

DUE DILIGENCE CERTIFICATE

Date: December 31, 2025

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C 4 A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051, India

Dear Sir/Madam,

To,
Securities and Exchange Board of India

Dear Sirs,

Sub.: Public Offer of up to 59,70,000 equity shares of face value of Rs 10/- each by Avana Electrosystems Limited

We confirm that:

- (1) The proposed initial public issue of up to 59,70,000 equity shares comprising of fresh issue of 51,76,000 equity shares and an offer for sale of 7,94,000 equity shares ("the Offer").
- (2) The Company proposes to undertake the Offer under the Book Building process in compliance with Regulation 229(2) and 253(2) of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the SEBI ICDR Regulations) at such price as may be determined by the Company, in consultation with the BRLM, in accordance with the Book Building process under the SEBI ICDR Regulations and pursuant to Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended (the SCRR) read with the Companies Act, 2013, as amended and other applicable laws.
- (3) The Company has appointed Indcap Advisors Private Limited as the Book Running Lead Manager to the Offer (the BRLM) to manage the Offer.
- (4) In compliance with the Regulation 246 of the SEBI ICDR Regulations, we are filing the Red Herring Prospectus of the Company dated December 23, 2025 (the RHP) in relation to the Offer for your records.

A due diligence certificate dated December 31, 2025 duly signed by the BRLM, in accordance with Regulation 246(3) of the SEBI ICDR Regulations (**Annexure I**), along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations explaining the process of due diligence that has been exercised by us including in relation to the business of the issuer, the risks in relation to the business, experience of the promoters and that the related party transactions entered into for the period disclosed in the Offer document have been entered into by the issuer in accordance with applicable laws (**Annexure II**) and (ii) a detailed checklist confirming regulation-wise compliance with the applicable provisions of these regulations, containing details such as the regulation number, its text, the status of compliance, page number of the draft Offer document/ **draft letter of offer** where the regulation has been complied with and our comments, if any (**Annexure III**).

All capitalized terms used herein and not specifically defined shall have the meaning ascribed to such terms in the Red Herring Prospectus.

Indcap Advisors Private Limited

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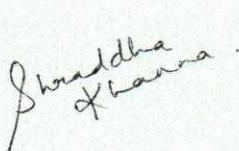
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Kindly feel free to contact the following person from Indcap Advisors Private Limited if you seek any further information or clarification in this regard

Contact Person	Telephone No.	Email
Shraddha Khanna	+91 9874170717	shraddha@indcap.in
Manoj Agarwal	+91 9830888504	manoj@indcap.in

Yours faithfully,
For Indcap Advisors Private Limited




Shraddha Khanna
Compliance Officer

Indcap Advisors

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Enclosed: As above

CC:

To

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

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ANNEXURE I

We confirm that:

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalising Red Herring Prospectus dated December 31, 2025 (RHP) of the subject issue;
2. On the basis of such examination and discussions with the issuer, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the issuer, we confirm that:
 - (a) the RHP filed with the Securities and Exchange Board of India ("SEBI") is in conformity with the documents, materials and papers which are material to the Offer;
 - (b) all material legal requirements relating to the issue as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the material disclosures made in the RHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable legal requirements.
3. Besides ourselves, all intermediaries named in the RHP are registered with the SEBI and that till date, such registration is valid. Complied with and noted for compliance.
4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. Noted for Compliance
5. Written consent from the promoters has been obtained for inclusion of their specified securities as part of the promoters' contribution subject to lock-in and the specified securities proposed to form part of the promoters' contribution subject to lock-in shall not be disposed or sold or transferred by the promoters during the period starting from the date of filing the RHP with the SEBI till the date of commencement of lock-in period as stated in the DRHP. Complied with and noted for compliance
6. All applicable provisions of these regulations, which relate to specified securities ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the RHP. Complied with and noted for compliance
7. All applicable provisions of SEBI ICDR Regulations which relate to receipt of promoters' contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least one day before the opening of the Offer and that the auditors' certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the issuer along with the proceeds of the Offer. Noted for Compliance
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of subsection (3) of section 40 of the Companies

