607RGNIJK9495

Annexure A to the Independent Auditor's Report dated May 25, 2026 on the financial statements of Lineage Defence And Aerospace Private Limited (the "Company") for the year ended March 31, 2026.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (the "Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

- i. (a)(A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment as at the balance sheet date. Accordingly, the requirements of clause 3(i)(a)(A) of the Order is not applicable to the Company.

(B) 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 capitalized any intangible assets in the books of the Company. Accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any Property, Plant and Equipment during the year. Accordingly, the requirements relating to physical verification of Property, Plant and Equipment under clause 3(i)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property which is held in the name of the Company as at the balance sheet date. Accordingly, the requirement to report under clause 3(i)(c) of the Order is not applicable to the Company.

(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. Further, the Company does not hold any right of use assets and intangible assets. Accordingly, the requirement to report under clause 3(i)(d) of the Order is not applicable to the Company.

(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 are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- ii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any inventory. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As per the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the period. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. 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 any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships, or any other parties during the period. Accordingly, the requirement to report on clauses 3(iii) of the Order are not applicable to the Company.
- iv. 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 loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. We are informed by the management that no Order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, whichever is applicable, have been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.

(b) 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 statutory dues relating to goods and services tax, provident fund, employees' state insurance, income tax, sale tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. 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 transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the period. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- ix. (a) 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company
- (b) 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 been declared a willful defaulter by any bank or financial institution or any other lender.
- (c) 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 availed any term loan during the year. Accordingly, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the Company during the year. Accordingly, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3 (ix)(e) of the Order are not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3 (ix)(f) of the Order are not applicable to the Company.
- x. (a) According to the information and explanations given to us and procedures performed by us, the Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments). Accordingly, the requirement to report 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 on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partially optionally convertible debentures during the period under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period. Accordingly, the requirement to report under clause 3(xi)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.
- xii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and hence not commented upon.
- xiv. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Act. Accordingly, the requirement to report under clause 3(xiv) of the Order is not applicable to the Company.
- xv. 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 entered into any non-cash transactions with its directors or persons connected with them as referred in section 192 of the Act. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) Based on the information and explanations provided by the management of the Company, the Company is not part of any group as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. 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 incurred cash losses of Rs. 0.05 million in the current year.
- xviii. There has been no resignation of the statutory auditors during the period. Accordingly, the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 16 of notes to the financial statements, 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.
- xx. According to the information and explanations given to us and basis of our audit procedures, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) of the Order are not applicable to the Company.

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

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

AMIT GOEL
Partner
Membership No. 500607

Date: May 25, 2026
Place: Bangalore
UDIN: 26500607RGNIJK9495

Annexure B to the Independent Auditor's Report dated May 25, 2026 on the financial statements of Lineage Defence And Aerospace Private Limited for the year ended March 31, 2026.

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act") as referred to in paragraph 2(g) of 'Report on Other Legal and Regulatory Requirements' section of our report even date.

We have audited the internal financial controls with reference to the financial statements of **Lineage Defence And Aerospace Private Limited** (the "Company") as of March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "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, including adherence to Company's policies, 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls issued by 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 with reference to the financial statements were 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls with reference to financial statements, 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 of 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 controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 (3) 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.

Inherent Limitations of Internal Financial Controls with Reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2026, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

AMIT GOEL

Partner

Membership No. 500607

Date: May 25, 2026

Place: Bangalore

UDIN: 26500607RGNIJK9495

Lineage Defence And Aerospace Private Limited
CIN:U25121KA2025PTC213001
Balance sheet as at March 31, 2026
(Amounts are ₹ in million unless otherwise stated)

Particulars	Note no	As at March 31, 2026
A. Assets		
(1) Non-current assets		
Total non-current assets		-
(2) Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	3	0.10
Total current assets		0.10
Total assets (1+2)		0.10
B. Equity and liabilities		
(1) Equity		
(a) Equity share capital	4	0.10
(b) Other equity	5	(0.05)
Total equity		0.05
(2) Liabilities		
I. Non current liabilities		
Total non-current liabilities		-
II. Current liabilities		
(a) Financial liabilities		
(i) Trade payables	6	
-Total outstanding dues of micro and small enterprises		0.05
-Total outstanding dues of creditors other than micro and small enterprises		-
Total current liabilities		0.05
Total liabilities		0.05
Total equity and liabilities (1+2)		0.10
Material accounting policies	2	

