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IPO Report

16th Oct 26

Snapshot

Company is a global defence electronics original equipment manufacturer (“OEM”). Company design, develop and manufacture sensing, processing, communication and guidance systems for surveillance, reconnaissance, targeting, and control. Company have developed a diversified product portfolio including thermal imaging cores, weapon sights, hand-held thermal imaging binoculars, targeting systems, missile seekers, fire control systems, missile guidance systems amongst others to enable autonomy on the battlefield.

VALUATION

Company is bringing the issue at price band of Rs 665-700 per share at p/e multiple of 78x on post issue FY26 basis. Company is leading defence technology solutions provider with pioneering proprietary technologies , driving innovation in defence electronics through in-house R&D with an asset light business model & is among the few defence electronics OEMs with a wide acceptability across the globe with diversified defence product portfolio with deployability across all domains. Hence, we recommend “Subscribe” to issue.

Price Band (Rs./Share)	665-700
Opening date of the issue	15th Oct '2026
Closing Date of the issue	19th Oct '2026
No of shares pre issue	5,72,82,100 Eeq Shares
Issue Size	Rs 852 Cr
Offer For Sale	Rs 852 Cr
Face Value (Rs/ share)	Rs 2/share
Bid Lot	21
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer
Non-Institutional	15% of the offer
Retail	35% of the offer
Lead managers	JM Financial, IIFL Capital Services
Registrar to the issue	KFin Technologies Limited

WHAT WE LIKE

Leading defence technology solutions provider with pioneering proprietary technologies

Company is one of the few companies in India with no dependence on external technology partners as it owns 100% of its intellectual property since Fiscal 2024, pursuant to assignment agreements dated March 11, 2024 through which r Company purchased intellectual property from CEAQ Singapore. The proprietary technology ranges from optics to embedded software and electronics including critical subsystems for sighting systems, including proprietary video engines, AI-accelerated image processing, and sub-5 µrad multi-axis gimbal stabilization, as per the F&S Report.

Driving innovation in defence electronics through in-house R&D with an asset light business model

Company operate an asset-light business model with a focus on product design and development. Company is integrated horizontally: core design and IP are developed in-house, while manufacturing is outsourced to EMS. Company’s contract manufacturing model allows it to focus on company’s R&D capabilities. Company’s EMS partners include certified contract manufacturers such as Kaynes Technology India Limited (“**Kaynes**”) and Avalon Technology and Services Private Limited (“**Avalon**”), who possess the technical expertise and required certifications

Among the few defence electronics OEMs with a wide acceptability across the globe

Company is a global defence electronics OEM with a clientele spanning both domestic and international markets. Company’s products have been sold globally to customers in EU, US and Israel, enabling adoption in India through the global first approach, underscoring their acceptance in some of the world’s most advanced defence markets as per the F&S Report. As of June 30, 2026, company have deployed over 28,000 tactical systems and served customers across 24 countries..



COMPANY BACKGROUND

With over 28,000 systems deployed across 24 countries, as of June 30, 2026, Company is a recognized OEM providing a diverse suite of field-proven electro-optic products free from export restrictions under International Traffic in Arms Regulations (“**ITAR**”). ITAR is a U.S. export control framework governing the sale, transfer, and sharing of defence related technology, data, and services. Company’s EO/IR portfolio is free from ITAR, enabling it to serve non-aligned and export sensitive markets more flexibly, as company design and develop its products within India, making company one of the few global OEMs capable of supplying cutting-edge technologies without geopolitical export limitations.

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Company was incorporated in 2003 as a subsidiary of a research company initially providing R&D and technology development services focused on designing intellectual property. In 2012, post the buyout of the erstwhile subsidiary of the research company by company’s Promoters, company transitioned into a defense-focused product manufacturing company, developing and supplying advanced electro-optic and electronic systems. With over 28,000 systems deployed across 24 countries as of June 30, 2026, Company offers a diverse suite of field - proven electro-optical solutions. Field-proven denotes systems that have been operationally validated in live combat and security environments, demonstrating reliability, durability, and mission effectiveness under realworld conditions.

OBJECTS OF OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares of face value of ₹2 each on the Stock Exchanges and for the Offer for Sale of up to 12,174,046 Equity Shares of face value of ₹2 each aggregating to ₹[●] million

RISKS

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

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY24	FY25	FY26	Q1FY26
Total Revenue (A)	4281.89	4690.80	3626.48	360.08
Total Expenditure (B)	3158.65	3300.16	2579.49	490.45
EBIDTA	1123.24	1390.64	1046.99	-130.37
EBIDTA Margin	26.23	29.65	28.87	-36.21
Other Income	37.07	53.10	72.91	13.16
Depreciation	133.95	265.91	313.35	83.91
EBIT	1026.36	1177.83	806.55	-201.12
Interest	76.81	177.42	106.16	36.36
PBT	949.55	1000.41	700.39	-237.48
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	949.55	1000.41	700.39	-237.48
Exceptional	4.05	7.76	0.00	0.00
PBT	260.07	1008.17	700.39	-237.48
Tax	4.24	265.08	190.76	-60.12
PAT	255.83	743.09	509.63	-177.36
NPM	5.97	15.84	14.05	-49.26
ROE%	52.72	20.20	9.75	-3.25
EPS	62.61	13.38	9.19	-3.20
Eq Cap	2.99	7.33	114.56	114.56
Net Worth	2,301.30	4,901.38	5,531.59	5,385.37

(Source: RHP)



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