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Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the stock exchanges, and that the agreement entered into between the bankers to the Offer and the issuer specifically contains this condition. **Noted for compliance**

9. The existing business as well as any new business of the issuer for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. **Complied with to the extent applicable**
10. Following disclosures have been made in the RHP:
 - a) An undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer, [excluding Superior Voting Rights (SR) equity shares, where an issuer has outstanding SR equity shares], and **Complied with to the extent applicable and noted for compliance**.
 - b) An undertaking from the issuer that it shall comply with all disclosure and accounting norms specified by the Board. **Noted for Compliance with to the extent applicable**
11. We shall comply with the regulations pertaining to advertisements in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. **Noted for compliance**
12. If applicable, the entity is eligible to list on the [innovators growth platform] in terms of the provisions of Chapter X of these regulations. **NOT APPLICABLE**
13. None of the intermediaries named in the Draft Red Herring Prospectus are debarred from functioning by any regulatory authority. **Complied with and Noted for Compliance**
14. Agreements have entered into with the depositories for dematerialization of the specified securities of the Issuer. **Complied with**
15. the underwriting and market making arrangements as per requirements of regulation 261 and 262 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 shall be made. **Noted for Compliance**

All capitalized terms used herein and not specifically defined shall have the meaning ascribed to such terms in the Red Herring Prospectus.

Yours faithfully,
For Indcap Advisors Private Limited



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CIN : U74120WB2008PTC125639

ANNEXURE II

Note explaining how the process of due diligence has been exercised

We have carried out a due diligence exercise in relation to the current business of the Company and its background, for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent customary for initial public offerings in India.

The due diligence process carried out by us commenced with interactions with the other senior management personnel of the Company, for gaining an understanding of the business of the Company, key risks involved, background of the Promoter and financial overview, amongst others. In this regard, we provided the Company with a due diligence questionnaire and information requisition list prepared in consultation with the Legal Counsels (as defined below). In response to the questionnaire and the information requisition list, the Company prepared and also provided us hard copies of certain documents for undertaking due-diligence.

All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the Red Herring Prospectus dated December 31, 2025 (the “**RHP**”).

Juris Matrix Partners LLP was appointed as the legal counsel to the Offer. The Legal Counsel have assisted the BRLM in carrying out the legal due diligence process. The BRLM was also assisted by the statutory auditor of the Company, M/s Vasantha & Co., Chartered Accountants (“**Auditor**”), for the financial due diligence, financial and other business-related information of the Company mentioned in the RHP and providing certifications with respect to certain other information included in the RHP.

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1. Business and commercial diligence:

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending the kick-off discussion to develop an understanding of the business and other matters of the Company. The discussion was attended by the Whole Time Directors, the Company Secretary and Compliance Officer and other senior management personnel of the Company and the Promoter, Legal Counsel, BRLM and the Auditor. A broad overview of the business of the Company, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, financials, shareholding pattern and details of the Promoter of the Company was presented to us.
- (b) Interacting with the senior management of the Company as well as the senior personnel from the secretarial, legal and finance departments, for the purpose of gaining an understanding about the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) due diligence meetings, drafting sessions and conference calls to discuss the drafts of the disclosures in the RHP, (ii) due diligence calls with the Auditor (iii) seeking appropriate clarifications from the Company for key operational data and other information. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act and other applicable laws with regard to the Offer. We expect these interactions and due diligence calls and discussions to continue until closure of the Offer;
- (c) Requesting the Company to make available the due diligence documents and reviewing those documents along with the Legal Counsels, based on the due diligence requirements under the SEBI ICDR Regulations

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and other applicable laws, as is customary in such transactions;

- (d) Obtaining and relying on certificates, formal representations and undertakings from the Company, its Directors, Promoter, members of its Promoter Group, Group Companies and the Key Management Personnel of the Company and other documents, including or extracts of report by independent industry sources, in support of certain disclosures made in the RHP;
- (e) Visiting the Company's Registered Office and manufacturing units located at Bengaluru, Karnataka, India and interacting with the key managerial personnel of the Company, to understand the Company's operations and to verify the disclosures being made in the RHP;
- (f) Assisting the Company in obtaining reports from publicly available sources for disclosure in the section "Industry Overview", in the RHP.
- (g) Attending brings down due diligence call with the management of the Company to receive updated information from the Company prior to the filing of the RHP.