Accompanying notes form an integral part of these financial statements

As per our report of even date attached

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

For and on behalf of the Board
Lineage Defence And Aerospace Private Limited

AMIT GOEL
Partner
Membership No. 500607
Place: Bangalore
Date: May 25, 2026

Rajiv Maddisetty
Director
DIN-08495070
Place: Bangalore
Date: May 25, 2026

Rohitha Mudduluru
Director
DIN-10071722
Place: Bangalore
Date: May 25, 2026

Lineage Defence And Aerospace Private Limited**CIN:U25121KA2025PTC213001****Statement of profit & loss for the period from December 23, 2025 to March 31, 2026****(Amounts are ₹ in million unless otherwise stated)**

Particulars	Note no	For the period December 23, 2025 to March 31, 2026
Income :		
(a) Revenue from operations	7	-
Total income (I)		-
Expenses:		
(a) Other expenses	8	0.05
Total expenses (II)		0.05
Profit/(Loss) before tax (I-II)=III		(0.05)
Tax expense:		
(a) Current tax	10	-
(b) Deferred tax charge/ (credit)		-
Total tax expense(IV)		-
Profit/(Loss) after tax (III-IV)= V		(0.05)
Other comprehensive income:		
A. Items that will not be reclassified to profit or loss (VI)		
(i) Remeasurement of defined benefit plan gain/(loss)		-
(ii) Income tax relating to these items		-
Total other comprehensive income for the year (net of tax)		-
VII Total comprehensive loss for the year (V+VI)=VII		(0.05)
VIII Earnings per share (Rs.) (face value of Rs. 10 per share):		
Basic (Rupee)	9	(5.00)
Diluted (Rupee)	9	(5.00)
Material accounting policies	2	

Accompanying notes form an integral part of these financial statements**As per our report of even date attached****For S S Kothari Mehta & Co. LLP**

Chartered Accountants

Firm's Registration No. 000756N/N500441

For and on behalf of the Board

Lineage Defence And Aerospace Private Limited

AMIT GOEL

Partner

Membership No. 500607

Place: Bangalore

Date: May 25, 2026

Rajiv Maddisetty

Director

DIN-08495070

Place: Bangalore

Date: May 25, 2026

Rohitha Mudduluru

Director

DIN-10071722

Place: Bangalore

Date: May 25, 2026

Lineage Defence And Aerospace Private Limited

CIN:U25121KA2025PTC213001

Statements of cash flows for the period from December 23, 2025 to March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

Particulars	For the period December 23, 2025 to March 31, 2026
A. Cash flows from operating activities	
Loss before tax	(0.05)
Adjustments for:	
Operating cash flow before changes in operating assets and liabilities	(0.05)
(Decrease) / increase in trade payables	0.05
Cash generated from operations	-
Income taxes paid (net of refunds)	-
Net cash generated/(used in) from operating activities (A)	-
B. Cash flows from investing activities	
Net cash (used in)/from investing activities (B)	-
C. Cash flows from financing activities	
Proceeds from Issue of equity shares	0.10
Net cash generated from/ (used in) financing activity (C)	0.10
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	0.10
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of year	0.10
Components of cash and cash equivalents considered only for the purpose of cash flow statement	
(a) Balances with banks	
In current accounts	0.10
(b) Cash on hand	-
Total cash and cash equivalents (Refer note no. 3)	0.10

Note:

The above statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of cash flows".

