

**Independent Auditor's Examination Report on the
Restated Financial Information of Avana Electrosystems Limited**

Examiner Report of Independent Auditor on the Restated Statement of Assets and Liabilities as at September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Profit and Loss and the Restated Statement of Cash Flows for the period ended September 30, 2025 and for the financial years ended March 31 2025, March 31 2024 and March 31 2023 along with the Restated Statement of Significant Accounting Policies and other explanatory information of **Avana Electrosystems Limited** (formerly known as Avana Electrosystems Private Limited) (hereinafter collectively, the "Restated Financial Statements").

The Board of Directors
Avana Electrosystems Limited
Plot No.35, 1st Main Road, 2nd Phase
Peenya Industrial Area, Nelagadaranahalli Village
Bangalore – 560058

Dear Sirs/ Madams,

1. We Vasanth & Co., Chartered Accountants, have examined the attached Restated Financial Statements of AVANA ELECTROSYSTEMS LIMITED (the "Company") comprising of Restated Statement of Assets and Liabilities as at September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Profit and Loss and the Restated Statement of Cash Flows for the period ended September 30, 2025 and for the financial years ended March 31 2025, March 31 2024 and March 31 2023 along with the Restated Statement of Significant Accounting Policies and other explanatory information as approved by the Board of Directors of the Company at their meeting held on December 23, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus ("DRHP/RHP/Prospectus") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
 - a) The Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of Restated Financial Statements for the purpose of inclusion in the offer documents in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company in accordance with the basis of preparation stated in Annexure IV to the Restated Financial Statements. The responsibility of Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The

Board of Directors are also responsible for identifying and ensuring that the Company complies with the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. We have examined the Restated Financial Statements taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with Company in accordance with our engagement letter dated May 01, 2025, in connection with the proposed IPO of the equity shares of the Company.
 - b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
 - c) The concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) Requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the Management from:

Audited Financial Statements of the Company for the period ended September 30, 2025 and for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with Accounting Standard as prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended,” as per the Accounting Standard and other accounting principles generally accepted in India, (the “ Audited Financial Statements”), which have been approved by the Board of Directors at their meetings held on December 23, 2025, September 03, 2025, August 19, 2024 and September 02, 2023 respectively.

5. Based on the above and according to the information and explanations given to us, we report that:

- i) The Restated Financial Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively for the period ended September 30, 2025 and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications.
 - ii) There are no qualifications in the auditor's reports on the Audited Financial Statements as at and for the period ended September 30, 2025 and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 which require any adjustments to the Restated Financial Statements and

6. The Restated Financial Statements have been prepared in accordance with the Act including the rules made there under, the SEBI ICDR Regulations, the Guidance Note and engagement letter.
7. We complied with the relevant applicable requirements of the Standard in Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the

respective dates of the reports on the Audited Financial Statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-auditing of any of the previous auditors' reports issued by us or the previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
11. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP/RHP/Prospectus to be filed with the Securities and Exchange Board of India, NSE EMERGE and Registrar of Companies, Bangalore, as applicable in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

for Vasanth & Co.,
Chartered Accountants
Firm Registration No:008204S

AMARNATH Digitally signed by
AMARNATH NARAYANA
Date: 2025.12.23
15:17:06 +05'30'
NARAYANA
N.Amarnath
Partner
Membership No:510064
UDIN: 25510064DBGJRM3316

Place: Bangalore
Date: 23-12-2025

ANNEXURE-I
AVANA ELECTROSYSTEMS LIMITED
 (Formerly known as Avana Electrosystems Private Limited)
 CIN- U31400KA2010PLC054508
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | Note | As at | | | |
|--|------|----------------------|------------------|------------------|------------------|
| | | 30th September, 2025 | 31st March, 2025 | 31st March, 2024 | 31st March, 2023 |
| I. EQUITY AND LIABILITIES | | | | | |
| Shareholder's Funds | | | | | |
| (a) Share capital | 1 | 1,746.94 | 79.41 | 79.41 | 79.41 |
| (b) Reserves and surplus | 1A | 993.79 | 2,100.59 | 1,269.37 | 866.96 |
| Non-Current Liabilities | | | | | |
| (a) Long-term borrowings | 2 | 73.80 | 126.16 | 291.55 | 237.09 |
| Current Liabilities | | | | | |
| (a) Short term borrowings | 2A | 494.47 | 442.35 | 635.75 | 496.10 |
| (b) Trade payables | 3 | 319.90 | 266.62 | 353.37 | 125.20 |
| (A) total outstanding dues of micro enterprises and small enterprises; and | | | | | |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 343.58 | 660.55 | 322.92 | 450.45 |
| (c) Other current liabilities | 4 | 503.89 | 463.50 | 317.71 | 334.13 |
| (d) Short-term provisions | 5 | 914.70 | 802.93 | 537.35 | 262.70 |
| Total | | 5,391.08 | 4,942.12 | 3,807.43 | 2,852.04 |
| II ASSETS | | | | | |
| Non-current assets | | | | | |
| (a) Property, Plant and Equipment & Intangible assets | 6 | 345.26 | 317.26 | 369.66 | 198.00 |
| (A) Property, Plant and Equipment | | 8.36 | 9.42 | 9.19 | 2.82 |
| (B) Intangible assets | | 15.62 | - | - | |
| (C) Capital work in progress | | 19.02 | 7.39 | 5.15 | 24.82 |
| (b) Deferred tax asset (net) | 7 | 1,820.77 | 2,119.08 | 1,483.64 | 1,115.56 |
| (c) Other non current assets | 8 | 569.21 | 530.71 | 378.33 | 310.14 |
| Current assets | | | | | |
| (a) Inventories | 9 | 2,105.61 | 1,470.95 | 1,193.31 | 770.29 |
| (b) Trade receivables | 10 | 393.00 | 358.15 | 246.17 | 360.08 |
| (c) Cash and cash equivalents | 11 | 81.41 | 96.35 | 57.17 | 40.53 |
| (d) Short-term loans and advances | 12 | - | - | - | - |
| (e) Other current assets | 13 | - | - | - | - |
| Total | | 5,391.08 | 4,942.12 | 3,807.43 | 2,852.04 |

The above statement should be read with the restated statement of Profit and Loss, restated statement Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-II, III and IV respectively

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

In terms of our report attached
 for Vasanth & Co.,
 Chartered Accountants
 Firm Registration No:008204S

For and on behalf of the Board of Directors
 of Avana Electrosystems Limited
 (Formerly known as Avana Electrosystems Private Limited)



N.Amarnath
 Partner
 Membership No:510064

Place: Bengaluru
 Date: 23-12-2025

Anantharamaiah Panish
 Managing Director
 DIN: 00288112

K N Sreenath
 Executive Director
 DIN: 03099421

S Vinod Kumar
 Whole Time Director
 DIN: 03115822

Gururaj Dambal
 Whole Time Director
 DIN: 03099402

Amrutha Naveen
 Company Secretary
 ACS no. 65237

Ravi Kumar S
 Chief Financial Officer
 M.No: 239041

N. Amarnath *Anantharamaiah Panish* *K N Sreenath* *S Vinod Kumar*
Gururaj Dambal *Amrutha Naveen* *Ravi Kumar S*

Amarnath *Amrutha* *Ravi Kumar S*

ANNEXURE-II
AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508

RESTATEMENT STATEMENT OF PROFIT AND LOSS

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | Note | For the half year ended on | | For the fiscal year ended on | |
|---|-------------------|----------------------------|------------------|------------------------------|------------------|
| | | 30th September, 2025 | 31st March, 2025 | 31st March, 2024 | 31st March, 2023 |
| I. Revenue from operations | 14 | 3,574.71 | 6,148.58 | 5,298.77 | 2,840.65 |
| II. Other Income | 15 | 53.61 | 144.81 | 26.80 | 17.86 |
| III. Total Income (I + II) | | 3,628.32 | 6,293.39 | 5,325.57 | 2,858.51 |
| IV. Expenses: | | | | | |
| Purchases of Stock-in-Trade | 16 | 2,565.24 | 3,486.93 | 3,666.80 | 1,853.78 |
| Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade | 17 | (634.67) | (277.64) | (423.02) | (229.27) |
| Employee benefits expense | 18 | 500.13 | 886.46 | 588.70 | 477.37 |
| Finance costs | 19 | 47.22 | 91.25 | 111.19 | 80.29 |
| Depreciation and Amortisation Expense | 6 & 21 | 35.21 | 75.63 | 35.00 | 12.16 |
| Other Expenses | 20 | 381.39 | 800.87 | 724.33 | 546.72 |
| IV. Total Expenses | | 2,894.53 | 5,063.50 | 4,702.99 | 2,741.05 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | 733.79 | 1,229.88 | 622.58 | 117.46 |
| VI. Exceptional Items | | - | - | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 733.79 | 1,229.88 | 622.58 | 117.46 |
| VIII. Extraordinary Items | | - | - | - | - |
| IX. Profit before Tax (VII-VIII) | | 733.79 | 1,229.88 | 622.58 | 117.46 |
| X. Tax expense: | | | | | |
| (1) Current tax | | 184.68 | 325.70 | 163.95 | 31.10 |
| (2) Current tax expense relating to prior years | | - | (0.82) | - | - |
| (3) Deferred tax | | (11.63) | (2.24) | 19.67 | (6.19) |
| Total tax expenses | | 173.05 | 322.64 | 183.62 | 24.91 |
| XI. Prior period expenses: | | | | | |
| Gratuity and Leave encashment adjustment | | - | 76.02 | 36.55 | 0.26 |
| XII. Profit for the year | (V - XI) | 560.74 | 831.23 | 402.41 | 92.29 |
| XIII. Profit/ (Loss) Carried forward to Balance Sheet | | 560.74 | 831.23 | 402.41 | 92.29 |
| Earnings Per Equity Share (EPS) | | | | | |
| (1) Basic - Rs. | 22 | 3.21 | 4.76 | 2.30 | 0.53 |
| (2) Diluted- Rs. | 22 | 3.21 | 4.76 | 2.30 | 0.53 |

Notes:

1) The above statement should be read with the restated statement of Assets and Liabilities, restated statement of Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, III and IV respectively.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

In terms of our report attached
for Vasanth & Co.,
Chartered Accountants

For and on behalf of the Board of Directors
of Avana Electrosystems Limited
(Formerly known as Avana Electrosystems Private Limited)