2. *Financial information of the Company and Financial Indebtedness:*

We conducted due diligence on financial matters, which included meetings and due diligence calls with the Auditor of the Company, discussions with the finance team of the Company, review of the Auditor's report and other related documents. The Auditor was required to prepare the restated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act, and which was restated in accordance with the SEBI ICDR Regulations.

We have reviewed the Auditor's examination report and obtained certifications with respect to certain financial information included in the RHP from the Auditor. Further, the Auditor was required to review the financial information relating to the Company in the RHP

We received the Auditor's examination report which has been disclosed in the RHP. We had extensive discussions with the Auditors on the form and manner of the examination reports required for such financial information.

We, have also conducted a due diligence exercise of all material outstanding financial indebtedness of the Company.

3. *Promoter, Promoter Group, Directors and Key Management Personnel and senior management personnel of the Company*

- For the purposes of making certain disclosures with respect to Promoter, the Promoter Group Companies, Directors, the Key Management Personnel and senior management personnel of the Company in the RHP, we have obtained supporting documents, certifications and certificates from the relevant entities/ persons.
- The Group Companies were to be identified in accordance with the definition provided under the SEBI ICDR Regulations, which includes companies covered under applicable accounting standards (i.e., Accounting Standard 18 issued by the Institute of Chartered Accountants of India) as per the Restated Financial Statements.

Further, for the purpose of disclosure in the DRHP, any companies which, subsequent to the Relevant Period, would require disclosure in the latest audited financial statements of the Company for subsequent

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periods as companies covered under AS 18 in addition to/other than those companies covered under AS 18 in the latest audited financial statements shall be considered material for disclosure as a Group Company.

- In addition, we have received confirmation from the Company, Promoter, Directors, Group Companies and members of the Promoter Group stating that they have not been debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, they have not been identified as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the Reserve Bank of India ("RBI"). Further, confirmations have been taken from Directors that (a) they are not directors on the board of other listed companies whose shares have been / were delisted or suspended from being traded on the Stock Exchanges during the period of five years before filing of the RHP with SEBI, and (b) they are not currently or previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange.

4. *Industry Information*

We have relied on Government websites for understanding the Industry in which the Company operates.

5. *Statutory and/or regulatory related diligence*

In connection with diligence of matters relating to statutory and/or regulatory matters, reviewed the relevant statutory and/or regulatory records of the Company, *inter-alia*, including the corporate records, filings made by the Company with various statutory and/or regulatory authorities, material licenses, approvals and registrations applied for and/or received by the Company, material agreements relating to the business of the Company and such other documents as we have deemed necessary and as have been provided to us by the Company from time to time. Further we have also relied on representations and certifications provided by the Company, in connection with such statutory and/or regulatory matters.

We, have also regularly interacted with the officials of the Company to understand the various approvals that are necessary by the Company to carry out its business, followed by a due diligence exercise of such approvals, including those required to be obtained with respect to the branches and offices located in various states.

We have undertaken diligence on all approvals pertaining to the business of the Company.

6. *Outstanding Litigations*

We have disclosed outstanding litigation involving the Company, its Directors, Group Companies and Promoters on the basis of the legal requirements under the SEBI ICDR Regulations and the Companies Act, 2013.

Further, in accordance with the SEBI ICDR Regulations, the Board of Directors of the Company has formulated a policy on materiality.

7. *Diligence of Corporate Documents*

In relation to share capital build-up of the Company, we have been provided with the relevant resolutions, corporate registers and regulatory filings of the Company.

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