

**KALYANASUNDARAM
& ASSOCIATES**
CHARTERED ACCOUNTANTS

STATUTORY AUDIT
INTERNAL AUDIT
DIRECT TAXATION
INDIRECT TAXATION
START UP SERVICES
CONSULTING

INDEPENDENT AUDITOR'S REPORT

To the Members of **TONBO IMAGING INDIA LIMITED**
(formerly known as *Tonbo Imaging India Private Limited*)

Report on Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **TONBO IMAGING INDIA LIMITED** (formerly known as *Tonbo Imaging India Private Limited*) ("hereinafter referred to as the "Holding Company") its subsidiaries incorporated in Australia i.e. Tonbo Systems Pty Ltd (w.e.f. 10th July, 2024) and in Armenia i.e. Tonbo LLC (w.e.f. 3rd September, 2024) (herein after referred to as "Subsidiary Companies"), (Holding Company and its Subsidiary Companies together referred to as "the Group"), which comprise the Consolidated Statement of Assets and Liabilities as at 31 March 2026, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and its consolidated profit (including other comprehensive income) and its consolidated cash flow for the year then ended.

Basis for Opinion

We conducted the audit of the Consolidated Financial Statements in accordance with Standards on Auditing (SAs) specified u/s 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group according to Code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of Act and the rules made there under and we have fulfilled our other ethical requirements and code of Ethics. We believe that the audit evidence we obtained is sufficient and appropriate to provide basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of Consolidated Financial Statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

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Key audit matters	How our audit addressed the key audit matter
Revenue Recognition for Long-Term Defence Contracts	
Refer note 2.13 'Revenue Recognition' to the Consolidated Financial Statements The Company derives a substantial portion of its revenue from defence contracts with government agencies with predefined performance obligations. Revenue is recognized when the goods are dispatched and there is transfer of control of goods to the customer. This requires that the goods shall be accepted from the customer in order to recognise revenue.	Our Audit procedure amongst others included the following: - Review the terms of delivery from the purchase order - Tested revenue transactions with invoices and dispatch documents. - Verified customer acknowledgements evidencing acceptance - Evaluated compliance with revenue recognition policy - Assessed disclosures in financial statements
Inventory Valuation	
Refer note 2.5 'Inventories' to the Consolidated Financial Statements The Company maintains significant inventory including raw materials and finished goods relating to specialized defence equipment. Valuation involves judgment in cost allocation, identification of slow-moving items and estimation of net realisable value.	Our Audit procedure amongst others included the following: - Attended physical inventory counts and performed test checks - Tested valuation of inventory on sample basis - Reviewed provisioning for obsolete and slow-moving items - Compared cost with net realizable value - Assessed disclosures

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance, Directors' Report, etc. but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the Holding Company, as aforesaid.



In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 Consolidated Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Consolidated 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.
2. 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 holding company has adequate internal financial control system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. The subsidiaries included in the Consolidated Financial Statements, which have been certified by the management and the management remain responsible for the accuracy of the information disclosed in the Financial Statements. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.



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.

Other Matters

- a) We did not audit the financial statements of the subsidiary Tonbo Systems Pty Ltd, Australia, which is not required to be audited under the local laws of its jurisdiction. The financial statements, certified by the Management reflect total assets of Rs. 377.72 Lakhs (AUD 592,568/-) as at 31st March, 2026, total revenue of Rs. 593.58 Lakhs (AUD 1,012,981) and net profit amounting to Rs. 83.59 Lakhs (AUD 142,649) for the year ended on that date, as considered in the Consolidated Financial Statements. (AUD refers to Australian Dollar translated @ 0.017) and are considered immaterial to the Group.
- b) We did not audit the financial statements of the subsidiary Tonbo LLC, Armenia, which is not required to be audited under the local laws of its jurisdiction. The financial statements, certified by the Management reflect total assets of Rs. 34.40 Lakhs (AMD 13,919,309) as at 31st March, 2026, total revenue of Rs. 133.19 Lakhs (AMD 55,897,311) and net profit amounting to Rs. 18.45 Lakhs (AMD 7,744,708) for the year ended on that date, as considered in Consolidated Financial Statements. (AMD refers to Armenia Dollar translated @ 4.20) and are considered immaterial to the Group.

Our Opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the management.

Report on other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- b) In our opinion proper books of account as required by law relating to the preparation of aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of the management.
- c) The Consolidated Statement of Assets and Liabilities, the Consolidated Statement of Profit and Loss (including other comprehensive income) and the Consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2026, taken on record by the Board of Directors of the Holding Company, none of the directors of the Group are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. There were no pending litigations as at 31st March 2026 which would impact the consolidated financial position of the Group.
 2. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 3. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies during the year ended 31st March 2026.



4. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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;
- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
5. The Holding Company has not declared or paid dividends during the year, hence no compliance with section 123 of the Companies Act, 2013 is applicable.
6. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11(g) 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, the accounting software used for maintaining the books of account by the Holding Company incorporated in India has a feature of recording audit trail (edit log) facility which has operated throughout the year for all relevant transactions recorded in the software and the audit trail feature has not been tampered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- The reporting under Rule 11(g) is applicable only in respect of the Holding Company incorporated in India. The foreign subsidiaries included in the consolidated financial statements are incorporated outside India and accordingly reporting under Rule 11(g) is not applicable to such foreign subsidiaries

With respect to the matters specified in paragraph 3(xxi) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO 2020") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013, based on the CARO report issued by us for the Holding Company, included in the consolidated financial statements, to which CARO 2020 is applicable, we report that there are no qualifications or adverse remarks in such CARO report.

The two foreign subsidiaries included in the consolidated financial statements are outside the purview of CARO 2020.

Place: Bengaluru
Date: May 15, 2026

for Kalyanasundaram and Associates

Chartered Accountants

Firm Reg. No.005455S



UDIN: 26219645MUIWYU4517

“Annexure A” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of **Tonbo Imaging India Limited** (*formerly known as Tonbo Imaging India Private Limited*) (“the Holding Company”) as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company.

Management’s Responsibility for Internal Financial Controls:

The Holding Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring:

- orderly and efficient conduct of business,
- adherence to company policies,
- safeguarding of assets,
- prevention and detection of frauds and errors,
- accuracy and completeness of accounting records, and
- timely preparation of reliable financial information.

Auditor’s Responsibility:

Our responsibility is to express an opinion on the Holding Company’s internal financial controls based on our audit. We conducted our audit in accordance with the guidance note on audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 and their operating effectiveness. Our audit of internal financial controls included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement 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 system over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated:

A Company’s internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. It 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 the 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 Consolidated Financial Statements:

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that such controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to two foreign subsidiaries, which are companies incorporated outside India, is not applicable since reporting on internal financial controls is not required under the local laws applicable to such subsidiaries.

Accordingly, such foreign subsidiaries have been excluded from our reporting under Section 143(3)(i) of the Act.

Our opinion is not modified in respect of this matter.

Opinion:

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements, and such internal financial controls were operating effectively as of March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bengaluru
Date: May 15, 2026

For Kalyanasundaram and Associates

Chartered Accountants

Firm Reg No. 005455S



Membership No: 219645

UDIN: 26219645MUIWYU4517

TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)***CIN: U74140KA2003PLC033043****CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES****Amount in Rs.**

Particulars	Notes No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	24,80,34,602	24,48,44,727
Capital work-in-progress	4	12,39,57,106	72,06,274
Intangible assets	4	1,62,70,09,055	1,65,19,23,178
Right-of-use assets	5	7,57,42,948	9,06,86,621
Financial assets			
Investments	6	-	26,000
Other financial assets	7	60,59,16,503	79,29,69,792
Other non-current assets	8	2,87,99,274	1,79,85,875
Total non-current assets		2,70,94,59,488	2,80,56,42,467
Current assets			
Inventories	9	2,19,48,49,472	1,11,14,34,630
Financial assets			
Trade receivables	10	2,11,66,30,990	2,10,31,22,610
Cash and bank balances	11	16,17,92,189	1,00,97,18,042
Other Bank Balances	12	22,45,34,574	95,21,809
Loans	13	72,61,952	43,37,185
Other financial assets	7	7,92,13,864	55,02,689
Other current assets	8	33,12,32,597	21,43,15,742
Total current assets		5,11,55,15,638	4,45,79,52,707
Total Assets		7,82,49,75,126	7,26,35,95,174
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	11,45,64,200	73,32,720
Instruments entirely equity in nature	15	-	-
Other equity		5,41,70,30,564	4,89,40,50,753
Total Equity		5,53,15,94,764	4,90,13,83,473
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	-
Lease Liabilities	17	6,85,36,116	8,78,30,995
Other financial liabilities	18	-	-
Deferred Tax Liabilities (net)	19	9,99,74,098	8,04,64,355
Provisions	20	18,76,96,634	33,87,90,284
Total non-current liabilities		35,62,06,848	50,70,85,634



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U74140KA2003PLC033043

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Amount in Rs.

Particulars	Notes No.	Amount in Rs.	
		As at March 31, 2026	As at March 31, 2025
Current liabilities			
Financial liabilities			
Borrowings	16	1,16,06,36,602	78,13,53,245
Lease Liabilities	17	1,84,96,742	1,13,44,307
Trade payables	22		
Total outstanding dues of micro and small enterprises		6,10,64,793	2,27,38,689
Total outstanding dues of creditors other than micro and small enterprises		27,33,66,834	18,87,13,091
Other financial liabilities	18	9,00,000	9,00,000
Provisions	20	18,55,26,048	13,97,65,948
Other current liabilities	21	23,71,82,494	71,03,10,786
Total current liabilities		1,93,71,73,514	1,85,51,26,067
Total Liabilities		2,29,33,80,362	2,36,22,11,701
Total Equity and Liabilities		7,82,49,75,126	7,26,35,95,174

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Kalyanasundaram and Associates

Chartered Accountants

Firm Registration No. 005455S

K.M. RANJITH

Partner

Membership No: 219645



Place: Bangalore

Date: May 15, 2026

For and on behalf of the Board of Directors

K. L. Arund
ARVIND KONDANGI
LAKSHMIKUMAR
 Managing Director
 DIN: 02261469

Place: Pondicherry

Date: May 15, 2026

C. D. Souza
CECILIA D'SOUZA
 Director
 DIN: 06380429

Place: Bangalore

Date: May 15, 2026



Ankita
ANKITA AGARWALLA
 Company Secretary
 Membership No: A61777

Place: Cuttack
 Date: May 15, 2026

Sivashankar T S
SIVASHANKAR T S
 Chief Financial Officer

Place: Bangalore
 Date: May 15, 2026

TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)*

CIN: U74140KA2003PLC033043

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amount in Rs.