Firm Reg No: 008204S

N. Amarnath
N. Amarnath
Partner
Membership No: 510064



Place: Bengaluru
Date: 23-12-2025

Anantharamaiah Panish
Anantharamaiah Panish
Managing Director
DIN: 00288112

K N Sreenath
K N Sreenath
Executive Director
DIN: 03099421

S. Vinod Kumar
S Vinod Kumar
Whole Time Director
DIN: 03115822

Gururaj Dambal
Gururaj Dambal
Whole Time Director
DIN: 03099402

Amrutha Naveen
Amrutha Naveen
Company Secretary
ACS no. 65237

Ravi Kumar S
Ravi Kumar S
Chief Financial Officer
M.No: 239041

ANNEXURE-III
AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508
RESTATED STATEMENT OF CASH FLOW

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | For the half year ended 30th September , | For the fiscal year ended on | | |
|--|---|------------------------------|-------------------------|-------------------------|
| | | 31st March, 2025 | 31st March, 2024 | 31st March, 2023 |
| A. Cash flow from operating activities | | | | |
| Profit before tax, as Restated | 733.79 | 1,229.88 | 622.58 | 117.46 |
| Adjustment for: | | | | |
| Depreciation and Amortisation Expenses | 35.21 | 75.63 | 35.00 | 12.16 |
| Prior period Items (Gratuity and Leave Encashment) | - | (76.02) | (36.55) | (0.26) |
| Finance Cost | 47.22 | 91.25 | 111.19 | 80.29 |
| Interest & Dividend Income | (52.71) | (29.21) | (24.62) | (16.73) |
| Operating (loss) / profit before working capital changes | 763.51 | 1,291.54 | 707.60 | 192.92 |
| Movement in working capital | | | | |
| Decrease / (Increase) in Inventories | (634.67) | (277.64) | (423.02) | (229.27) |
| Decrease / (Increase) in Trade Receivable | 298.32 | (635.44) | (368.09) | (420.49) |
| Decrease / (Increase) in Other Current Assets | 14.94 | (39.18) | (16.64) | 13.42 |
| Increase / (Decrease) in Trade Payable | (263.69) | 250.88 | 100.64 | 279.98 |
| Increase / (Decrease) in Short Term Provision | 111.77 | 265.58 | 274.66 | 82.85 |
| Increase / (Decrease) in Current liabilities | 40.39 | 145.79 | (16.42) | 79.95 |
| Cash generated from operations | 330.56 | 1,001.53 | 258.73 | (0.65) |
| Provision for Taxation | (184.68) | (324.88) | (163.95) | (31.10) |
| Net cashflow generated from/(utilised in) operating activities (A) | 145.88 | 676.66 | 94.77 | (31.75) |
| B. Cash flows from investing activities | | | | |
| Purchase of property, plant, and equipment (including intangibles assets and Capital Work-in progress) | (77.77) | (23.47) | (213.02) | (13.76) |
| Interest Income | 52.71 | 29.21 | 24.62 | 16.73 |
| Decrease / (Increase) in Short Term Loan and Advances | (34.86) | (111.98) | 113.91 | (122.29) |
| Decrease / (Increase) in Other Non Current Assets | - | 32.00 | (35.00) | - |
| Net cash flow utilized in investing activities (B) | (59.91) | (74.24) | (109.50) | (119.32) |
| C. Cash flows from financing activities | | | | |
| Proceeds from Long Term Borrowings | (52.36) | (165.39) | 54.46 | 232.08 |
| (Increase)/decrease from Short Term Borrowings | 52.12 | (193.39) | 139.65 | 79.66 |
| Interest Paid | (47.22) | (91.25) | (111.19) | (80.29) |
| Net cashflow generated from/(utilised in) financing activities(C) | (47.47) | (450.04) | 82.92 | 231.46 |
| Net increase / (Decrease) in cash & cash equivalents (A + B + C) | 38.50 | 152.38 | 68.19 | 80.39 |
| Cash and cash equivalents at the beginning of the year | 530.71 | 378.33 | 310.14 | 229.75 |
| Cash and Cash Equivalents at the end of the year | 569.21 | 530.71 | 378.33 | 310.14 |
| Components of Cash and Cash Equivalents as at | 30th September , 2025 | 31st March, 2025 | 31st March, 2024 | 31st March, 2023 |
| Cash on hand | 1.33 | 0.04 | 1.04 | 1.13 |
| Balances with scheduled banks | | | | |
| - In current accounts | 1.80 | 25.11 | - | - |
| - Balances with Banks- held as margin money | 566.08 | 505.55 | 377.29 | 309.00 |
| Total cash and cash equivalents | 569.21 | 530.71 | 378.33 | 310.14 |

Note:

1. The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3 Statement of Cash Flows notified under Section 133 of the Companies Act, 2013
2. The above statement should be read with the restated statement of Profit and Loss, restated statement of Assets & Liabilities and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, II and IV respectively.
3. This is the Restated Statement of Cash Flows referred to in our report of even date.

In terms of our report attached

for Vasanth & Co.,

Chartered Accountants

Firm Reg No: 0082045

N. Amarnath

Partner

Membership No: 510064

Place: Bengaluru

Date: 23-12-2025



For and on behalf of the Board of Directors
 of Avana Electrosystems Limited
 (Formerly known as Avana Electrosystems Private Limited)

Anantharamaiah Panish
 Managing Director
 DIN: 00288112

Gururaj Dambal
 Whole Time Director
 DIN: 03099402

K N Sreenath
 Executive Director
 DIN: 03099421

Amrutha Naveen
 Company Secretary
 ACS no. 65237



S Vinod Kumar
 Whole Time Director
 DIN: 03115822

Ravi Kumar S
 Chief Financial Officer
 M.No: 239041

Note 1: RESTATED STATEMENT OF SHARE CAPITAL.

| Particulars | As at 30 September, 2025 | | As at 31 March, 2025 | | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|--------------------------|-----------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| (a) Authorised - Equity shares of Rs 10/- each with Voting rights | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 | 9,00,000 | 90.00 | 9,00,000 | 90.00 |
| (b) Issued Subscribed and fully Paid up Equity Shares of Rs 10/- each with voting rights | 1,746.94 | 7,94,064 | 79.41 | 7,94,064 | 79.41 | 7,94,064 | 79.41 | 7,94,064 |
| Total | 1,74,69,408 | 1,746.94 | 7,94,064 | 79.41 | 7,94,064 | 79.41 | 7,94,064 | 79.41 |

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Equity shares with voting rights | | | | | | | |
|----------------------------------|----------------------------------|-----------------|---------------------------|--------------|---------------------------|--------------|---------------------------|--------------|
| | As at 30th September, 2025 | | Year ended 31 March, 2025 | | Year ended 31 March, 2024 | | Year ended 31 March, 2023 | |
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Opening Balance | 7,94,064 | 79.41 | 7,94,064 | 79.41 | 7,94,064 | 79.41 | 7,94,064 | 79.41 |
| Fresh issue of shares | - | - | - | - | - | - | - | - |
| Rights issue | - | - | - | - | - | - | - | - |
| Bonus issue | 1,66,75,344 | 1,667.53 | - | - | - | - | - | - |
| Buy back/ Conversion/ Redemption | - | - | - | - | - | - | - | - |
| Closing Balance | 1,74,69,408 | 1,746.94 | 7,94,064 | 79.41 | 7,94,064 | 79.41 | 7,94,064 | 79.41 |

(ii) Rights Preferences and restrictions on various classes of shares:

(a) The Company has equity shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential allotment, if any. The distribution will be in proportion to the number of equity shares.

(b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

(c) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

(iii) Bonus Issue of Equity Shares (21:1):

On 19 August 2025, the Board of Directors approved and allotted a bonus issue of equity shares in the ratio of 21:1 (i.e., 21 new shares for every 1 existing share). Any fractional entitlements (if any) was settled in accordance with the Company's Articles of Association and prevailing stock exchange practices.

(iv) Increase in Authorised Share Capital Pursuant to the Shareholders' Approval during the period under Review:

Pursuant to approval given by shareholder in the Extraordinary General Meeting held on 11th November 2024, the Authorised Share Capital of the Company was increased from ₹ 90,00,000/- comprising of 9,00,000 Equity shares of ₹ 10/- each to ₹ 25,00,00,000/- comprising of 2,50,00,000 Equity shares of ₹ 10/- each.

(v) The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current and previous years.

(vi) No shares are reserved for issue under options and contracts or commitments during any reporting period.

(vii) Change in share capital for the period of five years immediately preceding the date as at which the Balance Sheet is prepared is given below as per the requirement of Schedule-III:

| Particular | As at 30th September, 2025 | As at 31st March | | | | | Class |
|---|----------------------------|------------------|------|------|------|------|--------|
| | | 2025 | 2024 | 2023 | 2022 | 2021 | |
| A) Aggregate number and class of shares allotted as fully paid-up by way of Bonus Share | 1,66,75,344 | - | - | - | - | - | |
| (B) Aggregate number and class of shares bought back * | - | - | - | - | - | - | 85,936 |

* The Board approved buyback of up to 85,936 equity shares (9.77% of paid-up share capital) at a net price of ₹93.75 per share (gross price ₹115.59 including tax), aggregating up to ₹80.57 lakhs. The buyback was on a proportionate basis to shareholders as on the record date – 25th September 2020.

(viii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Particulars | Equity shares with voting rights | Equity shares with differential voting rights | Compulsorily convertible preference shares | Optionally convertible preference shares | Redeemable preference shares | Number of shares | Class |
|----------------------------|----------------------------------|---|--|--|------------------------------|------------------|-------|
| | | | | | | | |
| As at 31st March, 2023 | Nil | Nil | Nil | Nil | Nil | Nil | |
| As at 31st March, 2024 | Nil | Nil | Nil | Nil | Nil | Nil | |
| As at 31st March, 2025 | Nil | Nil | Nil | Nil | Nil | Nil | |
| As at 30th September, 2025 | Nil | Nil | Nil | Nil | Nil | Nil | |

(ix) Details of shares held by each shareholder holding more than 5% shares:

a. Equity shares with voting rights

| Class of shares / Name of shareholder | As at 30th September, 2025 | | As at 31st March, 2025 | | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---------------------------------------|----------------------------|-----------|------------------------|-----------|------------------------|-----------|------------------------|-----------|
| | Number of shares held | % Holding | Number of shares held | % Holding | Number of shares held | % Holding | Number of shares held | % Holding |
| K N Sreenath | 44,41,580 | 25.42% | 2,01,890 | 25.42% | 2,01,891 | 25.43% | 1,96,891 | 24.80% |
| Anantharamaiah Panish | 44,41,580 | 25.42% | 2,01,890 | 25.42% | 2,01,891 | 25.43% | 1,96,891 | 24.80% |
| Gururaj Dambal | 44,41,580 | 25.42% | 2,01,890 | 25.42% | 2,01,891 | 25.43% | 1,96,891 | 24.80% |
| S Vinod kumar | 41,44,580 | 23.72% | 1,88,390 | 23.72% | 1,88,391 | 23.72% | 1,83,391 | 23.10% |

