



Avana Electrosystems Limited.

(An ISO 9001-2015 Company)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY, 23RD DECEMBER 2025 AT 10:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT NO. 8, PLOT NO.35, 1ST MAIN ROAD, 2ND PHASE PEENYA INDUSTRIAL AREA, NELAGADARANAHALLI VILLAGE, PEENYA SMALL INDUSTRIES, BANGALORE, BANGALORE NORTH, KARNATAKA, INDIA-560058

TO CONSIDER AND APPROVE THE KEY PERFORMANCE INDICATORS OF THE COMPANY DISCLOSED IN THE OFFER DOCUMENTS FOR THE INITIAL PUBLIC OFFERING OF THE COMPANY

"RESOLVED THAT the approval of the Audit Committee be and is hereby accorded to disclose the key performance indicators of the Company (the **"KPIs"**) as set out in **Annexure I** in the Offer Documents.

RESOLVED FURTHER THAT in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 (**"SEBI ICDR Regulations"**) and other applicable laws, the Audit Committee confirms that, other than as set out in **Annexure I** there are no other KPIs pertaining to the Company have been disclosed to earlier investors of the Company at any point of time during the three years period preceding the date of the RHP, and that there are no other relevant and material KPIs related to the business of the Company that may have a bearing for arriving at the basis for Offer Price in relation to the Offer.

RESOLVED FURTHER THAT in accordance with the applicable provisions of the SEBI ICDR Regulations and other applicable laws, the KPIs which have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to its peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the basis for issue price, along with explanation for KPI metrics, are hereby approved.

RESOLVED FURTHER THAT pursuant to the amendments, the KPIs, as placed before the Audit Committee and initialled by the Chairman for identification purposes and disclosed under 'Basis for Offer Price' section of the RHP, be and are hereby approved and may be disclosed in the Offer Documents.

RESOLVED FURTHER THAT the Audit Committee notes that the KPIs as disclosed in the section titled "Basis of Offer Price" in the Offer Documents shall be disclosed on a periodic basis, at least once a year (or any lesser period as may be determined by the Audit Committee of the Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the utilisation of the Offer Proceeds as per the disclosure made in the section "Objects of the Offer" of the Offer Documents, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

RESOLVED FURTHER THAT KPI Standards require the management of the Company to prepare a note on classification and identification of key performance indicators (**"KPIs"**) of the Company.

1. All data points shared with investors during the last three years, data points included in private placement letters/rights issue offer letters during the last three years, data points regularly presented/discussed at board meetings to track company's performance during

No. 08, Plot No. 35, 1st Main Road, 2nd Phase, Peenya Indl. Area, Bangalore-560 058.

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the last three years, data points that have been considered to arrive at the basis for the Offer price and other relevant data points (such data points, the "**Selected Data**").

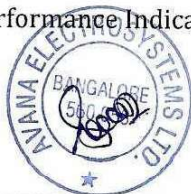
2. Details of the process and factors considered while shortlisting KPIs from the Selected Data (with relevance of identified KPIs) and draft disclosure of KPIs to be included in the Offer Document, which includes the definitions in relation to the terms used for relevant KPIs and explanation on how these KPIs have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Company;
3. Selected Data (including KPIs) excluded from disclosure in the Offer Documents along with rationale of such exclusion.
4. Selected Data that is not considered as KPIs but forms part of disclosures in the Offer Documents; and
5. Industry peer KPI disclosures identified for inclusion in the Offer Documents, including the criteria for such identification.

It is confirmed that the definition of the terms used for the KPIs are determined in the following manner:

- a) Terms defined under Accounting Standards ("**AS**"), as applicable, in accordance with Section 133 of the Companies Act, 2013, have been defined using such definitions;
- b) Terms not defined under AS, as applicable, the definition provided under SEBI ICDR Regulations or the Companies Act, 2013, have been used for defining such terms;
- c) There are a few terms for which there no definition is provided under the AS, SEBI ICDR Regulations or the Companies Act, 2013, as applicable, and thus we have used the definition as relevant for our business and the same is aligned with common industry practices;
- d) Terms not defined under (a) and (b) above, have been defined in an unambiguous and simple-to-comprehend English, along with its key components of financial and/or operational data and relevant formula, as applicable. Further, it is confirmed that formula clearly outline its components, including both the numerator and denominator (where applicable) and aligns with common industry practices and widely accepted international standards, to the extent feasible.

Further, the following is confirmed with respect to the KPIs:

1. All KPIs are measurable and expressible in numbers and subjective or qualitative aspects are not included as KPIs;
2. All KPIs are a measure of the Company's historical financial or operational performance;
3. All KPIs identified and disclosed either in the 'Basis for Offer Price' or in the 'Our Business' sections of the RHP are consistent with the requirements of the KPI Standards and the SEBI ICDR Regulations;
4. All KPIs have been defined in the 'Definitions and Abbreviations' section of the RHP under a separate head titled 'Key Performance Indicators';



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5. Unit of measurement of the KPIs have been disclosed in a format that is prescribed under the SEBI ICDR Regulations and is consistent across the RHP;
6. No KPIs which have been (a) disclosed to the investors or to the peer group, if any or (b) were routinely monitored by the Company have been excluded, unless a detailed rationale of the same in accordance with KPI Standards has been included in the annexures to this management note.