Particulars	Notes No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations	23	3,62,64,82,944	4,69,07,94,957
Other Income	24	7,29,06,108	5,30,92,601
Total Income		3,69,93,89,052	4,74,38,87,558
Expenses			
Cost of Materials Consumed	25	1,65,55,36,510	2,15,30,85,756
Changes in Inventories of Finished Goods	26	11,96,91,163	-10,69,77,253
Employee benefits expense	27	49,58,31,116	44,43,60,369
Finance Costs	28	10,61,56,491	17,74,08,413
Depreciation and Amortisation Expenses	29	31,33,45,713	26,59,12,493
Other expenses	30	30,92,40,625	80,96,99,847
Total expenses		2,99,98,01,617	3,74,34,89,625
Profit / (Loss) before exceptional and extraordinary items and tax		69,95,87,435	1,00,03,97,933
Exceptional items		-	77,55,524
Profit before tax		69,95,87,435	99,26,42,410
Tax expense			
Current tax		17,06,22,431	21,84,97,754
MAT Credit		-	-
Deferred tax		2,01,62,793	4,65,75,742
Profit for the year, net of Tax		50,88,02,211	72,75,68,914
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the Gain / (Loss) of defined benefit plans		(25,94,556)	(3,79,406)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Tax relating to remeasurement of defined benefit plans		6,53,050	95,505
(iii) Items that will be reclassified to profit or loss			
Exchange Difference on Translation of Foreign Reserves		21,57,574	3,66,826
Total Other Comprehensive Income		2,16,068	82,925
Total Comprehensive Income for the period		50,90,18,278	72,76,51,839



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)***CIN: U74140KA2003PLC033043****CONSOLIDATED STATEMENT OF PROFIT AND LOSS****Amount in Rs.**

Particulars	Notes No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings per equity share			
Basic Earning per share of Face Value of Rs. 2 each	36	9.19	13.38
Diluted Earning per share of Face Value of Rs. 2 each	36	8.88	12.70

The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached

For Kalyanasundaram and Associates

Chartered Accountants

Firm Registration No. 005455S

**K. M. RANJITH**

Partner

Membership No: 219645

Place: Bangalore

Date: May 15, 2026

For and on behalf of the Board of Directors
ARVIND KONDANGI
LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place: Pondicherry

Date: May 15, 2026


ANKITA AGARWALLA
Company Secretary
Membership No: A61777

Place: Cuttack

Date: May 15, 2026


CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore

Date: May 15, 2026


SIVASHANKAR S
Chief Financial Officer

Place: Bangalore

Date: May 15, 2026



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)***CIN: U74140KA2003PLC033043****CONSOLIDATED STATEMENT OF CASH FLOWS**

	Amount in Rs.	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from Operating Activities:		
Profit before tax	69,95,87,435	99,26,42,410
Adjustments for:		
Depreciation and amortisation expense	31,33,45,713	26,59,12,493
Finance costs	4,36,61,530	12,56,05,185
Interest income	(7,08,02,639)	(4,13,02,212)
Net loss on sale of Investment	25,900	-
Transfer of Share Options Outstanding account	12,27,97,522	10,24,03,516
Other comprehensive income for the year	(25,94,556)	(2,83,901)
Translation Reserve	21,57,574	4,16,084
Operating Profit before Working Capital changes	1,10,81,78,477	1,44,53,93,574
Adjustments for changes in Working Capital :		
- (Increase)/decrease in other financial assets (non-current)	18,70,53,289	(65,08,84,771)
- (Increase)/decrease in other non-current assets	(1,08,13,399)	(1,69,33,823)
- (Increase)/decrease in inventories	(1,08,34,14,841)	54,28,168
- (Increase)/decrease in trade receivables	(1,35,08,380)	(1,16,66,95,053)
- (Increase)/decrease in other current assets	(11,69,16,855)	20,29,00,991
- (Increase)/decrease in other financial assets (current)	(7,37,11,175)	(34,03,942)
- (Increase)/decrease in loans	(29,24,767)	(24,52,185)
- Increase/(decrease) in trade payables	12,29,79,847	80,06,233
- Increase/(decrease) in other financial liabilities	-	(6,00,000)
- Increase/(decrease) in provisions (non current)	(15,10,93,650)	3,77,06,696
- Increase/(decrease) in current provisions	2,71,41,574	9,07,82,656
- Increase/(decrease) in other current liabilities	(47,31,28,292)	(97,82,53,647)
Cash generated from Operating Activities	(48,01,58,173)	(1,02,90,05,103)
- Income taxes paid (net)	(15,20,03,905)	(33,21,71,047)
Net Cash from Operating Activities	(63,21,62,078)	(1,36,11,76,151)
Cash flow from Investing Activities:		
Payments for purchase of property, plant and equipment	(4,78,70,196)	(21,61,17,586)
Payments for purchase of intangible assets and capital work in progress	(34,16,90,240)	(5,06,26,226)
Payments for purchase of Right of use of assets	(38,68,186)	(2,14,35,621)
Interest received	7,08,02,639	4,13,02,212
Proceeds from Sale of Investments	100	-
Net Cash from / (used in) Investing Activities	(32,26,25,883)	(24,68,77,221)



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U74140KA2003PLC033043

CONSOLIDATED STATEMENT OF CASH FLOWS

	Amount in Rs.	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from Financing Activities:		
Proceeds / (repayment) from short term borrowings	53,71,78,091	(2,95,00,001)
Proceeds / (Repayment) of long term borrowings	(15,78,94,734)	(15,27,35,622)
Principal repayment of lease liabilities	(1,21,42,444)	83,96,445
Finance cost paid	(4,36,61,530)	(12,56,05,185)
Issue / (Buyback) of Equity shares	(16,04,510)	1,75,00,00,000
Issue of Cumulative Preference Shares	-	2,00,08,212
Net Cash from / (used in) Financing Activities	32,18,74,873	1,47,05,63,850
Net Increase/(Decrease) in cash & cash equivalents	(63,29,13,088)	(13,74,89,522)
Cash and cash equivalents at the beginning of the year	1,01,92,39,851	1,15,67,29,372
Cash and cash equivalents at the end of the year	38,63,26,763	1,01,92,39,851

The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 005455S

K. M. RANJITH
Partner

Membership No: 219645

Place: Bangalore
Date: May 15, 2026



For and on behalf of the Board of Directors

ARVIND KONDANGI
LAKSHMIKUMAR
Managing Director
DIN: 02261469

Place: Pondicherry
Date: May 15, 2026

ANKITA AGARWALLA
Company Secretary
Membership No: A61777

Place: Cuttack
Date: May 15, 2026

CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date: May 15, 2026

SIVASHANKAR T S
Chief Financial Officer

Place: Bangalore
Date: May 15, 2026



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U74140KA2003PLC033043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in Rs.

Equity	Reserves and Surplus							Total
	Equity	Securities premium reserve	Share Options Outstanding account	Debt Redemption Reserve	Capital Redemption Reserve	Retained earnings	Other Comprehensive Income	
a. Equity share capital	Amount							
Balance at April 1, 2024	29,89,140							4,89,40,50,753
Changes in equity share capital during the year	43,43,580							50,88,02,211
Balance at March 31, 2025	73,32,720							
Changes in equity share capital during the year	10,72,31,480							
Balance at March 31, 2026	11,45,64,200							
b. Instruments entirely equity in nature	Amount							
Balance at April 1, 2024	60,84,39,642							
Changes in compulsorily convertible preference shares	(60,84,39,642)							
Balance at March 31, 2025	-							
Changes in compulsorily convertible preference shares	-							
Balance at March 31, 2026	-							
c. Other Equity								
Balance at March 31, 2025	3,24,94,56,833	10,24,03,516	1,57,89,474	6,00,000	1,52,48,95,207	9,05,724		4,89,40,50,753
Profit for the year	-	-	-	-	50,88,02,211	-	-	50,88,02,211
Transfers on buy back of shares	-	-	-	-	(16,04,510)	-	-	-
Transfers on allotment of bonus shares	(10,66,31,480)	-	-	-	(22,04,510)	-	-	(10,88,35,990)
Remeasurement of the Gain / (Loss) of defined benefit plans, net of income tax	-	-	-	-	-	2,16,068	-	2,16,068
Payment of dividend	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
Transfer to Share Options Outstanding account	-	12,27,97,522	-	-	-	-	-	12,27,97,522
Transfer from Share Options Outstanding account on exercise of Options	9,80,57,784	(9,80,57,784)	-	-	-	-	-	-
Transfer from Debt Redemption Reserve on redemption of NCDs	-	-	(1,57,89,474)	-	-	-	-	-
Balance at March 31, 2026	3,24,08,83,137	12,71,43,254	-	-	2,04,78,82,381	11,21,791	-	5,41,70,30,564

The accompanying notes form an integral part of the financial statements.
As per our Report of even date attached

For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No: 0054555



K. M. RANJITH
Partner
Membership No: 219645
Place: Bangalore
Date: May 15, 2026

For and on behalf of the Board of Directors

ARVIND KONDANGI
Managing Director
DIN: 02261469

CECILIA D'SOUZA
Director
DIN: 06380429

ANKITA AGARWALLA
Company Secretary
Membership No: A61777

SIVASHANKAR T
Chief Financial Officer
Place: Bangalore
Date: May 15, 2026



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U74140KA2003PLC033043

Notes to Accounts

1 Notes to the Consolidated Financial Statements

1.1 Company Overview

Tonbo Imaging India Limited (Formerly known as Tonbo Imaging India Private Limited) (the 'Company') was incorporated on December 18, 2003, as a private limited company under the provisions of the Companies Act, 1956 as Sarnoff Innovative Technologies Private Limited. The registered office of the Company is at No. 3, Chikkayellappa Tower II, 1st C Main, Sarjapura Main Road, Jakkasandra Extension, Chikkayellappa Industrial Layout, Bangalore, Karnataka, India 560034.

The Company pursuant to Board and Shareholders' resolutions dated August 15, 2025 approved the conversion of the Company to a public limited company. Consequently the name change of the Company to Tonbo Imaging India Limited was duly approved by the Registrar of Companies, Karnataka on September 11, 2025.

The Company engages in providing vision technology based products and solutions.

The financial statements are authorized for issue by the Company's Board of Directors on May 15, 2026.

1.2 Information about the subsidiaries associates and joint ventures

The Consolidated Financial Statements of the Company along with its Subsidiaries (the 'Group') include the subsidiaries listed below:

Subsidiaries

Name of the Investee	Principal Place of Business	Percentage of Ownership Interest
		March 31, 2026
Tonbo LLC	Armenia	100%
Tonbo Systems Pty Ltd	Australia	100%

The above listed subsidiaries were incorporated in the financial year 2024-25

2 MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of material accounting policies adopted in the preparation of the Consolidated Financial Statements. These policies have been consistently applied to the years presented, unless otherwise stated.

Basis of Preparation of the Consolidated Financial Statements

a. Statement of compliance to Ind AS

The Consolidated Financial Statements of the Group comprise of the Consolidated Statement of Assets and Liabilities as at March 31, 2026, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended March 31, 2026. The Summary Statement of Significant Accounting Policies, and Notes to the Consolidated Financial Statements (collectively, the "Consolidated Financial Statements").

The Consolidated Financial Statements have been prepared in compliance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Group, to the period presented in the said financial statements.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

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Notes to Accounts

2 a. Statement of compliance to Ind AS (contd.)

The Consolidated Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

The Group follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

The Consolidated Financial Statements are presented in Indian Rupees (INR) except otherwise stated.

2 b. Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount

- (a) Certain Financial Assets and Liabilities (including derivative instruments, if any), and
- (b) Defined Benefit Plans - Plan Assets

The Consolidated Financial Statements have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Group's Financial Statements are presented in Indian Rupees, which is also its functional currency

Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Consolidated Financial Statements.

2 c. Basis of Consolidation

The Summary Statements comprise of the financial statements of the Company and its subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

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Notes to Accounts

2 c. Basis of Consolidation (contd.)

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the nine elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to the Consolidated Financial Statements in preparing the financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

(i) The financial summary statements have been prepared using the principles of consolidation as per Ind AS 110 - Consolidated Financial Statements, to the extent applicable.

(ii) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Ind AS financial statements at the acquisition date.

(iii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(iv) Eliminate in full Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from Intra-Group transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intra-Group losses may indicate an impairment that requires recognition in the Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of Profit and Loss resulting from Intra-Group transactions.