(x) Details of shares held by promoters

| Class of shares / Name of shareholder | Number of shares held | | | | As at 30th September, 2025 | | As at 31 March, 2025 | | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---------------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | As at 30th September, 2025 | As at 31 March, 2024 | As at 31 March, 2025 | As at 31 March, 2023 | % Holding | % change during the year | % Holding | % change during the year | % Holding | % change during the year | % Holding | % change during the year |
| Equity shares with voting rights: | | | | | | | | | | | | |
| K N Sreenath | 44,41,580 | 2,01,890 | 2,01,891 | 1,96,891 | 25.42% | 0.00% | 25.42% | 0.00% | 25.43% | 0.63% | 24.80% | 0.00% |
| Anantharamaiah Panish | 44,41,580 | 2,01,890 | 2,01,891 | 1,96,891 | 25.42% | 0.00% | 25.42% | 0.00% | 25.43% | 0.63% | 24.80% | 0.00% |
| Gururaj Dambal | 44,41,580 | 2,01,890 | 2,01,891 | 1,96,891 | 25.42% | 0.00% | 25.42% | 0.00% | 25.43% | 0.63% | 24.80% | 0.00% |
| S Vinod kumar | 41,44,580 | 1,88,390 | 1,88,391 | 1,83,391 | 23.72% | 0.00% | 23.72% | 0.00% | 23.72% | 0.63% | 23.10% | 0.00% |

1. There are no securities issued by the company which are convertible into equity or preference share

2. There are no unpaid calls

3. There are no forfeited Share

4. No shares are reserved for issue under options and contracts or commitments during any reporting period.



AVANA ELECTROSYSTEMS LIMITED
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Annexure-V: Notes to Restated Financial Information

| Particulars | (Amount in INR lakhs, except for share data unless otherwise stated) | | | |
|---|--|---------------------------|---------------------------|---------------------------|
| | As At 30th September, 2025 | As At 31st March, 2025 | As At 31st March, 2024 | As At 31st March, 2023 |
| Note : 1A RESERVES AND SURPLUS | | | | |
| (A) Capital Redemption Reserve | | | | |
| Balance brought forward from Previous Year | 8.59 | 8.59 | 8.59 | 8.59 |
| Addition during the year | - | - | - | - |
| Less: Utilisation during the year(Bonus Issue - Equity shares) | (8.59) | - | - | - |
| Closing Balance | - | 8.59 | 8.59 | 8.59 |
| (B) General Reserve | | | | |
| Balance brought forward from Previous Year | 11.14 | 11.14 | 11.14 | 11.14 |
| Less: Transfer to Capital Redemption Reserve Account | - | - | - | - |
| Closing Balance | 11.14 | 11.14 | 11.14 | 11.14 |
| (C) Surplus from Statement of Profit and Loss | | | | |
| Balance brought forward from Previous Year | 2,080.86 | 1,249.64 | 847.23 | 754.94 |
| Less:- Bonus issue - Equity shares | 1,658.94 | - | - | - |
| Add : Profit for the year carried from Profit and loss | 560.74 | 831.23 | 402.41 | 92.29 |
| Closing Balance | 982.66 | 2,080.86 | 1,249.64 | 847.23 |
| Closing balance of Reserves and Surplus(A+B+C) | 993.79 | 2,100.59 | 1,269.37 | 866.96 |

Capital Redemption Reserve : The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

Note : 2 RESTATED STATEMENT OF LONG TERM BORROWINGS

| | | | | |
|---|--------------|---------------|---------------|---------------|
| Long term Borrowings | | | | |
| (a) Term Loans /Demand Loans (Secured)* | | | | |
| From Bank & Financial Institutions | 50.45 | 60.41 | 92.29 | - |
| (b) Term Loans /Demand Loans (Unsecured) | | | | |
| From NBFC & Others | 23.35 | 65.75 | 199.26 | 237.09 |
| Total Long -Term Borrowings (a+b) | 73.80 | 126.16 | 291.55 | 237.09 |

Note : 2A RESTATED STATEMENT OF SHORT-TERM BORROWINGS

| | | | | |
|---|---------------|---------------|---------------|---------------|
| (a) Demand Loans (Secured) # | | | | |
| From Bank & Financial Institutions | | | | |
| Cash Credit Facility from State Bank of India | | | 0.01 | - |
| Cash Credit Facility from HDFC bank | 374.52 | 279.36 | 433.26 | 240.09 |
| Cash Credit Facility from National Small Industries Corporation Ltd | | | | 20.85 |
| (b) Current Maturities of the Long term debt /Demand Loans (Unsecured) | | | | |
| From NBFC & others | | | | 124.50 |
| Sub-total (a+b) | 374.52 | 279.36 | 433.27 | 385.45 |
| Add : Current Maturities of the Long term debt | 119.95 | 162.99 | 202.47 | 110.65 |
| Sub-total (c) | 119.95 | 162.99 | 202.47 | 110.65 |
| Total Short-Term Borrowings (a+b+c) | 494.47 | 442.35 | 635.75 | 496.10 |

(Refer Sub-annexure A and B of Annexure A for terms of security, repayment and other relevant details)

(*) Secured on Collateral security of Site No 1a Plot No 35 Khata No 35 Ward No 39 2nd Phase Peenya Industrial Area with Personal guarantees of all Directors

(#) Loan on vehicle availed during FY 2024-25

(*) Company is paying installment to banks, NBFC and others on timely basis and there has been no delays in payment

(#) Secured on Hypothecation of Trade Receivable & Inventories and Collateral Security of Immovable Property of the Company.



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | As At 30th September, 2025 | As At 31st March, 2025 | As At 31st March, 2024 | As At 31st March, 2023 |
|--|-------------------------------|---------------------------|---------------------------|---------------------------|
| Note : 3 RESTATED STATEMENT OF TRADE PAYABLES | | | | |
| Trade Payables | | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 319.90 | 266.62 | 353.37 | 125.20 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 343.58 | 660.55 | 322.92 | 450.45 |
| | 663.48 | 927.17 | 676.29 | 575.65 |

(Refer Annexure for ageing of Trade Payables)

NOTE:

- 1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.
- 2) Amount due to entities covered under Micro and Small Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.
- 3) Ageing of the Supplier, along with any amount involved in disputes as required by Schedule III of Companies Act, 2013 is disclosed below after it becomes due for payment. In case of no credit terms defined the break-up of age wise supplier balance is given below after considering from the date of transactions.
- 4) The Company does not have any unbilled or not due Creditors

Annexure for Ageing of Trade Payables

Trade payables ageing schedule for the half year ended as on September 30th 2025:

| Particulars | Unbilled Dues | Not Due | Less than One Year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|---------------|---------|--------------------|-----------|-----------|-------------------|--------|
| Outstanding dues to MSME | - | - | 319.90 | - | - | - | 319.90 |
| Others | - | - | 343.58 | - | - | - | 343.58 |
| Disputed dues -- MSME | - | - | - | - | - | - | - |
| Disputed dues -- Others | - | - | - | - | - | - | - |

Trade payables ageing schedule for the year ended as on March 31, 2025:

| Particulars | Unbilled Dues | Not Due | Less than One Year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|---------------|---------|--------------------|-----------|-----------|-------------------|--------|
| Outstanding dues to MSME | - | - | 266.62 | - | - | - | 266.62 |
| Others | - | - | 660.55 | - | - | - | 660.55 |
| Disputed dues -- MSME | - | - | - | - | - | - | - |
| Disputed dues -- Others | - | - | - | - | - | - | - |

Trade payables ageing schedule for the year ended as on March 31, 2024:

| Particulars | Unbilled Dues | Not Due | Less than One Year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|---------------|---------|--------------------|-----------|-----------|-------------------|--------|
| Outstanding dues to MSME | - | - | 353.37 | - | - | - | 353.37 |
| Others | - | - | 322.92 | - | - | - | 322.92 |
| Disputed dues -- MSME | - | - | - | - | - | - | - |
| Disputed dues -- Others | - | - | - | - | - | - | - |

Trade payables ageing schedule for the year ended as on March 31, 2023:

| Particulars | Unbilled Dues | Not Due | Less than One Year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|---------------|---------|--------------------|-----------|-----------|-------------------|--------|
| Outstanding dues to MSME | - | - | - | 125.20 | - | - | 125.20 |
| Others | - | - | 450.45 | - | - | - | 450.45 |
| Disputed dues -- MSME | - | - | - | - | - | - | - |
| Disputed dues -- Others | - | - | - | - | - | - | - |



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Annexure-V: Notes to Restated Financial Information

| Particulars | (Amount in INR lakhs, except for share data unless otherwise stated) | | | |
|---|--|---------------------------|---------------------------|---------------------------|
| | As At 30th September, 2025 | As At 31st March, 2025 | As At 31st March, 2024 | As At 31st March, 2023 |
| Note : 4 RESTATED STATEMENT OF OTHER CURRENT LIABILITIES | | | | |
| (a) Advances Received from Customers | 260.79 | 109.17 | 217.05 | 247.61 |
| (b) Statutory Dues Payable | 113.61 | 267.76 | 25.68 | 25.00 |
| (c) Outstanding Liabilities | 117.94 | 76.63 | 69.98 | 56.52 |
| (d) Other Current Liabilities | 11.54 | 9.95 | 5.00 | 5.00 |
| | 503.89 | 463.50 | 317.71 | 334.13 |

NOTE:

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 5 RESTATED STATEMENT OF SHORT-TERM PROVISIONS

| | | | | |
|--|---------------|---------------|---------------|---------------|
| (a) Provision for Employee Benefits | | | | |
| Provision for Gratuity | 42.88 | 29.95 | 16.24 | 10.09 |
| Provision for Leave Encashment | 25.21 | 31.47 | 21.62 | 18.69 |
| (b) Provision - Others | | | | |
| Provision for Income Tax(Net of TDS) | 252.71 | 191.15 | 102.84 | 3.08 |
| Provision for Warranty | 457.74 | 431.99 | 309.02 | 175.21 |
| Provision for Installation & Commissioning | 136.16 | 118.37 | 87.63 | 55.63 |
| | 914.70 | 802.93 | 537.35 | 262.70 |

NOTE:

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 7 RESTATED STATEMENT OF DEFERRED TAX ASSETS(NET)

| | | | | |
|--------------------------------------|--------------|-------------|-------------|--------------|
| Deferred Tax Asset-Net (Annexure A) | 19.02 | 7.39 | 5.15 | 24.82 |
| | 19.02 | 7.39 | 5.15 | 24.82 |