Material accounting policies

Accompanying notes form an integral part of these financial statements

As per our report of even date attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

For and on behalf of the Board

Lineage Defence And Aerospace Private Limited

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Place: Bangalore

Date: May 25, 2026

Lineage Defence And Aerospace Private Limited

CIN:U25121KA2025PTC213001

Statement of changes in equity for the period from December 23, 2025 to March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

(a) Equity share capital

Particulars	Note no	No of shares	Amount
As at April 01, 2025		-	-
Changes in equity share capital during the year	4	10,000	0.10
As at March 31, 2026		10,000	0.10

(b) Other equity

Particulars	Reserves and surplus Retained earnings	Total
As at April 01, 2025	-	-
Addition during the year:		
Add: Profit/(Loss) for the period	(0.05)	(0.05)
Balance as at March 31, 2026	(0.05)	(0.05)

Material accounting policies

Accompanying notes form an integral part of these financial statements

As per our report of even date attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

For and on behalf of the Board

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Partner

Membership No. 500607

Place: Bangalore

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DIN-08495070

Place: Bangalore

Date: May 25, 2026

Rohitha Mudduluru

Director

DIN-10071722

Place: Bangalore

Date: May 25, 2026

3 Cash and cash equivalents

Particulars	As at March 31, 2026
Balances with banks	
- On Current accounts	0.10
Total	0.10

4 Equity share capital

Particulars	As at March 31, 2026	
	No. of shares	Amount
Authorised share capital		
Equity shares of Rs 10 each	1,00,000	1.00
	1,00,000	1.00
Issued, subscribed and fully paid:		
Equity shares of Rs 10 each	10,000	0.10
	10,000	0.10

Note:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2026	
	No. of shares	Amount
At the commencement of the year	-	-
Movement during the year	10,000	0.10
At the end of the year	10,000	0.10

(b) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share. The dividend, if any, recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company are set out below

Name of the shareholder	As at March 31, 2026	
	No. of shares	% of holding
Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited) and its nominee.	10,000	100.00%

(d) Details of shares held by promoter and promoter group :

Particulars	As at March 31, 2026		
	Number of shares	% of holding	% of change
Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)	9,999	99.99%	0%
Venugopal Rao Maddisetty*	1	0.01%	0%
Total	10,000	100%	-

* held by a director as a nominee shareholder

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash. The Company has neither allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares since incorporation of the company.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

5 Other equity

Particulars	As at March 31, 2026
Retained earnings	(i) (0.05)
Total other equity	(0.05)

(i) Retained earnings

Opening balance	-
Add: Loss for the period	(0.05)
Closing balance	(0.05)

Nature and purpose of reserves:

Retained earnings

Retained earning are profit/loss that the Company has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholder.

6 Trade payables

Particulars	As at March 31, 2026
(a) Total outstanding dues of micro enterprises and small enterprises	0.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	-
	0.05

of the above trade payables amounts due to related parties are as below:

Trade payables due to related parties

(a) Trade payables are generally non-interest bearing and are settled within normal operating cycle of the Company

- (b) Disclosures relating to dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), to the extent information available with the Company.

Particulars	As at March 31, 2026
(a) Principal amount remaining unpaid to any supplier as at the end of the year.	0.05
Interest due thereon remaining unpaid to any supplier as at the end of the year.	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-
(d) The amount of interest accrued and remaining unpaid at the end of the year.	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-

- (c) Trade payables ageing schedules
As at March 31, 2026

Particulars	Outstanding for following period from due date of payment as at March 31, 2026						Total
	Unbilled	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	0.05	-	-	-	-	-	0.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	0.05	-	-	-	-	-	0.05

7 Revenue from operations

A. Particulars	For the period December 23, 2025 to March 31, 2026
Sale of products and services	-
Sale of products and services	-
Total revenue from operations	-

- B. The following table provides information about revenue recognised over point in time and satisfied over time

Particulars	For the period December 23, 2025 to March 31, 2026
Point in time	-
Satisfied over time	-
Revenue from contracts with customers	-

C. Contract assets

Particulars	As at March 31, 2026
Opening balance	-
Less: Bills raised	-
Less: Reversed during the year	-
Addition during the year	-
Closing Balance	-

D. Contract liabilities

Particulars	As at March 31, 2026
Balance at beginning of the year	-
Add: Amount billed but not recognized as revenue	-
Less: On account of revenue recognized during the year	-
Balance at the end of the year	-

E. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from

Particulars	As at March 31, 2026
-Receivables, which are included in 'trade receivables'	-
Contract assets (unbilled revenue)	-
Contract liabilities (unearned revenue)	-

F. Reconciliation of contract price

Particulars	For the period December 23, 2025 to March 31, 2026
Revenue as per contracted price	-
Adjustments for:	-
Less: Liquidated damages	-
Total Revenue from contract with customers	-