(v) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the summary statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U74140KA2003PLC033043

Notes to Accounts

2.1 Fair Value Measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible if the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 Current and Non-Current Classification

An asset is classified as current if:

- a) It is expected to be realized or sold or consumed in the Group's normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is expected to be realized within twelve months after the reporting period; or It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if:

- a) It is expected to be settled in normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is expected to be settled within twelve months after the reporting period;
- d) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

(Formerly known as Tonbo Imaging India Private Limited)

CIN: U74140KA2003PLC033043

Notes to Accounts

2.3 Property, Plant and Equipment

(a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs relating to day-to-day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives as prescribed under Part C of Schedule II of the Companies Act 2013, using the straight-line method, except in respect of leasehold improvement for which the Group has estimated the useful life of Ten years based on the initial lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased / sold during a period is proportionately charged for the period of use.

Assets individually costing less than Rs. 10,000 are fully depreciated in the year of acquisition.

The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage based management's best judgement of economic benefits from those classes of assets

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An item of Property, Plant and Equipment is derecognized on disposal, or when no future economic benefits are expected from continued use of the asset.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

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Notes to Accounts

2.3 (b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

Amortization

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Group's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

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

2.3 (c) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment or intangible asset not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment or intangible asset outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

Capital Work-in-Progress (CWIP) comprises of expenditure incurred on assets that are not yet ready for their intended use as at the reporting date.

CWIP pertaining to intangible assets comprises expenditure incurred toward development of technology / software / products including employee benefit expenses of research and development personnel, technical consultancy charges, software -related costs and other directly attributable expenses pending completion and capitalization.

CWIP is carried at cost, comprising:

- Purchase price (including import duties and non-refundable taxes, net of discounts)
- Directly attributable costs necessary to bring the asset to its working condition for intended use (such as site preparation, installation, professional fees, and trial run expenses)
- Borrowing costs, where applicable, capitalized in accordance with the Company's policy on borrowing costs

Treatment of Expenses:

- Expenditure directly attributable to construction or acquisition of qualifying assets is capitalized to CWIP until the asset is ready for its intended use.
- General administrative and overhead expenses are not capitalized unless they are directly attributable to the construction activity.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

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CIN: U74140KA2003PLC033043

Notes to Accounts

2.3 (c) Capital Work-in-Progress and Capital Advances (contd.)

Foreign Exchange Differences:

Exchange differences arising on foreign currency monetary items relating to CWIP are recognized in the Statement of Profit and Loss in accordance with applicable accounting standards.

Capitalization:

- a) Upon completion and when the asset is ready for its intended use, the cost accumulated under CWIP is transferred to the relevant category of Property, Plant and Equipment (PPE) or Intangible Assets.
- b) Depreciation/amortization commences from the date the asset is ready for its intended use.

Review for Impairment:

CWIP is reviewed annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, impairment loss is recognized in accordance with the Company's impairment policy.

2.4 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

Cash Generating Unit (CGU)

For the purpose of impairment testing in accordance with Ind AS 36, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (Cash Generating Units).

The Group is engaged in the business of defence manufacturing, development of defence technologies and integrated system solutions. The operations of the Company and its foreign subsidiaries are highly integrated in terms of manufacturing processes, technology development, procurement, engineering support, program management and execution of customer contracts.

The Group's manufacturing facilities, research and development infrastructure, intellectual property, and operational resources are utilized collectively across multiple defence programs and contracts. Cash inflows are generated from integrated defence projects and are not independently attributable to individual plants, products, subsidiaries or specific asset groups.

Accordingly, management has determined that there are no separately identifiable Cash Generating Units capable of generating independent cash inflows. Therefore, for the purpose of impairment assessment, the recoverable amount is determined at the level of the Group as a whole or at the level of integrated operations representing the smallest identifiable group of assets generating substantially independent cash inflows.

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.



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Notes to Accounts

2.4 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets (Continued)

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. There are no losses from impairment of assets to be recognized in the financial statements.

2.5 Inventories

Inventories comprise of Raw Materials and Finished Goods are stated at the lower of cost or net realizable value.

Cost of inventory comprises all costs of purchase including duties and taxes, freight inwards and other expenditure directly attributable to acquisition and to bring the inventories to its present location and condition. Cost of finished goods include cost of materials consumed and cost of conversion. Cost of raw materials is determined on FIFO basis.

Net realizable value represents the estimated selling price for inventories less estimated cost necessary to make the sale.

2.6 Cash and cash equivalents

Cash and cash equivalents in the financial Statement of Assets and Liabilities comprise of cash at banks and on hand and short-term deposits with an original maturity of nine months or less, which are subject to an insignificant risk of changes in value.

2.7 Share Capital

Equity share capital represents the amount received from shareholders towards subscribed capital, net of share issue expenses (if any).

Any premium received over and above the face value of shares is classified under securities premium reserve.

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

(a) The Group as a Lessee

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate cannot be readily determined, the Group uses incremental borrowing rate

(b) The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.



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2.9 Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.10 Employee Benefits

(a) Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(b) Post-Employment Benefits

(i) Defined Contribution Plans

The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service, if the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

ii) Defined Benefit Plans

(a) Gratuity Scheme: The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid at 15 days basic salary and dearness allowances for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Company has taken a Master Policy with the ICICI Prudential Life Insurance Co. Ltd to cover its liability towards employees' gratuity. Provisions in respect of liabilities of gratuity is made based on actuarial valuation made by an independent actuary as at the balance sheet date. Gains and Losses through re-measurements of the net defined benefit liability are recognized in other comprehensive income. The actual return of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as an Expense.

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

(iii) Other Long Term Employee Benefits

Entitlement to annual leave is recognized when they accrue to employees.



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2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax

a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

b) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax.

Current and deferred tax for the period

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized in the Ind AS Financial Statements but are disclosed in notes.

Contingent asset is neither recognized nor disclosed in the Ind AS Financial Statements.

2.13 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Revenue from sale of goods is recognised at a point in time when control is transferred to the customer, generally on despatch / delivery of the goods or terms as agreed with the customer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue from rendering of services is recognised when the services are rendered and related costs are incurred over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.



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2.13 Revenue Recognition (contd.)

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the deposits and at the interest rate settled with the Banks/Financial Institutions.

Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

Surplus / (Loss) on disposal of Property, Plant and Equipment / Investment

Surplus or loss on disposal of property, plant and equipment or investment is recorded on transfers of title from the Group, and is determined as the difference between the sale price and carrying value of the property, plant and equipment or investment and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight-line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Group is reasonably certain of their ultimate collection.

Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

2.14 Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).



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2.15 Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the group will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the group will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the group recognizes interest expense corresponding to such grants.

2.16 Financial Instruments Financial Assets

(A) Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit and Loss, are adjusted to the fair value on initial recognition.

Purchase and sale of Financial Assets are recognised using trade date accounting.

(B) Subsequent Measurement

a) Financial Assets measured at Amortised Cost (AC)

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

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

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

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

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

(C) Investments

Investments are classified into Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non-Current Investments. However, that part of Non-Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule-I of the Act.

All the equity investments which are covered under the scope of Ind AS 109, "Financial Instruments" are measured at fair value. Investment in mutual funds is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

(D) Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment loss (if any).



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2.17 Performance Warranties

Provisions for an estimated cost of performance warranties are recorded on booking of revenue. The provisions are later written back over the elapsed warranty period. The estimations towards warranty are based on historical warranty trends and technical evaluation. It is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The estimates used are reviewed periodically and adjusted as appropriate.

2.18 Earnings per share

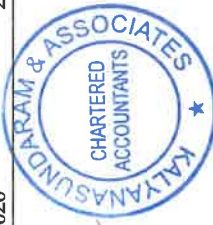
Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares, if any.



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3 Property, Plant and Equipment										Amount in Rs.
Particulars	Data Processing Equipment	Furniture & Fixtures	Office Equipment	Plant & Machinery	Leasehold Improvements	Total	Capital work in progress	Total		
Year ended March 31, 2025										
Gross carrying value as at April 1, 2024	1,53,81,108	64,51,200	65,99,033	4,02,41,554	1,60,34,383	8,47,07,278	-	8,47,07,278	-	-
Additions	1,75,14,528	44,67,239	2,23,56,249	64,15,249	16,53,64,321	21,61,17,586	-	21,61,17,586	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2025	3,28,95,637	1,09,18,439	2,89,55,282	4,66,56,803	18,13,98,704	30,08,24,865	-	30,08,24,865	-	-
Accumulated depreciation as at April 1, 2024	37,29,834	25,78,574	32,66,463	2,26,45,943	46,28,506	3,68,49,320	-	3,68,49,320	-	-
Depreciation charge during the year	65,09,413	8,72,089	26,66,334	64,52,017	26,30,967	1,91,30,818	-	1,91,30,818	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2025	1,02,39,244	34,50,663	59,32,798	2,90,97,960	72,59,473	5,59,80,138	-	5,59,80,138	-	-
Net carrying value as at March 31, 2025	2,26,56,392	74,67,777	2,30,22,484	1,75,58,842	17,41,39,231	24,48,44,727	-	24,48,44,727	-	-
Year ended March 31, 2026										
Gross carrying value as at April 1, 2025	3,28,95,637	1,09,18,439	2,89,55,282	4,66,56,803	18,13,98,704	30,08,24,865	-	30,08,24,865	-	-
Additions	1,75,48,644	35,72,679	1,01,01,773	97,85,486	64,83,181	4,74,91,763	-	4,74,91,763	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Translation Reserve	1,35,678	-	90,841	3,04,752	-	5,31,271	-	5,31,271	-	-
Gross carrying value as at March 31, 2026	5,05,79,959	1,44,91,118	3,91,47,896	5,67,47,040	18,78,81,885	34,88,47,899	-	34,88,47,899	-	-
Accumulated depreciation as at April 1, 2025	1,02,39,244	34,50,663	59,32,798	2,90,97,960	72,59,473	5,59,80,138	-	5,59,80,138	-	-
Depreciation charge during the year	1,27,54,120	13,69,489	57,14,145	62,12,106	1,87,16,424	4,47,66,284	-	4,47,66,284	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Translation Reserve	32,660	-	12,202	22,012	-	66,875	-	66,875	-	-
Accumulated depreciation as at March 31, 2026	2,30,26,024	48,20,151	1,16,59,145	3,53,32,079	2,59,75,897	10,08,13,296	-	10,08,13,296	-	-
Net carrying value as at March 31, 2026	2,75,53,935	96,70,966	2,74,88,751	2,14,14,961	16,19,05,988	24,80,34,602	-	24,80,34,602	-	-



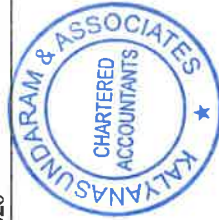
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4 Intangible assets

Particulars	Computer Software	Intellectual Property	Total	Capital work in progress	Total
Gross carrying value as at April 1, 2024	12,81,13,765	1,83,19,08,000	1,96,00,21,765	-	-
Additions	4,34,19,952	-	4,34,19,952	72,06,274	72,06,274
Disposals	-	-	-	-	-
Gross carrying value as at March 31, 2025	17,15,33,717	1,83,19,08,000	2,00,34,41,717	72,06,274	72,06,274
Accumulated Depreciation as at April 1, 2024	4,51,26,876	7,60,79,239	12,12,06,115	-	-
Depreciation charge during the year	4,71,21,623	18,31,90,800	23,03,12,423	-	-
Disposals	-	-	-	-	-
Accumulated Depreciation as at March 31, 2025	9,22,48,500	25,92,70,039	35,15,18,539	-	-
Net carrying value as at March 31, 2025	7,92,85,217	1,57,26,37,961	1,65,19,23,178	72,06,274	72,06,274
Gross carrying value as at April 1, 2025	17,15,33,717	1,83,19,08,000	2,00,34,41,717	72,06,274	72,06,274
Additions	22,49,39,409	-	22,49,39,409	26,27,29,106	26,27,29,106
Disposals	-	-	-	-	-
Capitalisation of Intangible Assets	-	-	-	(14,59,78,274)	(14,59,78,274)
Gross carrying value as at March 31, 2026	39,64,73,126	1,83,19,08,000	2,22,83,81,126	12,39,57,106	12,39,57,106
Accumulated Depreciation as at April 1, 2025	9,22,48,500	25,92,70,039	35,15,18,539	-	-
Depreciation charge during the year	6,66,62,732	18,31,90,800	24,98,53,532	-	-
Disposals	-	-	-	-	-
Accumulated depreciation as at March 31, 2026	15,89,11,231	44,24,60,839	60,13,72,070	-	-
Net carrying value as at March 31, 2026	23,75,61,894	1,38,94,47,161	1,62,70,09,055	12,39,57,106	12,39,57,106