ANNEXURE A

| Particulars | As at 30th September 2025 | As at 31st March 2025 | As at 31st March 2024 | As at 31st March 2023 |
|---|------------------------------|--------------------------|--------------------------|--------------------------|
| Timing Difference on account of: | | | | |
| Difference between book value of Depreciable Assets as per Books of Account and WDV as per income Tax Purposes | (75.58) | (64.82) | (33.19) | (31.34) |
| Impact of Gratuity Provisions and leave encashment | - | 35.46 | 12.72 | (67.27) |
| Total Timing Difference | (75.58) | (29.37) | (20.47) | (98.61) |
| Rate of Tax (%) | 0.25 | 0.25 | 0.25 | 0.25 |
| Deferred Tax Asset | | | | |
| Fixed Asset : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | (19.02) | (16.32) | (8.35) | (7.89) |
| Expenses Allowable in Future - Section 43B | - | 8.92 | 3.20 | (16.93) |
| Net Deferred Tax (Asset)/liability | (19.02) | (7.39) | (5.15) | (24.82) |

Note : 8 RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS

| | | | | |
|----------------|--------------|--------------|--------------|--------------|
| Rental Deposit | 32.80 | 32.80 | 64.80 | 29.80 |
| | 32.80 | 32.80 | 64.80 | 29.80 |

NOTE:

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | As At 30th September, 2025 | As At 31st March, 2025 | As At 31st March, 2024 | As At 31st March, 2023 |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|
| Note : 9 RESTATED STATEMENT OF INVENTORIES | | | | |
| Raw Material | | | | |
| Opening Balance | 1,055.67 | 880.09 | 476.10 | 464.44 |
| Purchased during the year | 2,565.24 | 3,486.93 | 3,666.80 | 1,853.78 |
| Consumed During the year | 2,557.65 | 3,311.35 | 3,262.81 | 1,842.12 |
| Closing Balance | 1,063.25 | 1,055.67 | 880.09 | 476.10 |
| Work-in-progress | | | | |
| Opening Balance | 84.66 | 29.53 | 37.58 | 34.05 |
| Changes during the year | 177.35 | 55.13 | (8.05) | 3.53 |
| Closing Balance | 262.01 | 84.66 | 29.53 | 37.58 |
| Finished Goods | | | | |
| Opening Balance | 330.62 | 283.68 | 256.61 | 42.53 |
| Changes during the year | 449.73 | 46.93 | 27.08 | 214.08 |
| Closing Balance | 780.35 | 330.62 | 283.68 | 256.61 |
| Total Inventory | 2,105.61 | 1,470.95 | 1,193.31 | 770.29 |

NOTE:

- 1) The above statement should be read with the restated statement of Assets and Liabilities, restated statement of Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, III and IV respectively.
- 2) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. "Cost" means standard weighted average cost exclusive of all statutory levies but inclusive of transit insurance, wherever applicable.
- a) Raw materials and component inventories (excluding non-standard, non-moving and obsolete items) are valued at lower of cost and net realizable value.
- ö) Finished goods and Semi-Finished goods are valued at cost or net realizable value, whichever is lower.

Note : 10 RESTATED STATEMENT OF TRADE RECEIVABLES

| | | | | | |
|---|--|-----------------|-----------------|-----------------|-----------------|
| Trade Receivables | | | | | |
| Outstanding for a period exceeding six months | | | | | |
| Considered Good | | 246.47 | 242.54 | 295.68 | 331.90 |
| Considered Doubtful | | | | | |
| Outstanding for a period not exceeding six months | | | | | |
| Considered Good | | 1,574.30 | 1,876.55 | 1,187.97 | 783.66 |
| | | 1,820.77 | 2,119.08 | 1,483.64 | 1,115.56 |

(Refer Annexure A for Ageing Schedule)

NOTE:

- 1) The above statement should be read with the restated statement of Assets and Liabilities, restated statement of Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, III and IV respectively.
- 2) Ageing of the Trade receivable, along with any amount involved in disputes, if any as required by Schedule III of Companies Act, 2013 is disclosed as below. Ageing of debtors is based on the date of transaction in case there is no credit period agreed at the time of Supply.
- 3) The Company does not have any unbilled or not due Debtors

ANNEXURE A

| Particulars | Outstanding for following periods from due date of payment as at 30 Sep 2025 | | | | | |
|---|--|--------|-----------|-----------|-------|----------|
| | Months | 1 year | 1-2 years | 2-3 years | years | Total |
| (i) Undisputed Trade receivables – considered good | 1,574.30 | 246.47 | - | - | - | 1,820.77 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

| Particulars | Outstanding for following periods from due date of payment as at 31 Mar 2025 | | | | | |
|---|--|-----------------|-----------|-----------|-------------------|----------|
| | Less than 6 Months | 6 Months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,876.55 | 242.54 | - | - | - | 2,119.08 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

| Particulars | Outstanding for following periods from due date of payment as at 31 Mar 2024 | | | | | |
|---|--|-----------------|-----------|-----------|-------------------|----------|
| | Less than 6 Months | 6 Months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,187.97 | 295.68 | - | - | - | 1,483.64 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

| Particulars | Outstanding for following periods from due date of payment as at 31 Mar 2023 | | | | | |
|---|--|-----------------|-----------|-----------|-------------------|----------|
| | Less than 6 Months | 6 Months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 783.66 | 273.39 | 58.51 | - | - | 1,115.56 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |



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Annexure-V: Notes to Restated Financial Information

| Particulars | (Amount in INR lakhs, except for share data unless otherwise stated) | | | |
|---|--|---------------------------|---------------------------|---------------------------|
| | As At 30th September, 2025 | As At 31st March, 2025 | As At 31st March, 2024 | As At 31st March, 2023 |
| Note : 11 RESTATED STATEMENT OF CASH & CASH EQUIVALENTS | | | | |
| (A) Cash and Cash Equivalents: (As per Accounting Standard 3: Cash flow Statements) | | | | |
| Cash in Hand | 1.33 | 0.04 | 1.04 | 1.13 |
| Total (A) | 1.33 | 0.04 | 1.04 | 1.13 |
| (B) Bank balances other than cash & cash equivalents (As per Accounting Standard 3: Cash flow Statements) | | | | |
| i) Current Accounts | 1.80 | 25.11 | - | - |
| ii) Margin money against borrowings, guarantee/other Commitments * | 566.08 | 505.55 | 377.29 | 209.00 |
| Total (B) | 567.88 | 530.67 | 377.29 | 309.00 |
| Total (A+B) | 569.21 | 530.71 | 378.33 | 310.14 |
| NOTE: | 1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III. | | | |
| 2) * Margin money deposits are maintained with HDFC Bank and State Bank of India against Bank Guarantees and Letters of Credit. These deposits are earmarked for the respective facilities and are not freely available for general business use. | | | | |
| Note : 12 RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES | | | | |
| (a) Deposits | | | | |
| Earnest Money Deposit | 87.81 | 67.94 | 61.31 | 55.67 |
| Other Deposit | 0.09 | 0.09 | 0.09 | 0.09 |
| (b) Secured Advances (Secured & Considered Good - Advance recoverable in Cash or in kind or for value to be received) | | | | |
| Advance to KIADB towards procurement of Land | 165.23 | 165.23 | 165.23 | 165.23 |
| (b) Unsecured Advances (Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received) | | | | |
| Advance to Suppliers & Others | 18.18 | 18.93 | 0.13 | 133.28 |
| Balance With Revenue Authority | 119.72 | 103.44 | 18.42 | 4.66 |
| Employee Advance | 1.98 | 2.53 | 1.00 | 1.15 |
| | 393.00 | 353.15 | 246.17 | 360.08 |
| NOTE: | The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III. | | | |
| Note : 13 RESTATED STATEMENT OF OTHER CURRENT ASSETS | | | | |
| Prepaid expenses | 23.62 | 18.35 | 35.02 | 26.71 |
| Accrued Interest | 11.82 | 47.70 | 22.15 | 13.82 |
| Deferred IPO Expenses | 45.98 | 30.30 | - | - |
| | 81.41 | 95.35 | 57.17 | 40.53 |
| NOTE: | The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III. | | | |



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | For the Half Year Ended 30th September, 2025 | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 | For the Year Ended 31st March, 2023 |
|--|---|--|--|--|
| Note : 14 RESTATED STATEMENT OF REVENUE FROM OPERATIONS | | | | |
| Sales of Products: | | | | |
| Domestic Sales | 3,544.92 | 6,119.02 | 5,279.06 | 2,828.66 |
| Export Sales | 14.20 | - | - | - |
| Sales of Services: | | | | |
| Service Charges | 15.59 | 29.55 | 19.71 | 11.98 |
| | 3,574.71 | 6,148.58 | 5,298.77 | 2,840.65 |

NOTE:

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 15 RESTATED STATEMENT OF OTHER INCOME

| | | | | |
|---|--------------|---------------|--------------|--------------|
| Interest on Term Deposits against BG and LC | 52.71 | 29.21 | 24.62 | 16.73 |
| Other Income (Non- Recurring) | 0.89 | 115.60 | 2.18 | 1.14 |
| | 53.61 | 144.81 | 26.80 | 17.86 |

NOTE:

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 16 RESTATED STATEMENT OF PURCHASE OF STOCK IN TRADE

| | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Purchases of Raw Materials and Consumables | 2,565.24 | 3,486.93 | 3,666.80 | 1,853.78 |
| Purchases of Stock in Trade | 2,565.24 | 3,486.93 | 3,666.80 | 1,853.78 |

NOTE:

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 17 RESTATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN-TRADE

| | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| Changes in inventories of finished goods, work-in-progress and Stock In-Trade | | | | |
| Closing Inventories | | | | |
| -Raw Material | 1,063.25 | 1,055.67 | 880.09 | 476.10 |
| -Finished Goods | 780.35 | 330.62 | 283.68 | 256.61 |
| -Work in Progress | 262.01 | 84.66 | 29.53 | 37.58 |
| Less: Opening Inventories | | | | |
| -Raw Material | 1,055.67 | 880.09 | 476.10 | 464.44 |
| -Finished Goods | 330.62 | 283.68 | 256.61 | 42.53 |
| -Work in Progress | 84.66 | 29.53 | 37.58 | 34.05 |
| (Increase)/ Decrease in Inventory | (634.67) | (277.64) | (423.02) | (229.27) |

NOTE:

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

| Particulars | For the Half Year Ended | | For the Year Ended | |
|---|-------------------------|------------------|--------------------|------------------|
| | 30th September, 2025 | 31st March, 2025 | 31st March, 2024 | 31st March, 2023 |
| Note : 18 RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES | | | | |
| Salaries & Wages | 467.56 | 851.06 | 566.86 | 463.97 |
| Leave encashment | 0.97 | 9.85 | 2.93 | 18.69 |
| Staff Welfare Expenses | 18.66 | 36.78 | 38.14 | 12.34 |
| Contributions to Gratuity fund | 12.93 | (11.28) | (19.28) | (17.66) |
| Labour welfare fund | 0.01 | 0.05 | 0.05 | 0.04 |
| | 500.13 | 886.46 | 588.70 | 477.37 |

NOTE:

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 19 RESTATED STATEMENT OF FINANCE COST

(A) Interest Expense

| | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|
| Interest on OD | 1.66 | 5.17 | 10.66 | 0.39 |
| Interest on Term Loan | 17.29 | 59.38 | 69.02 | 48.53 |
| Total Interest Expenses | 18.95 | 64.56 | 79.68 | 48.92 |

(B) Other Charges

| | | | | |
|------------------------------------|--------------|--------------|---------------|--------------|
| L C Interest & Discounting Charges | 16.41 | 17.37 | 19.67 | 10.13 |
| Bank Charges | 11.86 | 9.33 | 11.84 | 21.24 |
| Total Other Expenses | 28.27 | 26.70 | 31.51 | 31.37 |
| Total (A+B) | 47.22 | 91.25 | 111.19 | 80.29 |

NOTE:

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

Note : 20 RESTATED STATEMENT OF OTHER EXPENSES

A) Selling & Distribution Expenses

| | | | | |
|--|-------|-------|-------|-------|
| Marketing Consultancy & Exhibition Charges | 41.35 | 96.95 | 71.31 | 50.83 |
| Clearing, Forwarding & Freight | 49.30 | 44.42 | 50.28 | 30.01 |
| Sales Promotion Expenses | 3.84 | 34.61 | 19.82 | 6.23 |

B) Operating, Administrative & Other Expenses

| | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| Labour Charges | 76.55 | 121.79 | 134.89 | 62.49 |
| Legal & Professional Charges | 13.30 | 40.20 | 26.69 | 19.44 |
| Installation & Commissioning charges | 17.79 | 30.74 | 32.00 | 32.50 |
| Warranty Expenses | 35.75 | 122.97 | 133.82 | 93.50 |
| Travelling Expenses | 26.93 | 73.32 | 34.81 | 6.47 |
| Security Service Charges | 12.18 | 23.66 | 22.28 | 21.32 |
| Power and Electricity | 2.55 | 4.86 | 4.75 | 3.85 |
| Insurance Expenses | 21.28 | 37.60 | 21.28 | 24.05 |
| Rental Expenses | 30.46 | 59.34 | 53.30 | 49.58 |
| Liquidated Damage Charges | 4.71 | 8.09 | 37.14 | 11.78 |
| Rates and Taxes | 2.32 | 8.90 | 3.08 | 5.57 |
| Conveyance Expenses | 7.08 | 13.04 | 14.07 | 10.43 |
| Repairs & Maintenance | 1.62 | 6.44 | 12.22 | 6.05 |
| Office Maintenance | 3.55 | 12.45 | 15.09 | 9.53 |
| Communication Expenses | 3.43 | 7.13 | 6.20 | 4.61 |
| Printing and Stationary | 1.66 | 2.91 | 3.56 | 2.85 |
| CSR Contribution | 6.39 | 4.95 | - | - |
| Foreign Exchange Gain/Loss | 0.02 | - | - | - |
| Bad debts written off | 0.03 | 3.58 | 9.75 | 81.68 |
| Payment to auditor's as | | | | |
| <i>Statutory Audit fee</i> | 3.50 | 7.00 | 7.00 | 3.50 |
| <i>Other Matters</i> | 1.50 | 3.00 | 3.00 | 1.50 |
| <i>Other Expenses</i> | 14.32 | 32.93 | 8.01 | 8.96 |
| | 381.39 | 800.87 | 724.33 | 546.72 |

Note:

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.



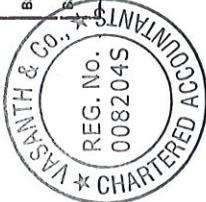
AVANA ELECTROSYSTEMS LIMITED
 (Formerly known as Avana Electrosystems Private Limited)
 CIN- U31400KA2010PLC054508

Annexure-V: Notes to Restated Financial Information

| Particulars | (Amount in INR lakhs, except for share data unless otherwise stated) | | | |
|--|--|-----------------------|--|-----------------------|
| | For the Half Year Ended 30th September, 2025 | 31st March, 2025 | For the Year Ended 31st March, 2024 | 31st March, 2023 |
| Note : 21 RESTATED STATEMENT OF DEPRECIATION & AMORTISATION EXPENSES | | | | |
| Depreciation and Amortization Expenses | 34.57 | 75.63 | 35.00 | 12.16 |
| | <u>34.57</u> | <u>75.63</u> | <u>35.00</u> | <u>12.16</u> |
| Note: | | | | |
| 1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III. | | | | |
| Note : 22 RESTATED EARNINGS PER SHARE | | | | |
| (i) Profit for basic/diluted earning per share of face value of INR 10 each | | | | |
| Profit/ Loss for the period/year | 560.74 | 831.23 | 402.41 | 92.29 |
| (ii) Calculation of Weighted average number of equity shares for (basic and diluted) | | | | |
| Number of equity shares at the beginning and end of the period/year | 7,94,064.00 | 7,94,064.00 | 7,94,064.00 | 7,94,064.00 |
| Add: Issue of Equity Shares | 1,66,75,344.00 | | | |
| Weighted Average Number of equity shares at the end of the year | 1,74,69,408.00 | 7,94,064.00 | 7,94,064.00 | 7,94,064.00 |
| Bonus Issue (21:1) as on 19th August 2025 | | 1,74,69,408.00 | 1,74,69,408.00 | 1,74,69,408.00 |
| Earnings per share [nominal value of INR 10 per share] | | | | |
| - Basic | 3.21 | 4.76 | 2.30 | 0.53 |
| - Diluted* | 3.21 | 4.76 | 2.30 | 0.53 |
| NOTE: | | | | |
| 1 Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company issued bonus shares in the ratio of 21 (twenty-one) bonus equity share for every 1 (One) existing equity shares. The bonus was approved by the shareholders on 04th August, 2025 after the reporting date (31 March 2025) and before the financial statements were authorised for issue. Accordingly, in accordance with AS 20, the basic and diluted earnings per share for the half year ended 30 September 2025, financial years ended 31 March 2025, 31 March 2024 and 31 March 2023 have been restated retrospectively as if the said bonus issue had been in effect throughout the earliest period presented. | | | | |
| 2 * Diluted EPS equals basic EPS as there were no dilutive potential ordinary shares outstanding as at the respective reporting dates. | | | | |
| 3 Basic Earnings Per Share (EPS) and Diluted Earnings Per Share (EPS) figure reported for the half-year and should not be construed as an indication of the EPS for the full year. | | | | |



| Particulars | Land | Lease Hold Improvements | Computer | Office Equipments | Property, Plant and Equipment | | | Plant and Machinery | Furniture and Fittings | Vehicles | Total Tangible Asset | Software | Total Intangible Asset |
|-----------------------------------|--------|-------------------------|----------|-------------------|-------------------------------|------------|-----------|---------------------|------------------------|----------|----------------------|----------|------------------------|
| | | | | | Tools | Equipments | Machinery | | | | | | |
| 16+25 Block: | | | | | | | | | | | | | |
| Balance as on 31st March 2022 | 173.07 | 1.96 | 25.04 | 17.22 | 52.03 | 44.42 | 40.17 | | | | 357.96 | 18.11 | 18.11 |
| Additions | - | - | 0.52 | 6.62 | 3.93 | 1.24 | - | | | | 12.31 | 1.45 | 1.45 |
| Deletions | - | - | 29.56 | 23.33 | 56.01 | 45.66 | 40.17 | | | | 370.76 | 19.56 | - |
| Balance as on 31st March 2023 | 173.07 | 1.96 | 11.24 | 64.41 | 3.45 | 11.52 | 0.54 | 101.52 | | | 201.94 | 11.08 | 11.08 |
| Additions | - | 9.27 | - | - | - | - | - | | | | - | - | - |
| Deletions | - | - | - | - | - | - | - | | | | 572.21 | 30.64 | 30.64 |
| Balance as on 31st March 2024 | 173.07 | 11.23 | 40.80 | 88.24 | 59.46 | 57.18 | 40.71 | 101.52 | | | 203.32 | 3.14 | 3.14 |
| Additions | - | 6.37 | 9.46 | 7.14 | 0.14 | 1.94 | 0.15 | 1.19 | | | - | - | - |
| Deletions | - | - | - | - | - | - | - | 40.85 | 102.70 | | 592.53 | 33.79 | 33.79 |
| Balance as on 31st March 2025 | 173.07 | 11.60 | 50.20 | 95.38 | 59.40 | 59.12 | - | - | | | 61.74 | 0.42 | 0.42 |
| Additions | - | 5.61 | 13.47 | 1.90 | 39.64 | - | - | 1.12 | - | | - | - | - |
| Deletions | - | - | - | - | - | - | - | - | | | 654.26 | 34.20 | 34.20 |
| Balance as on 30th September 2025 | 173.07 | 17.21 | 63.67 | 97.28 | 99.24 | 59.12 | 41.97 | 102.70 | | | - | - | - |
| II Accumulated Depreciation: | | | | | | | | | | | | | |
| Balance as at 31st March 2022 | - | 1.96 | 26.91 | 15.73 | 43.77 | 32.07 | 35.65 | - | | | 161.10 | 15.75 | 15.75 |
| Depreciation/Amortisation charge | - | - | 1.15 | 2.62 | 1.69 | 4.64 | 1.03 | - | | | 11.16 | 0.99 | 0.99 |
| Deduction/Adjustment | - | - | - | - | - | - | - | - | | | - | - | - |
| Balance as at 31st March 2023 | - | 1.96 | 28.10 | 18.35 | 50.46 | 36.71 | 36.58 | - | | | 171.26 | 16.74 | 16.74 |
| Depreciation/Amortisation charge | - | 0.56 | 4.36 | 12.17 | 2.93 | 0.68 | 0.76 | 8.82 | | | 30.28 | 4.71 | 4.71 |
| Deduction/Adjustment | - | - | - | - | - | - | - | - | | | - | - | - |
| Balance as at 31st March 2023 | - | 2.52 | 32.46 | 30.52 | 53.39 | 37.39 | 37.44 | 8.82 | | | 202.45 | 21.45 | 21.45 |
| Depreciation/Amortisation charge | - | 0.81 | 7.66 | 28.75 | 2.37 | 3.62 | 0.63 | 28.88 | 77.72 | | 2.31 | 2.31 | 2.31 |
| Deduction/Adjustment | - | - | - | - | - | - | - | - | - | | - | - | - |
| Balance as at 31st March 2024 | - | 3.34 | 40.12 | 59.27 | 55.76 | 41.01 | 38.07 | 37.70 | | | 275.26 | 24.36 | 24.36 |
| Depreciation/Amortisation charge | - | 0.58 | 5.81 | 8.35 | 7.18 | 1.61 | 0.24 | 9.97 | 35.73 | | 1.48 | 1.48 | - |
| Deduction/Adjustment | - | - | - | - | - | - | - | - | - | | - | - | - |
| Balance as on 30th September 2025 | - | 3.91 | 45.94 | 67.62 | 62.94 | 42.61 | 38.31 | 47.67 | 309.00 | | 25.85 | 25.85 | 25.85 |
| III Net Block: | | | | | | | | | | | | | |
| Balance as at 31st March 2023 | 173.07 | 0.00 | 1.46 | 5.48 | 5.55 | 8.95 | 3.49 | - | | | 198.00 | 2.82 | 2.82 |
| Balance as at 31st March 2024 | 173.07 | 8.71 | 8.34 | 57.72 | 6.07 | 19.79 | 3.26 | 92.70 | | | 369.66 | 9.19 | 9.19 |
| Balance as at 31st March 2025 | 173.07 | 8.26 | 10.08 | 36.12 | 3.84 | 18.11 | 2.78 | 65.01 | | | 317.26 | 9.42 | 9.42 |
| Balance as on 30th September 2025 | 173.07 | 15.25 | 17.74 | 29.66 | 36.30 | 16.50 | 3.66 | 55.04 | | | 345.26 | 8.36 | 8.36 |