8 Other expenses

Particulars	For the period December 23, 2025 to March 31, 2026
Auditor's remuneration	0.05
Total	0.05

- (a) Auditor's remuneration comprises fees for audit of:
Statutory audit fee

0.05
0.05

9 Earnings per Share ("EPS")

The Company presents the basic and diluted EPS data for its equity shares

(i) Basic EPS is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year;

(ii) Diluted EPS is computed by adjusting the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares considered for deriving basic EPS for the effects of all the equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The following table sets forth the computation of basic and diluted earnings per share:

Particulars	For the period December 23, 2025 to March 31, 2026
Face value of shares (₹)	10
Profit after tax attributable to owners for computing Basic and Diluted EPS (A)	(0.05)
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	10,000
Weighted average number of equity shares in calculating diluted EPS (C)	10,000
Basic earnings per share (A/B) (Rs.)	(5.00)
Diluted earnings per share (A/C) (Rs.)	(5.00)

10 Tax expenses

A. Income tax expense recognised in restated statement of profit and loss

Particulars	For the period December 23, 2025 to March 31, 2026
Current tax	-
Deferred tax charge/(credit): other than that disclosed under OCI	-
Tax expenses for the period	-

B. Reconciliation of income tax expense

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the period December 23, 2025 to March 31, 2026
Reconciliation of effective tax rate	
Accounting profit/(loss) before income tax (A)	(0.05)
Enacted income tax rate (%)	25.17%
Tax amount on enacted income tax rate in India	(0.01)
Tax effect of :	
Others	0.01
Income tax expenses recognised in the statement of profit and loss	-

11 Related party disclosures:

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", notified under section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)), are disclosed below:

A. Names of related parties and description of relationship:

Related parties where control exists:

Entity name	Relationship
Pace Digitek limited (formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)	Holding Company

Other related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Key management personnel (KMP):

Rajiv Maddisetty	Director (w.e.f. December 23, 2025)
Rohitha Mudduluru	Director (w.e.f. December 23, 2025)

Note:

i. There are no transactions with related parties during the period ended March 31, 2026.

ii Related parties and their relationships are as identified by the management and relied upon by the auditors. All transactions are conducted in the ordinary course of business and at arm's length.

iii. No remuneration, termination benefits or share-based payment arrangements existed during the year March 31,2026 and accordingly no related expense, liability or reserve has been recognised.

12 Disclosure on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

A. Accounting classification, fair values measurements and fair value hierarchy

Particulars	As at March 31, 2026	
	Carrying values	Fair values
Details of financial assets and financial liabilities :		
(A) Financial assets		
Cash & cash equivalents	0.10	0.10
Total	0.10	0.10
Financial liabilities		
Trade payables	0.05	0.05
Total	0.05	0.05

Management has assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and are valued at level 3.

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. The following methods and assumptions were used to estimate the fair value.

(i) The fair values of the Company's interest-bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2026 was assessed to be insignificant.

(ii) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Fair value hierarchy

All financial instrument for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical financial instrument

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

13 Financial instrument- Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the period ended March 31, 2026. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

The Company has exposure to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

1) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

a) Trade receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and due after 0 to 90 days from the date of invoice. The Company is entitled to demand interest, wherever applicable in case the customer does not pay within the due date. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

In order to contain the business risk especially with respect to long-duration construction & supply contracts, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset.

Overall, the credit risk from receivable is low in view of diverse businesses and government customers

(ii) Financial instruments and cash deposits :

The credit risk for cash deposits with banks and cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due. The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these deposits.

Other financial assets being security deposits and others are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Based on the assessment there is no impairment in the above financial assets.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the company financial liabilities are as under:

Particulars	Carrying amount	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2026					
Trade payables	0.05	0.05	-	-	0.05

3) Market risk

Market risk is the risk that changes in the market prices such as foreign currency risk, interest risk, equity price and commodity prices. The market risk will affect the Company's income or value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the returns.