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Amount in Rs.
4 Intangible assets (contd)
Capital work in progress (Capital WIP)

Movement	March 31, 2026	March 31, 2025
Balance as at the beginning of the year	72,06,274	-
Additions during the year	26,27,29,106	72,06,274
Borrowing costs capitalised (Ind AS 23)	-	-
Capitalised to Intangible Assets	(14,59,78,274)	-
Disposals / write offs	-	-
Impairment loss recognised (if any)	-	-
Balance as at the end of the year	12,39,57,106	72,06,274

Capital WIP ageing schedule as at March 31, 2026

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	12,39,57,106	-	-	-	12,39,57,106
Projects temporarily suspended	-	-	-	-	-
Total	12,39,57,106	-	-	-	12,39,57,106

Capital WIP Ageing schedule as at March 31, 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	72,06,274	-	-	-	72,06,274
Projects temporarily suspended	-	-	-	-	-
Total	72,06,274	-	-	-	72,06,274

Capital WIP - Completion schedule as at March 31, 2026

Particulars	Less than 1 year	To be completed in			Total
		1-2 years	2-3 years	More than 3 years	
Design and Development of high power microwave system	-	8,80,55,200	-	-	8,80,55,200
Other development programs	3,59,01,906	-	-	-	3,59,01,906
Total	3,59,01,906	8,80,55,200	-	-	12,39,57,106

Capital WIP - Completion schedule as at March 31, 2025

Particulars	Less than 1 year	To be completed in			Total
		1-2 years	2-3 years	More than 3 years	
Enterprise resource planning software	72,06,274	-	-	-	72,06,274
Total	72,06,274	-	-	-	72,06,274



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5 Right-of-use assets

Particulars	As at March 31, 2026	As at March 31, 2025
Office Building		
Balance as at the beginning of the year	9,06,86,621	8,57,69,155
Additions during the year	38,68,186	2,92,50,547
Deletions during the year	-	78,14,926
Depreciation charge during the year	1,88,11,859	1,65,18,155
Balance as at the end of the year	7,57,42,948	9,06,86,621

6 Investments

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Investment in Equity Instruments at cost: (Non traded, unquoted, fully paid up)				
Nil (2025 : 2,600) equity shares of Rs. 10 each of MEIL ICOMM Tonbo Tech Private Limited	-	26,000	-	-
Balance	-	26,000	-	-

7 Other Financial Assets

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Rental Deposits	91,75,612	1,08,46,991	2,03,307	1,72,018
Sales Tax Deposits	10,000	10,000	-	-
Earnest Money Deposits	1,17,835	69,000	11,37,012	6,64,540
Term Deposit with maturity of more than 12 months	59,65,08,056	78,20,28,801	7,15,52,614	-
Others	1,05,000	15,000	63,20,931	46,66,131
Interest Accrued on Term Deposits	-	-	-	-
Balance	60,59,16,503	79,29,69,792	7,92,13,864	55,02,689



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Amount in Rs.

8 Other Assets

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Advance Tax including refunds receivable (Net)	-	-	-	-
Prepayments - Lease	25,22,310	29,78,697	-	-
Prepayments - EMD	16,705	24,721	-	-
Prepaid Expenses	-	-	1,54,33,051	73,68,337
Advances to suppliers	-	-	8,31,94,460	2,75,27,531
Capital Advances	-	-	-	25,13,958
Gratuity Fund*	2,62,60,259	1,49,82,457	-	-
Other Advances	-	-	20,53,607	1,17,72,468
GST Refund Receivable	-	-	15,12,908	5,87,39,799
GST Input Tax Credit	-	-	22,90,38,571	10,63,93,649
Balance	2,87,99,274	1,79,85,875	33,12,32,597	21,43,15,742

*The Company has invested in ICICI Pru Group Suraksha Plus (GSP (GG)_R) vide Policy Number 00013121. This is an annually renewable, non participating, non linked, life group savings product. Employer can hold the master policy, can make contributions in one or more installments. Interest will be accrued on yearly basis. The policy has death benefit payable and member benefit payable options. Policy can be surrendered at any time with the applicable surrender charges. Policy holders have to pay for Mortality cost, extra allocation charges, surrender charges etc. The Investment is classified as Other Non Current Financial Asset at fair value through profit or loss (FVTPL) since it is non refundable fund and intended to fund future Gratuity.

9 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Material	2,15,33,64,376	95,02,58,372
Finished goods	4,14,85,096	16,11,76,259
Less : Provision for Slow Moving Inventory	-	-
Balance	2,19,48,49,472	1,11,14,34,630

10 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - unsecured		
Debts outstanding for a period exceeding six months	5,88,07,985	-
Other Debts	2,05,84,11,085	2,10,31,22,610
Total Trade Receivables	2,11,72,19,070	2,10,31,22,610
Less: Allowance for Bad and Doubtful debts	(5,88,080)	-
Net Trade Receivables	2,11,66,30,990	2,10,31,22,610



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10 Trade receivables (contd.)
Trade Receivable ageing schedule as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	2,05,84,11,085	5,82,19,905	-	-	-	2,11,66,30,990
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Sub total	2,05,84,11,085	5,82,19,905	-	-	-	2,11,66,30,990
Undue - considered good						-
Undue - considered doubtful						-
Provision for doubtful debts						-
Total						2,11,66,30,990

Trade Receivable ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	2,10,31,22,610	-	-	-	-	2,10,31,22,610
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Sub total	2,10,31,22,610	-	-	-	-	2,10,31,22,610
Undue - considered good						-
Undue - considered doubtful						-
Provision for doubtful debts						-
Total						2,10,31,22,610



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)*

CIN: U74140KA2003PLC033043

Notes to Accounts**Amount in Rs.****11 Cash and cash equivalents**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash	2,26,509	1,40,573
Balances with Scheduled Banks:		
- Current Account	1,15,03,349	70,65,22,104
- Export Earners Foreign Currency (EEFC) Account	64,961	6,62,893
- Term Deposit with maturity less than 3 months	14,99,97,370	30,23,92,473
Total	16,17,92,189	1,00,97,18,042

12 Other Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Scheduled Bank:		
- Term Deposit with maturity more than 3 months but less than 12 months	22,45,34,574	95,21,809
Total	22,45,34,574	95,21,809

13 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Serial Innovations Employee Stock Option Trust	-	18,85,000
Loans to Employees	72,61,952	24,52,185
Total	72,61,952	43,37,185



Notes to Accounts

Amount in Rs.

14 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised Share Capital		
5,74,87,500 (2025 : 9,00,000) Equity Shares of Rs. 2 each	11,49,75,000	90,00,000
	11,49,75,000	90,00,000
Issued, Subscribed and Paid up share capital		
5,72,82,100 (2025 : 7,33,272) Equity Shares of Rs.2 each fully paid up	11,45,64,200	73,32,720
	11,45,64,200	73,32,720

Rights, preferences and restrictions attached to the equity shares

The Company has one class of equity shares having a par value of Rs.2 each. Each shareholder is eligible for one vote per share held. Dividends proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

a Reconciliation of the number of Shares outstanding and the amount of share capital

Particulars	March 31, 2026		March 31, 2025	
	No of Shares	Rs	No of Shares	Rs
Equity Shares				
Number of shares at the beginning of the year	7,33,272	73,32,720	2,98,914	29,89,140
Add: Shares issued during the year	-	-	70,000	7,00,000
Add: Shares issued upon conversion of CCPS	-	-	3,64,358	36,43,580
Less: Shares bought back	(1,60,451)	(16,04,510)	-	-
Add: Bonus Shares issued during the year	1,08,83,599	10,88,35,990	-	-
Less: Shares cancelled upon stock split / subdivision	(1,14,56,420)	(11,45,64,200)	-	-
Add: Shares issued upon stock split / subdivision	5,72,82,100	11,45,64,200	-	-
Number of shares at the end of the year	5,72,82,100	11,45,64,200	7,33,272	73,32,720

b Details of the Shareholders and Percentage of Shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Shares	Percentage	No of Shares	Percentage
Equity Shareholders				
(i) Mr. Timothy Guy Mitchell	4,17,400	0.73	4,174	0.57
(ii) Serial Innovations Employee Stock Option Trust.	19,04,700	3.33	1,89,442	25.84
(iii) Mr. Arvind Kondangi Lakshmikummar, Managing Director	49,68,400	8.67	49,684	6.78
(iv) Mr. Ankit Kumar, Director	30,36,700	5.30	30,367	4.14
(v) Ms. Cecilia D'Souza, Director	19,77,500	3.45	19,775	2.70
(vi) CEAQ Technologies Private Limited	1,01,64,500	17.74	1,01,645	13.86
(vii) CEAQ Technologies Pte Ltd	1,53,35,000	26.77	1,53,350	20.91
(viii) HBL Engineering Limited	81,63,000	14.25	81,630	11.13
(ix) Florintree Flowtech LLP	29,60,000	5.17	29,600	4.04
(x) Yali Deeptech Fund I	24,00,000	4.19	24,000	3.27
(xi) Export-Import Bank of India	4,00,000	0.70	4,000	0.55
(xii) Others holding less than 5% stake	55,54,900	9.70	45,605	6.22
Total	5,72,82,100	100.00	7,33,272	100.00



Notes to Accounts

Amount in Rs.

14 Equity share capital (contd.)

c Buy Back :

On June 26, 2025, the Company completed buyback of 160,451 Equity shares of face value of Rs.10 per share pursuant to a resolution of the Board of Directors dated May 29, 2025 and a resolution of the shareholders dated May 29, 2025. Post buy back number of equity shares of the Company is 572,821.

d Bonus Issue :

On June 30, 2025, the shareholders of the Company approved issuance of bonus shares in the ratio of 19:1, i.e., 19 bonus shares for each fully paid equity share through capitalisation of Capital redemption and Securities premium reserves of the Company. Accordingly, 10,883,599 bonus shares were issued. The number of shares prior to the bonus issue was 572,821. Accordingly, the post Bonus issue the number of equity shares is 11,456,420.

e Stock Split

The Company has undertaken sub-division of its Equity Shares bearing face value of Rs. 10 each into five Equity Shares bearing face value of Rs. 2 each pursuant to a resolution of our Board dated September 16, 2025 and a resolution of the Shareholders dated September 16, 2025. As a result, the equity portion of authorized share capital of the Company is revised to 5,74,87,500 equity shares of face value of Rs 2 each i.e. Rs. 11,49,75,000 as on the date of signing of the Restated Financial Statements. The issued, subscribed and fully paid-up equity share capital of the Company as on date of signing of the financials is 5,72,82,100 equity shares of face value of Rs 2 each i.e. Rs. 11,45,64,200.

f Employee Stock Option Plan

The Company's ESOP is administered and managed through a trust, Serial Innovations Employee Stock Option trust, formed for the purpose in 2008. The Company issues shares to the trust from time to time and grants credit to enable the trust to purchase the said shares. The ESOP regulations were amended and restated in 2024. The stock option scheme is equity settled, where employees are granted options with a graded vesting over a period of three years. Upon vesting the employees are eligible to convert the options into equity shares. The options normally expire at the end of 8 years from the vesting date. At the grant date the Company estimates the fair value of the options expected to vest at the end of the vesting period and the share based compensation is recognized with a corresponding credit to a Stock option outstanding Account.