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note: 23

RESTATED STATEMENT OF RELATED PARTY TRANSACTION

For the purpose of this financial statement, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the company and the party are subject to common control or significant influence. Related party may be an individual or other entities.

As required under Accounting Standard-18 on Related Party Disclosures, issued by the Institute of Chartered Accountants of India, the disclosure of names of related parties and their transactions are as under:

A. List of Related Parties

(As identified by the management)

| Particulars | Names of related parties | Nature of Relationship |
|--|--------------------------|--|
| Directors and Key Managerial Personnel | Anantharamaiah Panish | Managing Director |
| | K N Sreenath | Executive Director* |
| | Gururaj Dambal | Whole Time Director |
| | S Vinod Kumar | Whole Time Director |
| | Amrutha Naveen | Company Secretary and Compliance Officer** |
| | Ravi kumar S | Chief Financial Officer* |
| Relatives of KMP | Smita Dambal | Wife of Whole Time Director |
| | Nithya M | Wife of Whole Time Director |
| | G Usha | Wife of Executive Director |
| | Rama Subramanyam | Wife of Managing Director |
| | Ramabai Dambal | Mother of Whole time Director |

* Mr. Ravi Kumar S has been appointed as Chief Financial Officer with effect from September 1, 2025, in place of Mr. Kondahalli Nagaraj Sreenath, who resigned from the said position on August 29, 2025.

** Mrs Amrutha Naveen has been appointed as Company Secretary and Compliance Officer with effect from August 29, 2025.

B. Related Party Transactions during the year

| | Transactions with Directors/KMP | 30-09-2025 | 31-03-2025 | 31-03-2024 | 31-03-2023 |
|-----------------------|---------------------------------|---------------|---------------|---------------|---------------|
| (I) | | | | | |
| Anantharamaiah Panish | Director Remuneration | 40.98 | 61.20 | 41.88 | 42.38 |
| K N Sreenath | Director Remuneration | 28.26 | 38.16 | 21.24 | 21.24 |
| Gururaj Dambal | Director Remuneration | 34.02 | 47.28 | 27.96 | 28.46 |
| S Vinod Kumar | Director Remuneration | 28.56 | 38.76 | 21.84 | 21.24 |
| Amrutha Naveen | Salary | 0.62 | - | - | - |
| Ravi kumar S | Salary | 0.64 | - | - | - |
| Anantharamaiah Panish | Performance Incentives | 0.00 | 38.75 | 0.00 | 0.00 |
| K N Sreenath | Performance Incentives | 0.00 | 38.75 | 0.00 | 0.00 |
| Gururaj Dambal | Performance Incentives | 0.00 | 38.75 | 0.00 | 0.00 |
| S Vinod Kumar | Performance Incentives | 0.00 | 38.75 | 0.00 | 0.00 |
| (II) | Relatives of Director | | | | |
| Smita Dambal | Professional Fees | 9.00 | 18.00 | 18.60 | 14.50 |
| Nithya M | Professional Fees | 9.00 | 18.00 | 18.60 | 15.00 |
| G Usha | Professional Fees | 9.00 | 18.00 | 18.60 | 15.00 |
| Rama Subramanyam | Professional Fees | 9.00 | 18.00 | 18.60 | 14.50 |
| Ramabai Dambal | Professional Fees | 3.00 | 6.00 | 0.00 | 0.00 |
| TOTAL | | 172.08 | 418.40 | 187.32 | 172.32 |

C. Balances outstanding of Related Parties

| (I) Directors and Key Managerial Personnel | Nature of Transactions | 30-09-2025 | 31-03-2025 | 31-03-2024 | 31-03-2023 |
|--|------------------------|--------------|--------------|--------------|--------------|
| Anantharamaiah Panish | Director Remuneration | 4.52 | 2.43 | 1.92 | 2.56 |
| K N Sreenath | Director Remuneration | 3.22 | 2.17 | 0.92 | 1.37 |
| Gururaj Dambal | Director Remuneration | 3.94 | 2.63 | 1.69 | 1.90 |
| S Vinod Kumar | Director Remuneration | 3.27 | 1.64 | 1.17 | 1.57 |
| Amrutha Naveen | Salary | 0.54 | - | - | - |
| Ravi kumar S | Salary | 0.56 | - | - | - |
| (II) Relatives of Directors and Key Managerial Personnel | | | | | |
| Smita Dambal | Professional Fees | 1.35 | 1.50 | 1.50 | 1.20 |
| Nithya M | Professional Fees | 1.35 | 1.50 | 1.50 | 1.20 |
| G Usha | Professional Fees | 1.35 | 1.50 | 1.50 | 1.20 |
| Rama Subramanyam | Professional Fees | 1.35 | 1.50 | 1.50 | 1.20 |
| Ramabai Dambal | Professional Fees | 0.45 | 0.45 | 0.00 | 0.00 |
| TOTAL | | 21.90 | 15.32 | 11.70 | 12.20 |

Note: Pursuant to the Board Resolution dated September 24, 2025, the Independent Directors — Ms. Sheela Arvind, Mr. Kishore N. S., and Ms. Shital Darak Mandhana — have forgone their sitting fees for the period from April 1, 2025 to September 30, 2025.



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 24

RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS

| Particulars | As at | | | |
|--|-------------|-------------|-------------|-------------|
| | 30-09-2025 | 31-03-2025 | 31-03-2024 | 31-03-2023 |
| Net Worth (A) | 2,740.73 | 2,180.00 | 1,348.78 | 946.36 |
| Restated Profit after tax (B) | 560.74 | 831.23 | 402.41 | 92.29 |
| Number of Equity shares (Face Value Rs 10/-) outstanding as on the end of Year (Absolute) ('C) | 1,74,69,408 | 7,94,064 | 7,94,064 | 7,94,064 |
| Weighted Average Number of Equity shares (Face Value Rs 10/-) outstanding as on the end of Year (Absolute) ('D) Post Proposed Bonus Issue (21:1) | 1,74,69,408 | 1,74,69,408 | 1,74,69,408 | 1,74,69,408 |
| Face Value per Share | ₹ 10 | ₹ 10 | ₹ 10 | ₹ 10 |
| Basic Earnings Per Share (Rs.) (B / D) | 3.21 | 4.76 | 2.30 | 0.53 |
| Diluted Earnings Per Share (Rs.) (B / D) | 3.21 | 4.76 | 2.30 | 0.53 |
| Return on Net worth (%) (B / A) | 20.46% | 38.13% | 29.84% | 9.75% |
| Net asset value per share (A/D) (Face Value of Rs. 10 Each) | 15.69 | 12.48 | 7.72 | 5.42 |
| Restated Earnings Before Interest Tax Depreciation and Amortisation and Other Income (EBITDA) | 762.62 | 1,251.96 | 741.97 | 192.04 |
| EBITDA Margin | 21.33% | 20.36% | 14.00% | 6.76% |

Notes:

The Ratios have been computed as below:

1. Earnings per share = Profit available to equity shareholders/ weighted avg number of outstanding equity shares during the year
2. Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year
3. Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
4. Net asset value/Book value per share (Rs.) = Net worth/No. of equity shares
5. Basic Earnings Per Share (EPS) , Diluted Earnings Per Share (EPS) and Return on Net worth figure reported for the half-year and should not be construed as an indication for the full year.