14 Capital management

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in equity.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit. No changes were made in the objectives, policies or process for managing its capital during the year ended March 31, 2026. The Company reviews its Dividend policy from time to time.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

- net debt (total borrowings and lease liabilities net of cash and cash equivalents)
- divided by total 'equity' (as shown in the balance sheet)
- there have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

Particulars	As at March 31, 2026
Current borrowings	-
Non current borrowings	-
Less: Cash and cash equivalents including bank balances	(0.10)
Total debt (A)	(0.10)
Total equity (B)	0.05
Capital and net debt (C=A+B)	-0.05
Gearing ratio (A / C)	200.00%

15 Additional regulatory information**(a) Details of benami property held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(b) Relationship with struck off companies

The Company has not entered into any transactions with struck off companies during the period ended March 31, 2026.

(c) Details of crypto currency or virtual currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the period ended March 31, 2026.

(d) Details of transaction disclosed under Income Tax Act

The company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(e) Charges or satisfaction

The Company does not have any charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(f) Details of advanced or loaned or invested funds

The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

- 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 to or on behalf of the ultimate beneficiaries

(g) Details of fund received

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- 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,

(h) Wilful defaulter

The Company is not a wilful defaulter of any loan or other borrowing from any lender.

(i) Compliance with number of layers of companies

The Company has complied with the number of layers of companies prescribed under the Companies Act, 2013.

(j) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact in the year ended March 31, 2026.

(k) **Revaluation**

The Company does not have any property, plant and equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2026.

(l) **Borrowing secured against assets**

The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(m) **Corporate Social Responsibility**

The provisions relating to Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 are not applicable to the Company during the current financial year, as the Company was newly incorporated and does not meet the prescribed thresholds specified under the Act requiring expenditure on CSR activities.

16 Ratio analysis

S.no.	Ratio	Nature	March 31, 2026 ^a	Variance %	Reason for variance required if variance exceeds 25%
1	Current ratio	Times	2.00	-	The Company got incorporated during the year w.e.f. December 23, 2025.
2	Debt-equity ratio	Times	-	-	
3	Debt service coverage ratio	Times	NA	-	
4	Return on equity ratio	Percent	-200.00%	-	
5	Inventory Turnover Ratio	Times	NA	-	
6	Trade receivable turnover ratio	Days	NA	-	
7	Trade payable turnover ratio	Days	-	-	
8	Net capital turnover ratio	Days	-	-	
9	Net profit ratio	Percent	NA	-	
10	Return on capital employed	Percent	-100.20%	-	
11	Return on investment	Percent	NA	-	

^aNote:- The Company was incorporated during the year ended March 31, 2026. Accordingly, no comparative figures for the previous year ended March 31, 2025 have been presented in these financial statements.

Formula:

1	Current ratio = Current assets / Current liabilities
2	Debt-equity ratio = Total debt / Shareholder's equity
3	Debt service coverage ratio = Earnings available for debt service / Debt service
4	Return on equity ratio = Net profit after taxes / Average shareholder's equity
5	Inventory turnover ratio = Cost of goods sold / Average inventory
6	Trade receivables turnover ratio = Net sales / Average account receivables
7	Trade payables turnover ratio = Net purchases / Average trade payable
8	Net capital turnover ratio = Net Sales / Average working capital
9	Net profit ratio = Net profit after taxes / Net sales
10	Return on capital employed = Earning before interest and taxes / Average capital employed
11	Return on investment = Dividend from investment / Average investments

17 Going Concern

During the year ended March 31, 2026, the company has accumulated losses of Rs. 0.05 million against the equity share capital of Rs. 0.10 million.

The Management/Board of Directors is confident that the company will generate sufficient budgeted profits to meet its obligations as they become due in the foreseeable future. Furthermore, the ultimate controlling entity has reaffirmed its commitment to provide financial support as needed, ensuring continued operational stability. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments related to the recoverability and classification of carrying amounts of assets and the amounts of liabilities that might result should the company be unable to continue as a going concern.

18 Segment reporting

As per Ind AS 108 - Operating Segments, operating segments are defined as components of an entity for which discrete financial information is available and which are regularly reviewed by the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and performance assessment.