On exercise of the options, proportionate shares held by the Trust are transferred to the said employee, who pays the exercise price to the Trust. The shares so transferred / issued to the employees are considered to have been issued at a consideration comprising the exercise price and the corresponding amount standing to the credit of Stock Option Outstanding Account. Accordingly an amount equivalent to the value of the option exercised is transferred from the Stock Option outstanding account to the Share Premium account

Particulars	March 31, 2026	March 31, 2025
Options outstanding at the beginning of the year (no.)	20,876	-
Adjustment for bonus shares issued and stock split during the year	20,66,724	-
Options granted during the year (no.)	6,70,400	20,876
Weighted average fair value per option granted to employees (Rs.)	183.47	10,051.00
Weighted average fair value per option granted to directors (Rs.)	NA	NA
Options forfeited and lapsed during the year	(5,900)	-
Options exercised during the year (no.)	9,94,400	-
Weighted average share price at the date of exercise per option exercised (Rs.)	183.47	NA
Total number of shares arising as a result of exercise of options	9,94,400	NA
Money received on exercise of options during the year (Rs.)	19,88,800	NA
Total number of Options in force at the end of the year (no.)	17,57,700	20,876
Options exercisable at the end of the year (no.)	-	-
The total employee share based compensation expense recognized / (written back) during the year (Rs.)	12,27,97,522	10,24,03,516

The ESOP regulations were amended and restated in 2024 and 2025 and the maximum number of options that may be granted under the current scheme shall not be more than 28,99,100



Notes to Accounts

		Amount in Rs.	
15	Instruments entirely equity in nature		
	Particulars	As at March 31, 2026	As at March 31, 2025
	Authorised Share Capital		
	125,000 (2025: 125,000) Preference Shares of par value of Rs. 10 each	12,50,000	12,50,000
	160,000 (2025: 160,000) Preference Shares of par value of Rs. 913 each	14,60,80,000	14,60,80,000
	200,000 (2025: 200,000) Preference Shares of par value of Rs. 100 each	2,00,00,000	2,00,00,000
	45,000 (2025: 45,000) Preference Shares of par value of Rs. 10,171 each	45,76,95,000	45,76,95,000
		62,50,25,000	62,50,25,000
	Issued, Subscribed and Paid up share capital		
	Nil (2025: Nil) Series A Preference Shares of Rs.10 each fully paid up	-	-
	Nil (2025: Nil) Series B Preference Shares of Rs. 913 each fully paid up	-	-
	Nil (2025: Nil) Series B1 Preference Shares of Rs. 10 each partly paid up	-	-
	Nil (2025: Nil) Series C Preference Shares of Rs. 100 each fully paid up	-	-
	Nil (2025: Nil) Series C1 Preference Shares of Rs. 10,171 each fully paid up	-	-
		-	-

Rights, preferences and restrictions attached to the Preference Shares

The Series A Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The conversion ratio is 1:1. The preference shares would be convertible into equity shares at the option of the Series A preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. 6 June 2011 for 59,884 shares and 19 January 2012 for 48,093 shares. These shares carry a cumulative dividend of 10 (ten) percent per annum and entitled to participate in the distributable profits of the Company prorata with equity shareholders. In the event of liquidation, the preference shareholders are entitled to receive such amount that shall be available for distribution after distribution of the liquidation proceeds to Series C and Series C1 investors. 96,173 Series A preference shares have been converted to 96,173 equity shares as of March 27, 2025.

The Series B Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The conversion ratio is 1:1. The preference shares would be convertible into equity shares at the option of the Series B preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. 15 January 2019. These shares carry a cumulative dividend of 10 (ten) percent per annum and entitled to participate in the distributable profits of the Company prorata with equity shareholders. In the event of liquidation, the preference shareholders are entitled to receive such amount that shall be available for distribution after distribution of the liquidation proceeds to Series C and Series C1 preference shareholders. 153,350 Series B preference shares have been fully converted to 153,350 equity shares as of March 27, 2025.

The Series B1 Preference shares are compulsorily convertible preference shares of the Company. The Series B1 preference shares are convertible at a 15% discount to the fair value of the equity shares of the Company prevailing as on the date of conversion or on the date of allotment i.e. May 31, 2022, of such preference shares, whichever is higher. The Series B1 preference shares are not redeemable. These shares carry a non-cumulative dividend of 0.001 (zero -point zero zero one) percent per annum. These are non-participatory and will not be entitled to participate in the distributable profits of the Company. In the event of liquidation, the Series B1 preference shareholders shall rank pari passu with Series C preference shareholders. 3,044 Series B1 preference shares have been fully converted to 2,206 equity shares as of March 27, 2025.

The Series C Preference shares are compulsorily convertible preference shares of the Company. The preference shares are convertible 1:1 subject to such adjustments as stated in the shareholders agreement. The Series C preference shares are not redeemable and would be convertible into equity shares at the option of the Series C preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. 11 April 2023 for 64,700 shares and 21 July 2023 for 47,456 shares. These shares carry a cumulative dividend of 0.01 (zero point zero one) percent per annum and entitled to participate in the distributable profits of the Company. In the event of liquidation, the preference shareholders are entitled to receive an amount equal to the investment amount in preference to the Series A and Series B preference shareholders and shall rank pari passu with Series C1 preference shares. 112,156 Series C preference shares have been fully converted to 81,630 equity shares as of March 27, 2025.

The Series C1 Preference shares are compulsorily convertible preference shares of the Company. The preference shares are convertible 1:1 subject to such adjustments as stated in the shareholders agreement. The Series C1 preference shares are not redeemable and would be convertible into equity shares at the option of the Series C1 preference shareholders at any time within 20 (twenty) years from the date of allotment i.e. March 31, 2024. These shares carry a cumulative dividend of 0.01 (zero point zero one) percent per annum and entitled to participate in the distributable profits of the Company. In the event of liquidation, the preference shareholders are entitled to receive an amount equal to the investment amount in preference to the Series A and Series B preference shareholders and shall rank pari passu with Series C preference shares. 44,858 Series C1 preference shares have been fully converted to 30,999 equity shares as of March 27, 2025.



Notes to Accounts

Amount in Rs.

15 Instruments entirely equity in nature (contd)

Reconciliation of the number of Shares outstanding and the amount of share capital

Particulars	March 31, 2026		March 31, 2025	
	No of Shares	Rs.	No of Shares	Rs.
Series A Preference Shares				
Number of shares at the beginning of the year	-	-	96,173	9,61,730
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to equity during the year	-	-	96,173	9,61,730
Number of shares at the end of the year	-	-	-	-
Series B Preference Shares				
Number of shares at the beginning of the year	-	-	1,53,350	14,00,08,550
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to equity during the year	-	-	1,53,350	14,00,08,550
Number of shares at the end of the year	-	-	-	-
Series B1 Preference Shares				
Number of shares at the beginning of the year	-	-	3,044	3,044
Add: Calls made during the year	-	-	-	27,396
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to equity during the year	-	-	3,044	30,440
Number of shares at the end of the year	-	-	-	-
Series C Preference Shares				
Number of shares at the beginning of the year	-	-	1,12,156	1,12,15,600
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to equity during the year	-	-	1,12,156	1,12,15,600
Number of shares at the end of the year	-	-	-	-
Series C1 Preference Shares				
Number of shares at the beginning of the year	-	-	44,858	45,62,50,718
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to equity during the year	-	-	44,858	45,62,50,718
Number of shares at the end of the year	-	-	-	-



Notes to Accounts

Amount in Rs.

16 Borrowings

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
i Non Convertible Secured Debentures				
Nil (2025: 600) Non Convertible Debentures of Rs. 5 Lakh each	-	-	-	15,78,94,734
ii Secured Loans				
Cash Credit facility/ Working capital demand loan	-	-	1,16,06,36,602	61,06,49,642
iii Unsecured Loans				
Term loan from Related Parties	-	-	-	1,28,08,869
Term loan from Directors	-	-	-	-
Total	-	-	1,16,06,36,602	78,13,53,245

Particulars of Long term Borrowings

Name of Lender/Type of Loan	Rate of Interest	Nature of Security	Monthly Instalments	No. of Instalments Outstanding as of		
				March 31, 2026	March 31, 2025	March 31, 2024
i Non Convertible Secured Debentures	15.00%	Second charge on all current assets,	1,05,26,316	-	-	2.00
ii Non Convertible Secured Debentures	14.00%	personal guarantee and share pledge of promoters	1,57,89,474	-	10.00	19.00
iii Unsecured Loans	12.50%	No security	2,00,722	-	-	10.00
iv Secured Loans	8.25%	Govt guaranteed under ECLG Scheme	10,44,415	-	-	4.00

17 Lease Liabilities

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Guruprasad and Others	1,23,95,444	2,10,05,791	69,96,578	44,49,962
ILINDRA Workspace Private Limited	3,16,84,824	3,58,68,342	33,76,777	20,33,878
Purushottam and Others	49,00,622	75,41,360	21,46,154	13,61,092
Archana Securities Pvt Ltd	35,43,892	52,53,733	13,94,992	9,04,675
Bhavya J	28,43,194	-	5,31,801	-
Vasudeva and Nagaraja	1,31,68,140	1,81,61,768	40,50,440	25,94,701
Total	6,85,36,116	8,78,30,995	1,84,96,742	1,13,44,307



Notes to Accounts

Amount in Rs.

18 Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Security Deposit - CEAQ Technologies Private Limited	-	-	9,00,000	9,00,000
Total	-	-	9,00,000	9,00,000

19 Deferred tax assets / liabilities

The balances comprise temporary differences attributable to:

Particulars	As at March 31, 2026	As at March 31, 2025
<u>Deferred tax liability</u>		
Property, plant and equipment	-	(5,88,673)
Intangible Asset	(11,70,39,114)	(8,74,23,868)
Provision for warranty	(69,65,562)	-
<u>Deferred tax asset</u>		
Property, plant and equipment	25,76,275	-
Provision for Compensated Absences and Gratuity	1,17,01,477	61,67,655
Lease liabilities	22,02,425	13,80,531
Provision for Expenses	75,50,400	-
Deferred tax asset / (liability)	(9,99,74,098)	(8,04,64,355)

20 Provisions

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for taxes (net of advance taxes paid and refunds receivable)	-	-	4,99,75,381	3,50,11,012
Provision for Gratuity	2,49,38,415	1,49,82,457	44,03,070	3,85,379
Provision for Compensated absences	1,56,35,847	82,92,861	15,16,141	8,45,243
Provision - Warranties	14,71,22,372	31,55,14,966	12,96,31,456	10,35,24,314
Total	18,76,96,634	33,87,90,284	18,55,26,048	13,97,65,948



Notes to Accounts

Amount in Rs.