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Annexure-V: Notes to Restated Financial Information

Notes-25

RESTATED STATEMENT OF OTHER FINANCIAL RATIOS

(Amount in INR lakhs, except for share data unless otherwise stated)

| S. No. | Particular | Numerator | Denominator | As at | | | |
|--------|---|---|--|------------|------------|------------|------------|
| | | | | 30-09-2025 | 31-03-2025 | 31-03-2024 | 31-03-2023 |
| 1 | Current Ratio (No of Times) | Current assets | Current liabilities | 1.93 | 1.74 | 1.55 | 1.56 |
| 2 | Debt Equity Ratio (No of Times) | Total debt (including current maturities of long term borrowings) | Shareholder's Equity | 0.07 | 0.13 | 0.37 | 0.37 |
| 3 | Debt Service Coverage Ratio (No of Times) | Earnings available for debt service | Debt Service | 3.85 | 3.93 | 1.75 | 0.97 |
| 4 | Return On Equity Ratio (%) | Net Profits after taxes | Average Shareholder's Equity | 22.79% | 47.11% | 35.07% | 10.25% |
| 5 | Inventory Turnover Ratio (In Days) | Cost of goods sold | Average Inventory | 1.08 | 2.41 | 3.30 | 2.48 |
| 6 | Trade Receivable Turnover Ratio (In Days) | Revenue from Operations | Average Trade Receivables | 1.81 | 3.41 | 4.08 | 3.14 |
| 7 | Trade Payable Turnover Ratio (In Days) | Total Purchases | Average Payables | 3.23 | 4.35 | 5.86 | 4.26 |
| 8 | Net Capital Turnover Ratio (No of Times) | Revenue from Operations | Working capital = current assets - current liabilities | 1.49 | 3.17 | 4.45 | 3.06 |
| 9 | Net Profit Ratio (%) | Net Profit | Revenue from Operations | 15.69% | 13.52% | 7.59% | 3.25% |
| 10 | Return On Capital Employed (%) | Earning before interest and Tax | Capital employed = Networth + Total debt - Intangible Assets | 26.69% | 53.71% | 40.02% | 15.31% |
| 11 | Return On Investment (%) | Net Profit after Tax | Shareholder's Funds | 20.46% | 38.13% | 29.84% | 9.75% |

| Sr. No. | Ratio | 30-09-2025 | 31-03-2025 | Variance | Note Ref NO* |
|---------|---|------------|------------|----------|--------------|
| 1 | Current Ratio (No of Times) | 1.93 | 1.74 | 11.13% | |
| 2 | Debt Equity Ratio (No of Times) | 0.07 | 0.13 | -46.71% | |
| 3 | Debt Service Coverage Ratio (No of Times) | 3.85 | 3.93 | -1.99% | |
| 4 | Return On Equity Ratio (%) | 22.79% | 47.11% | -51.62% | |
| 5 | Inventory Turnover Ratio (In Days) | 1.08 | 2.41 | -55.19% | |
| 6 | Trade Receivable Turnover Ratio (In Days) | 1.81 | 3.41 | -46.84% | |
| 7 | Trade Payable Turnover Ratio (In Days) | 3.23 | 4.35 | -25.84% | |
| 8 | Net Capital Turnover Ratio (No of Times) | 1.49 | 3.17 | -52.89% | |
| 9 | Net Profit Ratio (%) | 15.69% | 13.52% | 16.03% | |
| 10 | Return On Capital Employed (%) | 26.69% | 53.71% | -50.31% | |
| 11 | Return On Investment (%) | 20.46% | 38.13% | -46.34% | |

*Variance analysis has not been provided as the comparative periods represent differing durations — six months versus twelve months — rendering direct comparison non-representative

| Sr. No. | Ratio | 31-03-2025 | 31-03-2024 | Variance | Note Ref NO |
|---------|---|------------|------------|----------|-------------|
| 1 | Current Ratio (No of Times) | 1.74 | 1.55 | 11.99% | |
| 2 | Debt Equity Ratio (No of Times) | 0.13 | 0.37 | -63.79% | 1 |
| 3 | Debt Service Coverage Ratio (No of Times) | 3.93 | 1.75 | 124.46% | 2 |
| 4 | Return On Equity Ratio (%) | 47.11% | 35.07% | 34.35% | 3 |
| 5 | Inventory Turnover Ratio (In Days) | 2.41 | 3.30 | -27.08% | |
| 6 | Trade Receivable Turnover Ratio (In Days) | 3.41 | 4.08 | -16.28% | |
| 7 | Trade Payable Turnover Ratio (In Days) | 4.35 | 5.86 | -25.75% | |
| 8 | Net Capital Turnover Ratio (No of Times) | 3.17 | 4.45 | -28.70% | 4 |
| 9 | Net Profit Ratio (%) | 13.52% | 7.59% | 78.01% | 5 |
| 10 | Return On Capital Employed (%) | 53.71% | 40.02% | 34.22% | 6 |
| 11 | Return On Investment (%) | 38.13% | 29.84% | 27.80% | 7 |

NOTE:

- 1 Reduction due to repayment of borrowings and improved net worth position.
- 2 Increase driven by higher operating profits and stronger cash accruals to service debt.
- 3 Improvement due to better profitability and efficient use of equity capital.
- 4 Decline mainly due to higher working capital deployment compared to previous year.
- 5 Significant increase on account of higher revenue and cost optimization measures.
- 6 Increase owing to improved operating earnings with relatively stable capital employed.
- 7 Rise attributable to higher profitability and better yield from investments.

| Sr. No. | Ratio | 31-03-2024 | 31-03-2023 | Variance | Note Ref NO |
|---------|---|------------|------------|----------|-------------|
| 1 | Current Ratio (No of Times) | 1.55 | 1.56 | -0.41% | |
| 2 | Debt Equity Ratio (No of Times) | 0.37 | 0.37 | -0.32% | |
| 3 | Debt Service Coverage Ratio (No of Times) | 1.75 | 0.97 | 80.78% | 1 |
| 4 | Return On Equity Ratio (%) | 35.07% | 10.25% | 242.06% | 2 |
| 5 | Inventory Turnover Ratio (In Days) | 3.30 | 2.48 | 33.35% | 3 |
| 6 | Trade Receivable Turnover Ratio (In Days) | 4.08 | 3.14 | 29.94% | 4 |
| 7 | Trade Payable Turnover Ratio (In Days) | 5.86 | 4.26 | 37.66% | 5 |
| 8 | Net Capital Turnover Ratio (No of Times) | 4.45 | 3.06 | 45.28% | 6 |
| 9 | Net Profit Ratio (%) | 7.59% | 3.25% | 133.76% | 7 |
| 10 | Return On Capital Employed (%) | 40.02% | 15.31% | 161.31% | 8 |
| 11 | Return On Investment (%) | 29.84% | 9.75% | 205.95% | 9 |

NOTE:

- 1 Increase due to improved profitability and better cash accruals during FY 2023-24, enabling higher coverage of debt obligations.
- 2 Significant improvement owing to higher net profit generated in FY 2023-24 compared to the previous year.
- 3 Improved efficiency in inventory management and faster movement of stock.
- 4 Better credit control and faster collections from customers during the year.
- 5 Increased payments to suppliers due to stronger cash flows.
- 6 Better utilization of working capital leading to higher sales relative to net capital employed.
- 7 Due to improved operating performance, cost optimization, and increase in revenue during the year.
- 8 Increase attributable to higher earnings before interest and taxes (EBIT) with stable capital employed.
- 9 Increase primarily on account of higher profitability and better return generated on investments made.



AVANA ELECTROSYSTEMS LIMITED
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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Additional notes to Restated Financial Information

Note No.26

Restated Statement of Adjustments in the financial statements

(a) Impact of restatement adjustments

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on profits.

| Particulars | As at | As at | As at | As at |
|--|-------------------|-----------------|-----------------|----------------|
| | 30 September 2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| Net profit after tax as per audited financial statements | ₹ 560.74 | ₹ 847.08 | ₹ 404.02 | ₹ 74.82 |
| * | | | | |
| Gratuity | 0.00 | (37.47) | 1.32 | 36.15 |
| Leave encashment | 0.00 | 21.62 | (2.93) | (18.69) |
| (Short)/excess depreciation | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on FDR | 0.00 | 0.00 | 0.00 | 0.00 |
| Restated net profit after tax | ₹ 560.74 | ₹ 831.23 | ₹ 402.41 | ₹ 92.29 |

(a) Reconciliation of restated Equity/ Net worth

| Particulars | As at | As at | As at | As at |
|--|-------------------|-------------------|-------------------|-----------------|
| | 30 September 2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| Equity/ Net worth as per audited financials | 2,740.73 | ₹ 2,180.00 | ₹ 1,332.92 | ₹ 928.90 |
| Restatement adjustments: | | | | |
| Gratuity | 0.00 | 0.00 | -37.47 | -36.15 |
| Leave encashment | 0.00 | 0.00 | 21.62 | 18.69 |
| (Short)/excess depreciation charged during current year/period | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on FDR | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior years excess depreciation | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior years gratuity and leave encashment | 0.00 | 0.00 | 0.00 | 0.00 |
| DTA/DTL | 0.00 | 0.00 | 0.00 | 0.00 |
| MAT credit entitlement | 0.00 | 0.00 | 0.00 | 0.00 |
| Short/excess provision for tax | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub Total | 0.00 | 0.00 | -15.85 | -17.46 |
| Restated Equity/ Net worth | ₹ 2,740.73 | ₹ 2,180.00 | ₹ 1,348.78 | ₹ 946.36 |

(b) Explanatory notes for the restatement adjustments

- The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same related to.
- The company has provided excess provision of tax in the year in which income tax return has been filed and has been adjusted in prior period items in financials but in the restated financials it has been adjusted in the same financial year where it relates to.
- Appropriate adjustments have been made in the restated consolidated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years.



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(Amount in INR lakhs, except for share data unless otherwise stated)

Note No. 27

The following table sets forth our company's capitalisation as at September 30, 2025 on the basis of our Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Restated Consolidated Financial Statement" and "Risk Factors".

RESTATED STATEMENT OF CAPITALISATION

| Particulars | Pre Offer as at Sep 30, 2025 | As Adjusted for the Proposed Offer* |
|---|---------------------------------|--|
| <u>Debt</u> | | |
| Short Term Debt | ₹ 374.52 | [●] |
| Long Term Debt | ₹ 193.74 | [●] |
| Total Debt | ₹ 568.27 | [●] |
| <u>Shareholders' Fund (Equity)</u> | | |
| Share Capital | ₹ 1,746.94 | [●] |
| Reserves & Surplus | ₹ 993.79 | [●] |
| Less: Miscellaneous Expenses not w/off | ₹ 0.00 | [●] |
| Total Shareholders' Fund (Equity) | ₹ 2,740.73 | [●] |
| Long Term Debt/Equity | 0.07 | [●] |
| Total Debt/Equity | 0.21 | [●] |

Notes:

- 1) Short term Debts represent the debts which are expected to be paid/payable within 12 months and includes instalment of term loans repayable within 12 months.
- 2) Long term Debts represent debts other than short term debts as defined above.
- 3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30,
- 4) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and
- 5) *The Corresponding post offer Capitalization data is not determinable at this stage, pending the completion of the book building process and hence have not been furnished. It will be updated upon the finalization of offer price.