The Company is a subsidiary of Pace Digitek limited (formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited), which prepares consolidated financial statements in accordance with Ind AS. The CODM for the Group is at the holding company level, where the operating results and segment performance of all group entities are evaluated on a consolidated basis. Accordingly, segment disclosures in accordance with Ind AS 108 are presented in the consolidated financial statements of the holding company. However, the Company primarily operates in three key business segments: Telecom, Energy, and Power.

19 Data backup

The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and a back-up is maintained in servers situated in India and the Company and its officers have full access to the data in the servers.

20 Audit Trail

The Company has maintained its books of account using accounting software that did not have the functionality to record an audit trail (edit log) for all relevant transactions throughout the year. However, Audit trail feature in the said software along with the preservation of the same was not active during the year.

Lineage Defence And Aerospace Private Limited

CIN:U25121KA2025PTC213001

Notes to the financial statements for year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

21 Subsequent event

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the issuance of the financial statements to determine the necessity for recognition and/or reporting of any such events and transactions in the financial statements. As of May 25, 2026, there were no subsequent events to be recognized or reported in these financial statements.

Accompanying notes form an integral part of these financial statements

As per our report of even date attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

For and on behalf of the Board

Lineage Defence And Aerospace Private Limited

AMIT GOEL

Partner

Membership No. 500607

Place: Bangalore

Date: May 25, 2026

Rajiv Maddisetty

Director

DIN-08495070

Place: Bangalore

Date: May 25, 2026

Rohitha Mudduluru

Director

DIN-10071722

Place: Bangalore

Date: May 25, 2026

Lineage Defence And Aerospace Private Limited

CIN: U25121KA2025PTC213001

Notes to the financial statements for year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

1. Corporate information

Lineage Defence And Aerospace Private Limited referred to as (the “Company”), was incorporated on December 23, 2025 under the erstwhile Companies Act, 2013 with its registered office in Bengaluru, Karnataka. The Company is primarily engaged in the business of Infra Power Management, Green Energy and Telecom, Solar Energy Solutions, Hybrid Solutions and Remote Monitoring Solutions, related operation and maintenance and product services infrastructure such as Urban Infrastructure, Power and Power Transmission.

The Company is subsidiary of Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited).

1.1. Statement of compliance and basis of preparation of financial statements

a. Statement of Compliance

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statements.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the period from December 23, 2025 (being date of incorporation of the Company) to March 31, 2026 then ended and notes to the financial statement, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

These financial statements were approved for issue by the Board of Directors on May 25, 2026.

b. Basis of Preparation and Presentation

The financial statements of the Company have been prepared on going concern, accrual and historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans-plan assets measured at fair value.
- Certain financial assets and liabilities measured at fair value
- Other financial assets and liabilities at amortised cost

The Company has prepared the financial statement on the basis that it will continue to operate as a going concern. These financial statements are presented in INR, and all values are rounded to the nearest million, except when otherwise stated.

c. Current versus Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non- current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle - Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 a normal operating cycle
- It is held primarily for the purpose of trading

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- 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. All other liabilities are classified as non-current. Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2. Material accounting policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Standalone financial statements, unless otherwise indicated.

2.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

(i) Financial Assets

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

A financial asset is subsequently 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 contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income – equity

The Company measures all its equity investments except for investment in subsidiaries and associates, at fair value. Where the Company's management has opted to present fair value gain and losses on equity investments in Other Comprehensive Income,

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there is no subsequent reclassification of fair value gains and losses to the profit and loss. Dividend income from such investments is recognized in the statement of profit and loss as other income when the Company's right to receive payments is established.

Financial assets at fair value through other comprehensive income – debt

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through the statement of profit and loss

A financial asset which is not classified in any of the above categories, are subsequently fair valued through the statement of profit and loss.

De-recognition

A financial asset is primarily derecognized when:

- 1. the right to receive cash flows from the asset has expired, or
- 2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Outstanding customer receivables are regularly monitored. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. The Company creates allowance for unsecured receivables based on historical credit loss experience, industry practice and business environment in which the entity operates and is adjusted for forward looking information. Subsequently when the Company is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

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*(Amounts are ₹ in million unless otherwise stated)***(ii) Financial liabilities:**

All financial liabilities are recognized 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, loans and borrowings including bank overdrafts .