21 Other liabilities

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Advance from Customers	-	-	9,12,17,866	8,58,39,040
Statutory Liabilities	-	-	3,28,00,765	2,06,48,010
Other Payables	-	-	11,31,63,863	60,38,23,737
Total	-	-	23,71,82,494	71,03,10,786

22 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro and small enterprises	6,10,64,793	2,27,38,689
Total outstanding dues of creditors other than micro and small enterprises	27,33,66,834	18,87,13,091
Total	33,44,31,627	21,14,51,780

Trade Payable ageing schedule as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	6,10,64,793	-	-	-	6,10,64,793
Others	27,33,66,834	-	-	-	27,33,66,834
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	33,44,31,627	-	-	-	33,44,31,627
MSME - Undue					-
Others - Undue					-
Total					33,44,31,627

Trade Payable ageing schedule as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2,27,38,689	-	-	-	2,27,38,689
Others	18,50,50,044	36,63,047	-	-	18,87,13,091
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	20,77,88,733	36,63,047	-	-	21,14,51,780
MSME - Undue					-
Others - Undue					-
Total					21,14,51,780



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U74140KA2003PLC033043

Notes to Accounts

Particulars	Amount in Rs.	
	For the year ended	
	March 31, 2026	March 31, 2025
23 Revenue from operations		
Sale of product and solutions	3,57,67,84,031	4,64,38,18,126
Other operating revenues	4,96,98,912	4,69,76,831
	3,62,64,82,944	4,69,07,94,957
24 Other income		
Interest Earned	7,08,02,639	4,13,02,212
Rental Income	14,25,000	18,00,000
Gain on Settlement of Liabilities	-	82,96,080
Finance Income	6,12,469	6,37,936
Miscellaneous Income	66,000	10,56,373
	7,29,06,108	5,30,92,601
25 Cost of materials consumed		
Opening Stock of Raw Material	95,02,58,372	1,06,26,63,793
Add: Purchases	2,85,86,42,514	2,04,06,80,335
Less: Closing Stock of Raw Material	(2,15,33,64,376)	(95,02,58,372)
	1,65,55,36,510	2,15,30,85,756
26 Changes in inventories		
Opening Stock of Finished Goods	16,11,76,259	5,41,99,005
Less: Closing Stock of Finished Goods	(4,14,85,096)	(16,11,76,259)
	11,96,91,163	(10,69,77,253)
27 Employee benefits expense		
Salaries and bonus	27,67,93,699	28,12,68,824
Gratuity	1,14,12,699	82,25,468
Leave Encashment	85,78,473	48,92,783
Contribution to Provident and Other Funds	3,30,81,075	2,06,74,918
Insurance	1,49,03,646	92,12,183
Staff Welfare expenses	2,82,64,002	1,76,82,677
Expense on ESOP / (Written back)	12,27,97,522	10,24,03,516
	49,58,31,116	44,43,60,369
28 Finance Cost		
Interest Expenses	4,36,61,530	12,56,05,185
Bank Charges	87,68,772	95,55,637
Finance Charges	5,37,26,189	4,22,47,591
	10,61,56,491	17,74,08,413



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES
(Formerly known as Tonbo Imaging India Private Limited)
CIN: U74140KA2003PLC033043

Notes to Accounts

Particulars	Amount in Rs.	
	For the year ended	
	March 31, 2026	March 31, 2025
29 Depreciation and Amortisation		
<u>Depreciation</u>		
On Property Plant and Equipment	4,46,80,322	1,90,81,914
<u>Amortisation</u>		
Of Right of Use of Asset	1,88,11,859	1,65,18,155
Of Intangible Assets	24,98,53,532	23,03,12,423
	31,33,45,713	26,59,12,493
30 Other expenses		
Technical Support Services	6,04,03,615	11,56,28,651
Rent	75,85,192	21,24,862
Repairs and Maintenance		
- Buildings	2,31,53,139	1,49,93,384
- Others	2,78,14,362	1,60,81,654
Provision for Warranty / (Write back)	(18,83,97,257)	8,14,86,202
Insurance	53,43,262	28,33,736
Rates and Taxes	57,23,847	45,73,098
Electricity and Water	47,80,620	44,40,563
Communication	48,71,412	28,37,818
Travel and Conveyance	16,04,47,200	10,24,64,450
Legal and Professional Fees	5,53,90,430	4,04,76,890
Freight	1,18,35,629	3,78,31,633
Debtors Written off	3,34,50,684	19,05,13,709
Provision for Doubtful Debt	5,88,080	-
Consumables	87,95,734	70,63,835
Printing and Stationery	26,53,576	21,59,560
Recruitment and Training	74,64,376	49,24,838
Sales and Marketing expenses	5,57,13,264	15,02,93,771
Corporate Social Responsibility	1,72,56,500	1,30,00,000
Loss on Disposal of Assets	-	79,53,481
Loss on sale of investment	25,900	-
Miscellaneous expenses	43,41,060	80,17,712
	30,92,40,625	80,96,99,847



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)***CIN: U74140KA2003PLC033043****Notes to Accounts****Amount in Rs.****31 Company as a Lessee**

The details of the right-of-use assets held by the Company is as follows:

Leasehold land Buildings	March 31, 2026	March 31, 2025
Balance as at beginning of the year	9,06,86,621	8,57,69,155
Additions	38,68,186	2,92,50,547
Derecognition	-	78,14,926
Accumulated Depreciation	1,88,11,859	1,65,18,155
Translation exchange differences	-	-
Balance as at end of the year	7,57,42,948	9,06,86,621

The reconciliation of lease liabilities for the year ended is as follows:

Particulars	March 31, 2026	March 31, 2025
Balance as at beginning of the year	9,91,75,302	9,07,78,858
Additions	38,68,186	2,92,50,547
Amounts recognized in statement of profit and loss as interest expense	69,74,037	71,21,696
Payment of lease liabilities	2,29,84,667	1,96,79,718
Derecognition	-	82,96,081
Translation exchange differences	-	-
Balance as at end of the year	8,70,32,858	9,91,75,302

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the period / year amounted to Rs. 27,99,718 (2025 : Rs. 15,37,304)

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities:

Particulars	March 31, 2026	March 31, 2025
Within one year	1,84,96,740	1,55,17,442
One to two years	2,10,59,855	1,79,64,938
Two to three years	1,88,96,540	2,04,48,953
Three to five years	86,44,842	1,81,98,644
Thereafter	1,99,34,880	2,70,45,325
Total lease liabilities	8,70,32,858	9,91,75,302

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES*(Formerly known as Tonbo Imaging India Private Limited)***CIN: U74140KA2003PLC033043****Notes to Accounts****Amount in Rs.****32 A. Defined contribution plans**

The Company has defined contribution retirement benefit plans for its employees.

The Company's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Company's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due

The Company's contribution to provident, pension, superannuation funds and to employees state insurance scheme as stated in the below table has been recognised in the statement of profit and loss under the head employee benefits expense [Refer Note 27]

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contribution to provident fund, included under contribution to provident and other funds	3,30,81,075	2,06,74,918

B. Defined benefit plans**Gratuity and Leave Encashment**

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: Investment risk, Liquidity risk and Market risk.

Actuarial risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES
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Notes to Accounts
Amount in Rs.
32 B. Defined benefit plans (contd.)
Market risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/ government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the Valuation Date.

The following table sets out the status of the **Gratuity** and **Compensated Absence** benefits

Particulars	Gratuity		Compensated Absence	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
a Statement of profit and loss				
Current Service cost	1,17,86,961	77,72,253	85,78,473	48,92,783
Interest cost (net)	10,94,529	4,95,752	-	-
Immediate Recognition of (Gain)/Losses	-	-	-	-
Net benefit expense	1,28,81,490	82,68,005	85,78,473	48,92,783
b Balance Sheet				
Defined benefit obligations	(2,93,41,485)	(1,53,67,836)	(1,71,51,989)	(91,38,105)
Fair value of plan assets	2,49,38,415	1,49,82,457	-	-
Net plan liability	(44,03,070)	(3,85,379)	(1,71,51,989)	(91,38,105)
[Surplus/ (Deficit)]				
Current defined benefit obligations	(44,03,070)	(3,85,379)	(15,16,141)	(8,45,243)
Non-current defined benefit obligations	-	-	(1,56,35,848)	(82,92,862)
c Changes in present value of the defined benefit obligations are as follows:				
Opening defined benefit obligations	(1,53,67,836)	(70,47,640)	(91,38,105)	(46,81,561)
Current service cost	(1,17,86,961)	(77,72,253)	(85,78,473)	(48,92,783)
Interest cost	(10,94,529)	(4,95,752)	-	-
Re-measurement gains (losses) in OCI	(11,25,765)	(2,41,373)	-	-
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	-	-	-	-
Experience adjustments	-	-	-	-
Benefits paid	33,606	1,89,182	5,64,589	4,36,239
Closing defined benefit obligations	(2,93,41,485)	(1,53,67,836)	(1,71,51,989)	(91,38,105)
d Changes in fair value of the plan assets are as follows:				
Particulars	Gratuity		Compensated Absence	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Opening fair value of plan assets	1,49,82,457	-	-	-
Interest income	14,24,749	5,20,490	-	-
Contributions	1,00,33,606	1,47,89,182	-	-
Re-measurement gains (losses) in OCI	(14,68,791)	(1,38,033)	-	-
Benefits paid	(33,606)	(1,89,182)	-	-
Closing fair value of plan assets	2,49,38,415	1,49,82,457	-	-

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



TONBO IMAGING INDIA LIMITED AND ITS SUBSIDIARIES

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Notes to Accounts**Amount in Rs.****32 B. Defined benefit plans (contd.)****e The principal assumptions used in determining Gratuity and Compensated Absence for the Company are shown below:**

Particulars	Gratuity		Compensated Absence	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Discount rate	7.53%	7.13%	7.53%	7.13%
Estimated Rate of salary increases	10.00%	10.00%	10.00%	10.00%
Attrition Rate	9.00%	9.00%	9.00%	9.00%
Expected rate of return on assets	7.13%	7.23%	0.00%	0.00%

We understand that level of inflation, career promotions, productivity gains and other relevant factors, such as supply and demand in the employment market are factored in the assumption of future salary increases.

No allowance has been made for discretionary payments in the assumptions as the company has not notified such practices

Particulars	Gratuity		Compensated Absence	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Discount Rate				
Impact of increase	-13.00%	-12.97%	-13.50%	-12.91%
Impact of decrease	16.05%	15.98%	16.97%	16.13%
Salary Escalation Rate				
Impact of increase	10.52%	12.06%	15.98%	15.10%
Impact of decrease	-10.06%	-10.54%	-13.00%	-12.36%
Mortality Rate	0.08%	0.09%	-0.19%	0.15%
Attrition Rate				
Impact of increase	-3.54%	-4.27%	-4.46%	-4.40%
Impact of decrease	2.16%	4.77%	4.87%	5.01%

P.U.C method has been used. If an employee's service in later years will lead to a materially higher level of benefit than in earlier years, these benefits are attributed on a straight-line basis. The limitations are that in assessing the change other parameters are kept constant. As some of the assumptions may be correlated, it is unlikely that changes in assumptions will occur in isolation of one another.

There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed.

f The defined benefit obligations are expected to mature after March 31, 2026 as follows:

Year Ended 31st March	Gratuity		Compensated Absence	
	PV	Actual Value	PV	Actual Value
2027	4,84,870	5,12,003	7,21,412	7,78,514
2028	5,30,330	5,91,006	6,70,758	7,83,765
2029	3,97,534	4,70,058	6,03,085	7,53,541
2030	10,23,292	12,38,410	10,24,625	14,88,809
2031	3,66,011	4,81,519	4,97,099	7,24,886
Thereafter	32,92,091	49,51,598	29,16,122	57,32,701

Weighted average duration for the payment of these cash flows 20.68 years



Notes to Accounts

Amount in Rs.