The KPIs identified are relevant, clearly defined, and aligned with the Company's strategic and financial objectives. The disclosures proposed to be included in the RHP, including the sections "Basis for Offer Price" and "Our Business", are consistent with internal management reporting and are compliant with applicable regulatory requirements and accounting standards. Accordingly, the management recommends the approval of the KPIs for disclosure in the Offer Documents and hereby certifies the KPIs selected for disclosure in the Offer Documents. The management confirms that while collating the Selected Data and KPIs, the applicable KPI Standards have been duly considered and adhered to.

RESOLVED FURTHER THAT the draft certificate issued by Vasanth & Co., (Firm Registration Number: 008204S), Chartered Accountants dated December 23, 2025 obtained in accordance with the SEBI ICDR Regulations is hereby noted by the Audit Committee.

RESOLVED FURTHER THAT any of the Directors, Chief Financial Officer and the Company Secretary be and are hereby authorised severally to do all such acts, deeds, matters and things as deemed necessary, proper or desirable, and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Member of the Audit Committee or the Chief Financial Officer or Company Secretary, be forwarded to the concerned authorities for necessary actions."

**FOR AND ON BEHALF OF AUDIT COMMITTEE OF
Avana Electrosystems Limited**

Kondahalli Nagaraj Sreenath
Member of Audit Committee and Director
DIN: 03099421



Date: 23/12/2025

Place: Bengaluru



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Annexure I

Financial Key Performance Indicators of our Company

Particulars	Units	For the half year ended 30th September 2025	For the financial year ended March 31,		
			2025	2024	2023
Revenue from Operations ⁽¹⁾	(₹ in lakhs)	3,574.71	6,148.58	5,298.77	2,840.65
Growth in Revenue from Operations ⁽²⁾	(YoY%)	-	16.04%	86.53%	36.66%
Gross Profit ⁽³⁾	(₹ in lakhs)	1,644.13	2,939.28	2,054.99	1,216.13
Gross Profit Margin ⁽⁴⁾	(%)	45.99%	47.80%	38.78%	42.81%
EBITDA ⁽⁵⁾	(₹ in lakhs)	762.62	1,251.96	741.97	192.04
EBITDA Margin ⁽⁶⁾	(%)	21.33%	20.36%	14.00%	6.76%
Profit After Tax ⁽⁷⁾	(₹ in lakhs)	560.74	831.23	402.41	92.29
PAT Margin ⁽⁸⁾	(%)	15.69%	13.52%	7.59%	3.25%
RoCE ⁽⁹⁾	(%)	26.69%	53.71%	40.02%	15.31%
RoE ⁽¹⁰⁾	(%)	22.79%	47.11%	35.07%	10.25%
Return on Assets ⁽¹¹⁾	(%)	10.85%	19.00%	12.09%	3.80%
Operating Cash Flows ⁽¹²⁾	(₹ in lakhs)	145.88	676.66	94.77	(31.75)
Net Fixed Asset Turnover ⁽¹³⁾	(in times)	10.79	17.90	18.67	14.39

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) Growth in revenue from operations(yoy%) is calculated by subtracting the previous period's revenue from the current period's revenue, and then dividing that number by the previous period's revenue
- (3) Gross Profit is the Revenue from Operations of the Company as reduced by the cost of materials consumed and Changes in Inventories of finished goods, work in progress and stock-in-trade
- (4) Gross Profit Margin (%) is Gross Profit divided by Revenue from Operations
- (5) EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income
- (6) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (7) Profit After Tax (PAT) is calculated as Profit before tax - Tax Expenses.
- (8) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (9) Return on Capital Employed (ROCE) is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term borrowings deducted by intangible assets.
- (10) Return on Equity (ROE) is ratio of Profit after Tax and average Shareholder Equity



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- (11) Return on Assets (ROA) is equal to PAT / average total assets deployed wherein average total assets deployed = (Opening total assets + Closing total assets)/2
- (12) Operating cash flow is extracted from Cash Flow Statement in Restated Financial Statements
- (13) Net Fixed Asset Turnover is equal to net revenue from operations/average fixed assets wherein average fixed assets = (Opening fixed assets + Closing fixed assets)/2

Note: The financial KPIs for FY 2025-26 presented above correspond to the six-month period ended September 30, 2025, and have not been annualised.

Operational KPIs monitored by the Company

In addition to the financial KPIs mentioned above, we also monitor the following operational metrics to assess our business performance and identify areas for improvement, with the aim of optimizing both revenue (top line) and profitability (bottom line):

1. Output per day per unit - Relay and Panels

Particulars	September 30, 2025	FY 2025	FY 2024	FY 2023
Total number of Panels produced in a year	313	523	502	478
No. of days Panel unit was operational in a year	151	300	300	300
Output per day - Panel Unit [Total number of Panels / No. of days]	2.07	1.74	1.67	1.59
Total number of Relay units produced in a year	33,650	65,840	58,501	27,942
No. of days Relay unit was operational in a year	151	300	300	300
Output per day - relay Unit [Total number of Relay / No. of days]	222.85	219.47	195	93.14

This KPI helps in tracking the output generated per day for our units. It is an indicator of Company's employee efficiency and profitability measure.