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through statement of profit and loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the Effective interest rate method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually payable basis varying trade term. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using Effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Company, are those contracts that require a payment to be made to reimburse the holder for a loss if incurred because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. If material, financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.3 Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances. The computation reflects the effect of uncertainty for each item of allowance and disallowance as appropriate either by

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- i. expected value method which sums the probability-weighted amounts in a range of possible outcomes or
- ii. the most likely amount in a range of possible outcomes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates as per laws enacted or substantively enacted as on the Balance Sheet date

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The Company has applied mandatory exception of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required by Ind AS 12 (as amended).

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties and net of estimated liquidated damages. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers. The Company collects GST or other indirect taxes, if any on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The Company derives revenues primarily from sale of power infra items, and construction/project related activity, engineering, procurement and construction (EPC) and operation and maintenance of telecommunication towers.

Revenue from sales of products

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. The Company considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Revenue from sales of services

The Company recognises revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services-related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company is not required to adjust the promised amount of consideration for the effects of a significant financing component because it expects, at

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contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

Revenue from operation and maintenance

Revenue from operation & maintenance is recognized as the proportion of the total period of services contract that has elapsed at the end of the reporting period.

For contracts where the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Unbilled revenue”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognized profits (or minus recognized losses, as the case may be), the surplus is shown as contract liability and termed as “Excess of billing over revenue”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”. The amounts billed on the customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the balance sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Contract balances**- Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. 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 (i.e., transfers control of the related goods or services to the customer).

Trade receivables

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

2.5 Other Income

Interest Income from bank deposits and loan

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.

Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.6 Retirement and other employee benefits**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid at undiscounted value when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined benefit plan - Gratuity

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The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972.

The liabilities with respect to defined benefit plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the defined benefit scheme. The difference, if any, between the actuarial valuation of the defined benefit scheme of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit and loss:

- i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- ii) Net interest expense or income Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Defined contribution plan - Provident fund, employee state insurance and other defined contribution plan

Retirement benefit in the form of provident funds, employee state insurance and other defined contribution plan is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the these funds. The Company recognises contribution payable through these scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid.

If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Other employee benefit - Compensated absence Liability in respect of compensated absences becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.8 Earnings Per Share

The basic earnings per share are calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit attributable to equity shareholders during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares are ignored in the calculation of diluted earnings per share.

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2.9 Borrowing Costs

Borrowing costs includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of profit and loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (i.e. qualifying assets) are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, 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, and bank overdrafts.

2.11 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax 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.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. the Company does not recognise a contingent liability but discloses its existence in the standalone financial statements unless the probability of outflow of resources is remote.

Contingent assets

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Ind AS financial statements.

2.12 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.13 Key accounting judgments, estimates and assumptions

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Defined benefit plans

The cost of defined benefit plans and leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in notes to the financial statement.

b) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use.

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Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

2.14 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

2.15 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) has notified the following amendments:

Amendments to Ind AS 21 - Lack of exchangeability

On 09 May 2025, Ministry of Corporate Affairs (MCA) notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after 01 April 2025.

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

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- a) What is meant by a right to defer settlement
- b) That a right to defer must exist at the end of the reporting period
- c) That classification is unaffected by the likelihood that an entity will exercise its deferral right
- d) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments do not have material impact on the Company's standalone financial statements.

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*(Amounts are ₹ in million unless otherwise stated)***2.16 Standards issued but not yet effective**

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below: The Company will adopt these amendments to the standards, when they become effective.

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

In accordance with Ind AS 1 currently applicable, breach of an immaterial covenant is ignored deciding in current vs. non-current classification of liabilities. Also, in case of breach of a material covenant of a non-current loan on or before the reporting date, the entity can obtain waiver from the lender after the reporting date and continue to classify the loan as non-current liability.

In accordance with changes to Ind AS 1 already notified by the MCA, the above relaxations to classify loan as non-current liability will not be available from FY 2026-27 onward and need to be applied retrospectively. Consequently:

- i) A breach of either material or immaterial covenant will trigger current classification of liability.
- ii) To continue classifying loan as non-current liability, entities will need to obtain waiver from the breach on or before the reporting date.

The Company is currently assessing the impact the amendments will have on its standalone financial statements.