33 Fair Value Measurement of Financial assets and liabilities

a Category of Financial Instruments

As at March 31, 2026

Particulars	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<u>Financial assets</u>				
Trade receivables	-	-	2,11,66,30,990	2,11,66,30,990
Cash and cash equivalents	-	-	16,17,92,189	16,17,92,189
Other bank balances	-	-	22,45,34,574	22,45,34,574
Loans	-	-	72,61,952	72,61,952
Others	92,93,447	-	67,58,36,920	68,51,30,367
Total	92,93,447	-	3,18,60,56,625	3,19,53,50,072
<u>Financial liabilities</u>				
Borrowings	-	-	1,16,06,36,602	1,16,06,36,602
Lease liabilities	8,70,32,858	-	-	8,70,32,858
Trade payables (including unbilled and accruals)	-	-	33,44,31,627	33,44,31,627
Others	-	-	9,00,000	9,00,000
Total	8,70,32,858	-	1,49,59,68,229	1,58,30,01,087

As at March 31, 2025

Particulars	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<u>Financial assets</u>				
Investments	-	-	26,000	26,000
Trade receivables (including unbilled)	-	-	2,10,31,22,610	2,10,31,22,610
Cash and cash equivalents	-	-	1,00,97,18,042	1,00,97,18,042
Other bank balances	-	-	95,21,809	95,21,809
Loans	-	-	43,37,185	43,37,185
Others	1,09,15,991	-	78,75,56,490	79,84,72,481
Total	1,09,15,991	-	3,91,42,82,136	3,92,51,98,127
<u>Financial liabilities</u>				
Borrowings	-	-	78,13,53,245	78,13,53,245
Lease liabilities	9,91,75,302	-	-	9,91,75,302
Trade payables (including unbilled and accruals)	-	-	21,14,51,780	21,14,51,780
Others	-	-	9,00,000	9,00,000
Total	9,91,75,302	-	99,37,05,026	1,09,28,80,328



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Notes to Accounts

Amount in Rs.

33 Fair Value Measurement of Financial assets and liabilities (contd.)

b Financial Instruments at Fair Value

Particulars	Level 1	Level 2	Level 3	Total
As at 31st March, 2026				
<u>Financial assets</u>				
Investments - In equity instruments	-	-	-	-
Cash and cash equivalents	16,17,92,189	-	-	16,17,92,189
Other bank balances	22,45,34,574	-	-	22,45,34,574
Others	-	2,11,66,30,990	69,23,92,319	2,80,90,23,310
Total	38,63,26,763	2,11,66,30,990	69,23,92,319	3,19,53,50,072

<u>Financial liabilities</u>				
Borrowings	-	-	1,16,06,36,602	1,16,06,36,602
Lease liabilities	8,70,32,858	-	-	8,70,32,858
Trade payables (including unbilled and accruals)	-	33,44,31,627	-	33,44,31,627
Others	-	-	9,00,000	9,00,000
Total	8,70,32,858	33,44,31,627	1,16,15,36,602	1,58,30,01,087

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2025				
<u>Financial assets</u>				
Investments - In equity instruments	-	-	26,000	26,000
Cash and cash equivalents	1,00,97,18,042	-	-	1,00,97,18,042
Other bank balances	95,21,809	-	-	95,21,809
Others	-	2,10,31,22,610	80,28,09,666	2,90,59,32,276
Total	1,01,92,39,851	2,10,31,22,610	80,28,35,666	3,92,51,98,127

<u>Financial liabilities</u>				
Borrowings	-	-	78,13,53,245	78,13,53,245
Lease liabilities	9,91,75,302	-	-	9,91,75,302
Trade payables (including unbilled and accruals)	-	21,14,51,780	-	21,14,51,780
Others	-	-	9,00,000	9,00,000
Total	9,91,75,302	21,14,51,780	78,22,53,245	1,09,28,80,328



33 Fair Value Measurement of Financial assets and liabilities (contd.)

(i) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

(iii) Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The main level 3 inputs for security deposits is discounted using risk free rate adjusted for appropriate level of risk premium.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimate.

For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

c Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.



34 Financial Risk Management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the key management personnel, which is responsible for developing and monitoring the Company's risk management policies. The key management personnel holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analysis the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors oversee how key management personnel monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Exposure arising from	Risk	Measurement	Management of risk
a Cash and cash equivalents, loans, Financial assets measured at amortized cost.	Credit risk	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
b Borrowings and Other liabilities	Liquidity risk	Rolling Cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
c Borrowed fund at Interest Rate	Market risk	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.

34 A. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk

i) Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low.



34 A. Credit risk (contd.)

ii) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

Key assumptions

- a) Customers are primarily Central / State Government defence organisations including public sector undertakings.
- b) Low default risk, but high delay risk
- c) Losses arise mainly from:
 - i. Disputes / deductions
 - ii. Contractual penalties
 - iii. Documentation issues

Provision Matrix

The expected credit loss is estimated using a provision matrix based on historical credit loss experience adjusted for forward-looking factors.

Ageing	ECL %
0 - 180 days	0%
181 - 365 days	1%
1 - 2 years	2.50%
above 2 years	5%

Significant Assumptions

- a) Historical loss rates are based on past 5 years data
- b) Disputes/deduction based on contractual penalties
- c) Forward-looking adjustments include:
 - i. Budget allocation trends in defence sector
- d) No significant defaults observed historically

Write-off Policy

Receivables are written off when:

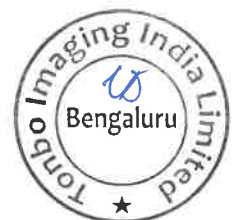
- a) There is no reasonable expectation of recovery
- b) Matter is concluded legally or contractually

Concentration of Credit Risk

The Company has significant concentration of credit risk towards Government entities; however, the risk is mitigated due to the sovereign nature of such customers.

iii) Other financial assets:

Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.



34 Financial Risk Management (contd.)

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The Company has liquidity reserves in the form of highly liquid assets in the form of cash and cash equivalent, deposit accounts, etc.

C. Market risk

Market risk is the risk arising from changes in market prices such as interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including long term debt. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

D. Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, USD being its prime foreign currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

i) Foreign currency risk exposure

The following foreign currency exposures have not been hedged by derivative instruments or otherwise at the balance sheet date:

Nature of Exposure:	Currency	March 31, 2026		March 31, 2025	
		In Foreign Currency	In Rs.	In Foreign Currency	In Rs.
Receivables in foreign currency					
- Trade Receivables	USD	6,36,615	5,99,16,050	1,64,21,412	1,40,35,38,088
- Trade Receivables	EUR	-	-	5,05,107	4,67,52,704
- Advances to Suppliers	USD	5,34,941	5,04,71,667	51,987	44,43,288
- Advances to Suppliers	EUR	27,425	29,64,420	82,585	76,44,039
- Other Advances	USD	-	-	537	45,894
	USD	11,71,556	11,03,87,717	1,64,73,936	1,40,80,27,270
	EUR	27,425	29,64,420	5,87,692	5,43,96,743
Payables in foreign currency					
-Trade payables	USD	12,59,198	11,90,14,050	6,95,121	5,94,12,008
-Trade payables	EUR	1,30,118	1,40,64,414	23,237	21,50,857
-Trade payables	GBP	507	62,994	-	-
- Other Payables	USD	-	-	50,71,000	43,34,18,370
- Advances from Customers	USD	8,45,378	7,97,61,452	1,56,845	1,34,05,542
- Advances from Customers	EUR	-	-	6,775	6,27,094
	USD	21,04,576	19,87,75,502	59,22,966	50,62,35,920
	EUR	1,30,118	1,40,64,414	30,012	27,77,951
	GBP	507	62,994	-	-



Notes to Accounts

Amount in Rs.

34 D. Foreign currency risk (contd)

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on profit after tax	
	March 31, 2026	March 31, 2025
USD Sensitivity		
INR/USD - Increase by 2 % (March 31, 2025 - 2%)*	17,60,609	1,80,35,827
INR/USD - Decrease by 2 % (March 31, 2025 - 2%)*	(17,60,609)	(1,80,35,827)
EURO Sensitivity		
INR/EURO - Increase by 2 % (March 31, 2025 - 2%)*	2,22,000	10,32,376
INR/EURO - Decrease by 2 % (March 31, 2025 - 2%)*	(2,22,000)	(10,32,376)
GBP Sensitivity		
INR/GBP - Increase by 2 % (March 31, 2025 - 2%)*	1,260	-
INR/GBP - Decrease by 2 % (March 31, 2025 - 2%)*	(1,260)	-
* Holding all other variable constant		

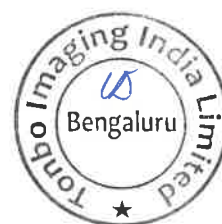
E Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. However the Company does not have any borrowings with floating rate of interest.

All of the Company's borrowings are on a fixed rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial liabilities at the end of the reporting period are as follows:

Particulars	March 31, 2026	March 31, 2025
Fixed Rate Borrowings	1,16,06,36,602	78,13,53,245
Floating Rate Borrowings	-	-



Notes to Accounts

Amount in Rs.

35 Disclosure of dues/ payments to Micro and Small enterprises to the extent such enterprises are identified by the Company

The Management has a process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The Company has not received any claim for Interest from any supplier under the said Act.

	31-Mar-26	31-Mar-25
Principal amount and the Interest due there on remaining unpaid as at the end of the accounting year	6,10,64,793	2,27,38,689
The amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year in respect of principal amount settled during the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

36 Earnings per share

	31-Mar-26	31-Mar-25
Net profit/ (loss) for the year attributed to equity shareholders (Rs.)	50,88,02,211	72,75,68,914
Number of equity shares used for calculation of basic earnings per share	5,53,77,400	5,43,83,000
Number of potential equity shares	19,04,700	28,99,100
Earnings per share- Basic (Rs.)	9.19	13.38
Earnings per share - Diluted (Rs.)	8.88	12.70
Face Value per Share	2.00	2.00

37 Auditors Remuneration (Included in Legal and Professional Fees)*

	31-Mar-26	31-Mar-25
As Auditors	5,00,000	5,00,000
For other services	19,95,000	7,53,500
(* excludes GST/ Service tax)		



Notes to Accounts

Amount in Rs.

38 Corporate social responsibility

	31-Mar-26	31-Mar-25
(i) amount required to be spent by the company during the year	1,30,00,000	65,00,000
(ii) amount of expenditure incurred		
(a) Construction/acquisition of any assets	-	-
(b) On purpose other than (a) above	1,23,46,500	30,00,000
(iii) shortfall/(Excess) at the end of the year	(56,500)	(7,10,000)
(iv) total of previous years shortfall	-	-
(v) reason for shortfall	-	-
(vi) nature of CSR activities	Activities specified in Schedule VII of the Act	
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

39 Provision for warranties

Particulars	31-Mar-26	31-Mar-25
Provision for warranties at the beginning of the year	41,90,39,280	30,29,68,782
Add: Provisions created during the year	19,22,27,221	36,24,99,497
Less: Write back of provisions during the year	(33,45,12,674)	(24,64,28,999)
Provision for warranties at the end of the year	27,67,53,827	41,90,39,280

Nature of Obligation and Expected Timing of Outflows

The Company provides warranties for its products sold, under contractual terms and conditions. The warranty provision represents management's best estimate of the expenditure required to settle the Company's obligation for repair and/or replacement of products already sold as at the reporting date.

The provision has been estimated based on historical claim trends, technical evaluation of products, nature and frequency of defects, estimated rectification costs and management's experience of warranty claims.

The Company reassesses the adequacy of the warranty provision at each reporting date and adjusts the provision to reflect the current best estimate. Revisions to estimates are recognised in the Statement of Profit and Loss in the period in which such changes are identified.

The timing of outflows is generally expected to arise within the standard warranty period ranging from 12 to 60 months from the date of sale. However, the actual timing and amount of expenditure may vary depending on the nature of defects identified and the extent of corrective actions required.