2. Calculation of Sales from various sales channels:

Particulars	For the half year ended September 30, 2025		Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Tender / Government Orders	818.67	22.90%	1007.33	16.38	952.78	17.98	758.75	26.71
Private Parties	2,725.30	76.24%	5055.09	82.22	4320.8	81.54	2078.25	73.16



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Particulars	For the half year ended September 30, 2025		Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Network of Dealers	30.74	0.86%	86.16	1.40	25.19	0.48	3.65	0.13
Total	3574.71	100.00	6148.58	100.00	5298.77	100.00	2840.65	100.00

This KPI helps us in tracking the sales registered through various channels like Government Orders / Orders received through the tender process, direct sales to private parties and sales through our distributors and dealers. This helps in understanding under which channel the Company's sales are growing.

Comparison of KPI based on additions or dispositions to our business: Not Applicable





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Description on the historic use of the KPIs by us to analyse, track or monitor our operational and/or financial performance

S. No.	KPIs	Rationale for inclusion as a KPI Explanation
1	Revenue from operations	Revenue from operations represents revenue from sale of products and other operating revenue. It represents the scale of the business as well as provides information regarding the overall financial performance.
2	Year-on-year ("YoY") Revenue Growth	Represents growth in sales on Year-on-year basis.
3	Gross Profit	Indicates Company's profitability from core operations before considering overheads and indirect expenses.
4	Gross Profit Margin	Gross Profit Margin represents the percentage of revenue remaining after accounting for the direct costs of producing goods or services
5	EBITDA (₹ in Lakh)	Indicates operating performance and cash generating ability before accounting for non-operational expenses and non-cash items.
6	EBITDA Margin (%)	Reflects operating profitability as a percentage of revenue from operations.
7	Profit After Tax	Profit after tax reflects the company's true earnings and financial health. It shows how much profit is available for reinvestment in the business or distribution to shareholders as dividends.
8	PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of the business and provides the financial benchmarking against peers as well as to compare against the historical performance of the business.
9	RoE (%)	Represents how efficiently a business generates profit from its shareholders' equity.
10	RoCE (%)	Measure how effectively capital is deployed to generate operating profits.
11	Return on Assets	ROA measures how a company is more efficient at using its assets to generate profit.
12	Operating Cash Flows	It represents cash generated by the Company from its core business operations excluding any financing or investing activity
13	Fixed Asset Turnover	Measure how effectively the Company generates revenue from its fixed Assets.
14	Output per day per unit - Relay and Panels	This KPI helps in tracking the output generated per day for our units. It is an indicator of Company's employee efficiency and profitability measure.
15	Calculation of Sales from various sales channels	This KPI helps us in tracking the sales registered through various channels like Government Orders / Orders received through the tender process, direct sales to private parties and sales through our distributors and dealers. This helps in understanding under which channel the Company's sales are growing.

Comparison of KPI with Listed Industry Peers





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(Amount in lakhs except percentages and ratios)

Particulars	Unit	Danish Power Limited			Aartech Solonics Limited		
		For the Year ended			For the Year ended		
		2025	2024	2023*	2025	2024	2023
Revenue from Operations	(₹ in lakhs)	42,670.98	33,247.67	18,870.06	3,635.22	3,274.41	2,168.80
Growth in Revenue from Operations	(YoY%)	28.34%	76.19%	26.96%	11.02%	50.98%	32.76%
Gross Profit	(₹ in lakhs)	12,513.70	8,599.68	3,768.27	1,866.48	1,130.20	898.10
Gross Profit Margin	(%)	29.33%	25.87%	19.97%	51.34%	34.52%	41.41%
EBITDA	(₹ in lakhs)	8,279.82	5,513.62	1,629.62	-19.36	47.18	63.11
EBITDA Margin	(%)	19.40%	16.58%	8.64%	-0.53%	1.44%	2.91%
Profit After Tax	(₹ in lakhs)	5,759.14	3,772.01	867.20	276.42	131.53	142.17
PAT Margin	(%)	13.50%	11.35%	4.60%	7.60%	4.02%	6.56%
RoCE	(%)	27.10%	56.71%	26.16%	6.17%	9.38%	7.38%
RoE	(%)	28.63%	59.39%	21.51%	9.06%	4.50%	5.00%
Return on Assets	(%)	19.92%	27.86%	7.72%	6.59%	3.37%	4.08%
Operating Cash Flows	(₹ in lakhs)	(1,890.08)	2,572.68	1,663.97	(152.16)	149.20	(482.26)
Net Fixed Asset Turnover	(in times)	9.99	10.28	8.32	8.06	7.44	5.03

*Financials for FY 2023 available on standalone basis.