There are inherent uncertainties in estimating warranty provisions, particularly relating to:

- frequency and nature of product failures;
- future repair and replacement costs;
- technological and engineering assessments;
- customer usage patterns and operating conditions; and
- effectiveness of corrective actions undertaken by the Company.

Based on information currently available, management believes that the provision recognised is adequate to meet future warranty obligations.



Notes to Accounts

Amount in Rs.

40 **Contingent Liabilities and Commitments**

	31-Mar-26	31-Mar-25
Contingent Liabilities		
Bank guarantee	68,71,23,087	46,85,95,956
Commitments		
Capital Commitment	2,36,99,561	94,69,809
Other Commitments (Expenditure related to contractual commitments apart from capital commitments)	1,59,71,61,245	61,53,60,298

The Company has not provided for the following Contingent Liabilities:

Name of the Statute	Amount	Nature of Dues	Period to which it relates	Forum where Dispute is Pending
Goods and Services Tax Act, 2017	57,83,400	Goods and Services Tax	2018-19	J&K State High Court
Goods and Services Tax Act, 2017	25,44,251	Goods and Services Tax	FY 2017 - FY 2022	Commissioner of CGST Appeal

Considering the facts and nature of the transaction, the Company believes that the final outcome of the above dispute should be in favour of the Company and there should not be any material adverse impact on the financial statement.

41 **Value of Imports on CIF basis**

	31-Mar-26	31-Mar-25
Capital Goods		
Office equipment	3,06,279	1,18,99,903
Computer Systems	71,704	-
Plant and Machinery	30,16,732	1,09,885
Computer Software	14,32,39,022	-
Purchases - Hardware, project material	1,64,41,16,283	1,03,21,32,348
Furniture & Fixtures	1,45,169	-
	1,79,08,95,189	1,04,41,42,135

42 **Earnings in foreign currency**

	31-Mar-26	31-Mar-25
Export Sales	20,21,32,414	3,07,33,82,022
	20,21,32,414	3,07,33,82,022



Notes to Accounts

Amount in Rs.

43 Expenditure in foreign currency

	31-Mar-26	31-Mar-25
Foreign travel expenses	1,06,42,682	20,19,124
Others	5,12,91,212	16,86,05,461
	6,19,33,894	17,06,24,585

44 Operating Segments

The Group is engaged in a single line of business of vision technology based products and solutions. The Chief Revenue Officer (CRO) monitors the business as a whole for the purposes of making decisions on resource allocation and performance assessment.

Accordingly, the Group has only one reportable segment, and the segment reporting requirements under IND AS 108 - Operating Segments are not applicable beyond the entity-wide disclosures presented below.

A. Revenue from External Customers by geographical location

Geography	31-Mar-26	31-Mar-25
India (Domestic)	3,37,46,51,617	1,57,04,36,000
Outside India (Exports)	20,21,32,414	3,07,33,82,000
	3,57,67,84,031	4,64,38,18,000

B. Information About Non-Current Assets

Non-current assets (excluding financial instruments, deferred tax assets, and post-employment benefit assets) by geographical location

Geography	31-Mar-26	31-Mar-25
India	2,56,95,42,068	2,65,33,78,244
Outside India	13,99,17,420	15,22,64,223
	2,70,94,59,488	2,80,56,42,467

C. Information about Major Customers

Revenue from major customers (in excess of 10% of revenues) is as under. This revenue pertains to the Company's primary service offerings in Vision technology based products and solutions.

	31-Mar-26	31-Mar-25
Revenue from major customers	98,20,71,764	3,37,30,86,660
Percentage	27.46%	72.64%
No of Customers	Two	Two



Notes to Accounts

Amount in Rs.

45 Managerial Remuneration

	31-Mar-26	31-Mar-25
i. Cecilia D'Souza - Director		
Salaries and benefits	1,29,92,293	1,29,73,710
Contribution to Provident and other funds	9,00,000	9,00,000
	<u>1,38,92,293</u>	<u>1,38,73,710</u>
ii. Ankit Kumar - Director		
- as Managing Director		
Salaries and benefits	47,13,489	-
Contribution to Provident and other funds	3,00,000	-
	<u>50,13,489</u>	<u>-</u>
- as Director		
Salaries and benefits	2,25,26,979	-
Contribution to Provident and other funds	6,00,000	-
	<u>2,31,26,979</u>	<u>-</u>
iii. Arvind Kondangi Lakshmikumar - Managing Director		
Salaries and benefits	94,40,468	-
Contribution to Provident and other funds	6,00,000	-
	<u>1,00,40,468</u>	<u>-</u>
iv. Aram Dolkhanyan - Director		
Salaries and benefits	13,34,477	-
Contribution to Provident and other funds	24,305	-
	<u>13,58,782</u>	<u>-</u>

46 Related Party Disclosures

A Names of related parties and description of relationship

Name of Related Party	Description of Relationship
Tonbo LLC, Armenia	Wholly owned Subsidiary
Tonbo Systems Pty Ltd., Australia	Wholly owned Subsidiary
CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	Enterprise having Substantial Interest
CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte. Ltd., Singapore)	Enterprise having Substantial Interest
HBL Engineering Limited	Investing Company
Arvind Kondangi Lakshmikumar	Managing Director
Ankit Kumar	Director
Cecilia D'Souza	Director
Aram Dolkhanyan	Director



Notes to Accounts

Amount in Rs.

46 Related Party Disclosures (contd)

B Summary of transactions during the year with related parties

Name of Related Party	Nature of transactions	31-Mar-26	31-Mar-25
Transactions with related parties, which are eliminated on consolidation			
a. Tonbo LLC to Tonbo Imaging India Limited	Services - Payable	1,08,68,800	80,84,900
	Balances outstanding at the period end - Payable	-	-
b. Tonbo Systems Pty Ltd to Tonbo Imaging India Limited	Sales	1,15,05,144	-
	Services - Payable	2,64,81,000	-
	Purchases of Project Material / Equipment	2,47,338	-
	Balances outstanding at the period end - Receivable	91,08,360	-
Enterprise having Substantial Interest			
c. CEAQ Technologies Private Limited (Formerly known as Tonbo Imaging Private Limited)	Reimbursement of expenses - payable	-	1,60,00,000
	Software / Technical support - Payable	67,50,000	10,68,26,000
	Sublease rentals - Receivable	14,25,000	18,00,000
	Balances outstanding at the period end - Receivable	41,684	-
	Balances outstanding at the period end - Payable	-	7,69,92,474
d. CEAQ Technologies Pte Ltd (Formerly known as Tonbo Imaging Pte. Ltd., Singapore)	Sales	4,17,797	2,47,800
	Purchases of Project Material / Equipment	78,97,96,608	43,97,87,607
	Purchases of software	7,09,83,550	-
	Services - Payable	2,10,856	7,99,99,920
	Reimbursement of expenses - payable	1,12,97,812	-
	Loan availed	90,08,795	1,28,30,428
	Balances outstanding at the period end - Payable	10,15,13,706	42,51,99,834



Notes to Accounts

Amount in Rs.

46 Related Party Disclosures

B Summary of transactions during the year with related parties (contd.)

Name of Related Party	Nature of transactions	31-Mar-26	31-Mar-25
e. HBL Engineering Limited	Balances outstanding at the period end - Receivable	-	4,13,085
f. Key Management Personnel			
i. Arvind Kondangi Lakshmikumar	Managerial Remuneration	1,00,40,468	-
	Service Payable	21,00,000	21,00,000
ii. Cecilia D'Souza	Managerial Remuneration	1,38,92,293	1,38,73,710
iii. Ankit Kumar	Managerial Remuneration	2,81,40,468	-
iv. Aram Dolkhanyan	Managerial Remuneration	13,58,782	-

The Company has set up a wholly owned subsidiary Tonbo LLC in the Republic of Armenia on 3rd September 2024 . In the FY 2025-26, the Company has remitted the funds towards the share subscription.

The Company has setup a wholly owned subsidiary in Australia. The subsidiary was incorporated on July 10, 2024, and one of the Directors, Arvind Kondangi Lakshmikumar, had subscribed to 100% of the share capital. In the FY 2025-26, the share capital of Tonbo Systems Pty Ltd has been transferred to the Company.

47 Ratio Analysis

Particulars	31-Mar-26	31-Mar-25	Change in %	Reason for Variance
(i) Current ratio	2.64	2.40	10.00%	Variance is due to an increase in the trade receivables.
(ii) Debt-Equity ratio	0.21	0.16	31.25%	Variance is due to increase in the debt.
(iii) Debt service coverage ratio	9.69	4.08	137.50%	Variance is due to reduction in the long term debt.
(iv) Return on equity ratio	10%	20%	-50.00%	Variance is due to a decrease in the turnover and resultant profitability
(v) Inventory turnover ratio	2.19	4.21	-47.98%	Variance is due to increase in the average inventory position.
(vi) Trade receivables turnover ratio	1.72	3.09	-44.34%	Variance is due to a decrease in the turnover.
(vii) Trade payables turnover ratio	10.47	9.84	6.40%	
(viii) Net capital turnover ratio	0.70	1.30	-46.15%	Variance is due to a decrease in the turnover.
(ix) Net profit ratio	14%	16%	-9.74%	
(x) Return on capital employed	14%	24%	-41.67%	Variance is due to a decrease in the turnover and resultant profitability
(xi) Return on investment	9%	15%	-40.00%	Variance is due to a decrease in the turnover and resultant profitability

No comments are provided where the % change is less than 10%



CIN: U74140KA2003PLC033043

Amount in Rs.

48 Taxation

a) Current Tax:

The Company has calculated its tax liability after considering the provisions of law relating to New Tax Regime under section 115BAA as per the Provisions of Income Tax Act 1961. Hence the provisions of Minimum Alternative Tax (MAT) are not applicable from Financial year 2023-24. The Income tax provision for the year is included under the head 'Current Liabilities - Provisions'.

b) Transfer Pricing

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing regulations for computing the income from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

The Management is of the opinion that its international transactions with associated enterprises are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the tax liability.

49 Additional regulatory information

- a The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Term loans were applied for the purpose for which the same were obtained.
- b The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c The Company has no transactions with the companies struck off under Companies Act, 2013.
- d The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- e There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- f The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- g The Company does not hold any Immovable properties. The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- h The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Group does not have any CICs, which are part of the Group.
- i The Company has made investments in its wholly owned subsidiaries and is in compliance with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.



j Utilisation of borrowed funds and share premium

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

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii)) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

k There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

l The Company has obtained working capital limit on the basis of security of current assets from bank and the quarterly returns / statements filed by the Company are materially in agreement with the books of accounts.

m The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

n No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

50 Previous year's figures have been re-grouped / re-classified wherever considered necessary.

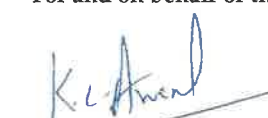
For Kalyanasundaram and Associates
Chartered Accountants
Firm Registration No. 0054555


K. M. RANJITH
Partner
Membership No: 219645

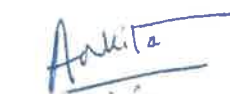


Place: Bangalore
Date: May 15, 2026

For and on behalf of the Board of Directors


ARVIND KONDANGI
LAKSHMIKUMAR
Managing Director
DIN: 02953852

Place: Pondicherry
Date: May 15, 2026


ANKITA AGARWALLA
Company Secretary
Membership No: A61777

Place: Cuttack
Date: May 15, 2026


CECILIA D'SOUZA
Director
DIN: 06380429

Place: Bangalore
Date: May 15, 2026


SIVASHANKAR T S
Chief Financial Officer

Place: Bangalore
Date: May 15, 2026