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Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note -28- Tax shelter

| Particulars | | As at | | | |
|-------------|---|------------|------------|------------|------------|
| | | 30-09-2025 | 31-03-2025 | 31-03-2024 | 31-03-2023 |
| A | Profit before taxes as restated | ₹ 733.79 | ₹ 1,229.88 | ₹ 622.58 | ₹ 117.46 |
| B | Tax Rate Applicable % | 25.168 | 25.168 | 25.168 | 25.168 |
| | Adjustments: | | | | |
| | Add: Restated Gratuity and leave Encashment adjustment | ₹ 0.00 | ₹ 0.00 | ₹ -34.94 | ₹ -17.72 |
| C | Permanent Differences | | | | |
| | Expenses disallowed due to non-deduction of TDS | ₹ 0.00 | ₹ 0.00 | ₹ 3.14 | ₹ 1.84 |
| | Expenses disallowed Under Section 37 of the IT Act 1961 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 4.26 |
| | Expenses disallowed Under Section 36 of the IT Act 1961 | ₹ 0.00 | ₹ 0.07 | ₹ 0.16 | ₹ 5.34 |
| | Total Permanent Differences | ₹ 0.00 | ₹ 0.07 | ₹ 3.30 | ₹ 11.44 |
| D | Timing Difference | | | | |
| | Difference between tax depreciation and book depreciation | ₹ 0.00 | ₹ 31.64 | ₹ 1.85 | ₹ 1.41 |
| | Expenses Disallowed Under Section 40A(7) (Gratuity) | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| | Expenses Disallowed/allowed Under Section 43B | ₹ 0.00 | ₹ -79.31 | ₹ 12.15 | ₹ 9.67 |
| | Expenses Disallowed/allowed Under Section 40 | ₹ 0.00 | ₹ -3.00 | ₹ -1.84 | ₹ -1.50 |
| | Total Timing Differences | ₹ 0.00 | ₹ -50.68 | ₹ 12.16 | ₹ 9.58 |
| E | Gross Taxable Income as per Income Tax Act | ₹ 733.79 | ₹ 1,179.28 | ₹ 603.10 | ₹ 120.75 |
| F | Less: Brought Forward Business Losses | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| G | Net Taxable Income as per Income Tax Act (E-F) | ₹ 733.79 | ₹ 1,179.28 | ₹ 603.10 | ₹ 120.75 |
| H | Tax Expenses/ (Saving) thereon (G*B) | ₹ 184.68 | ₹ 296.80 | ₹ 151.79 | ₹ 30.39 |
| I | Long Term Capital Gain tax @10%+ Surcharge | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| J | Tax Liability, After Considering the effect of Adjustment (H+I) | ₹ 184.68 | ₹ 296.80 | ₹ 151.79 | ₹ 30.39 |
| K | Book Profit as per MAT *(NA if Opted for 115BAA) | NA | NA | NA | NA |
| L | MAT Rate (%) | 17.160% | 17.160% | 17.160% | 17.160% |
| M | Tax liability as per MAT (K*L) | NA | NA | NA | NA |
| N | Current Tax being Higher of J or M | ₹ 184.68 | ₹ 296.80 | ₹ 151.79 | ₹ 30.39 |
| O | Interest U/s 234A, B and C of Income Tax Act | ₹ 0.00 | ₹ 18.71 | ₹ 11.35 | ₹ 0.71 |
| P | Total Tax expenses | ₹ 184.68 | ₹ 315.51 | ₹ 163.14 | ₹ 31.10 |
| Q | Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company | ₹ 184.68 | ₹ 315.51 | ₹ 163.14 | ₹ 31.10 |



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RESTATED STATEMENT OF CONTINGENT LIABILITIES
(Amount in INR lakhs, except for share data unless otherwise stated)

Note -29 Contingent Liabilities

| Particular | As at | | | |
|--|---------------|-----------------|---------------|---------------|
| | 30-09-2025 | 31-03-2025 | 31-03-2024 | 31-03-2023 |
| Contingent liabilities in respect of: | | | | |
| Claims against the company not acknowledged as debts | 0.00 | 0.00 | 0.00 | 0.00 |
| Bank Guarantees given by the Company | 451.91 | 485.33 | 242.98 | 482.82 |
| Letter of Credit given by the Company | 83.92 | 509.51 | 178.67 | 126.11 |
| TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon | 1.79 | 1.68 | 1.09 | 1.09 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 0.00 | 0.00 | 0.00 | 0.00 |
| Income Tax Outstanding Demand | 5.71 | 5.71 | 5.71 | 5.71 |
| GST Demand | 29.33 | 29.33 | 0.00 | 0.00 |
| Total | 572.67 | 1,031.56 | 428.45 | 615.73 |



Note-30

Restated Statement on Disclosure Under AS 15

Restated Employee Benefits

I. Defined Contribution plans

The Company has classified the various benefits provided to employees as under:

a. Contribution to provident fund & Other funds

The expense recognised during the period towards defined contribution plan -

| Particulars | For the half year ended | For the year ended | For the year ended | For the year ended |
|---|-------------------------|--------------------|--------------------|--------------------|
| | 30th September, 2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| Employers' Contribution to Provident Fund & Other funds | ₹ 26.67 | ₹ 43.78 | ₹ 35.56 | ₹ 32.47 |

II. Defined Benefit plans

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

| Particulars | For the half year ended | For the year ended | For the year ended | For the year ended |
|---|-------------------------|--------------------|--------------------|--------------------|
| | 30th September, 2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| 1 Changes in present value of obligations | | | | |
| Present value of obligation as at the beginning of the period | 95.37 | 106.18 | 94.65 | 73.80 |
| Interest cost | 3.05 | 7.43 | 6.81 | 4.87 |
| Current service cost | 9.42 | 14.98 | 11.43 | 8.98 |
| Benefits paid | - | (3.20) | (9.56) | - |
| Actuarial (Gain) / Loss on obligations | 2.52 | (30.02) | (34.62) | (29.15) |
| Present value of obligation as at the end of the period | 110.36 | 95.37 | 68.71 | 58.50 |
| 2 Change in the Fair Value of Plan Assets | | | | |
| Fair Value of Plan Assets at the start of the year | 65.42 | 52.47 | 48.41 | 37.22 |
| Employer's Contribution | - | 12.48 | 10.72 | 8.83 |
| Benefits paid | - | (3.20) | (9.56) | - |
| Expected Return on Plan Assets | 2.09 | 3.85 | 3.28 | 2.54 |
| Actuarial (Loss) / Gain | (0.03) | (0.18) | (0.38) | (0.18) |
| Fair Value of Plan Assets at the end of the year | 67.48 | 65.42 | 52.47 | 48.41 |
| 3 Actuarial (Gain) / Loss recognised | | | | |
| Actuarial (Gain) / loss for the period – Obligations | 2.52 | (30.02) | (34.62) | (29.15) |
| Actuarial (Gain) / Loss for the period – Plan assets | 0.03 | 0.18 | 0.38 | 0.18 |
| Total (Gain) / Loss for the period | 2.55 | (29.84) | (34.24) | (28.97) |
| Actuarial (Gain) / Loss recognised in the period | 2.55 | (29.84) | (34.24) | (28.97) |
| Unrecognised actuarial (Gain) / Loss at the end of the period | - | - | - | - |
| 4 Amount to be recognised in the Balance Sheet | | | | |
| Present value of obligation at the end of period | (110.36) | (95.37) | (68.71) | (58.50) |
| Fair value of the plan assets at the end of period | 67.48 | 65.42 | 52.47 | 48.41 |
| Surplus / (Deficit) | (42.88) | (29.95) | (16.24) | (10.09) |
| Current liability | 42.88 | 29.95 | 16.24 | 10.09 |
| Non-current liability | - | - | - | - |
| Unrecognised past service cost | - | - | - | - |
| Amount not recognised as asset (Para 59(b) limit) | - | - | - | - |
| Net asset / (liability) recognised in balance sheet | 42.88 | 29.95 | 16.24 | 10.09 |
| 5 Expense recognised in the statement of profit and loss | | | | |
| Current service cost | 9.42 | 14.98 | 11.43 | 8.98 |
| Past service cost | - | - | - | - |
| Interest cost | 3.05 | 7.43 | 6.81 | 4.87 |
| Expected Return on Plan Assets | (2.09) | (3.85) | (3.28) | (2.54) |
| Actuarial (Gain) / Loss recognised in the period | 2.55 | (29.84) | (34.24) | (28.97) |
| Expenses/(Income) recognised in the statement of profit & loss at the end of period | 12.93 | (11.28) | (19.28) | (17.66) |



Annexure-V: Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

| 6 Reconciliation of net asset / (liability) recognised | | | | | |
|---|--|-------------------------|---------------------|---------------------|---------------------|
| Net asset / (liability) recognised at the beginning of the period | | (29.95) | (53.71) | (46.24) | (36.58) |
| Benefits directly paid by Company | | - | 12.48 | 10.72 | 8.83 |
| (Expense)/Income recognised at the end of period | | (12.93) | 11.28 | 19.28 | 17.66 |
| Net asset / (liability) recognised at the end of the period | | (42.88) | (29.95) | (16.24) | (10.09) |
| | | | | | |
| 7 Actuarial assumptions: | | For the half year ended | For the year ended | For the year ended | For the year ended |
| | | 30-09-2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| Mortality table | | IAKM 2012-14 (Ult.) | IAKM 2012-14 (Ult.) | IAKM 2012-14 (Ult.) | IAKM 2012-14 (Ult.) |
| Discount rate (p.a) | | 6.4% p.a. | 6.4% p.a. | 7% p.a. | 7.2% p.a. |
| Salary escalation rate (p.a.) | | 10% p.a. | 10% p.a. | 10% p.a. | 10% p.a. |
| Expected rate of return on assets (p.a.) | | 6.4% p.a. | 7% p.a. | 7.2% p.a. | 6.6% p.a. |
| Retirement Age (in years) | | 60 years | 60 years | 60 years | 60 years |
| Attrition rate (p.a.) | | | | | |

III. Leave encashment (Compensated Absence liabilities with respect to Privilege Leave)

The liability towards compensated absences (privilege leave) for the half year ended 30 September 2025, year ended 31 March 2025, 31 March 2024 and 31 March 2023 are based on actuarial valuation carried out by using projected accrual benefit method and closing liabilities recognised in the financial statements amounts to Rs 25.21 Lakhs, Rs. 31.47 Lakhs, Rs. 21.62 Lakhs and Rs. 18.69 Lakhs in half year ended September 2025, financial year ended 31 March 2025, 31 March 2024 and 31 March 2023 respectively.

1 Summary of Results

The valuation results as at 30 September 2025, 31 March 2025, 31 March 2024 and 31 March 2023 are summarised in the tables below :

| Particulars | For the half year ended | For the year ended | For the year ended | For the year ended |
|---|-------------------------|--------------------|--------------------|--------------------|
| | 30-09-2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| Defined Benefit Obligation (DBO) | 110.36 | 95.37 | 68.71 | 58.5 |
| Fair value of plan Assets | -67.48 | -65.42 | -52.47 | -48.41 |
| Net Liability / (Asset) Recognised in the Balance Sheet | 42.88 | 29.95 | 16.24 | 10.09 |
| Current / Non-Current bifurcation | | | | |
| Current Liability | 42.88 | 29.95 | 16.24 | 10.09 |
| Liability / (Asset) Recognised in the Balance Sheet | 42.88 | 29.95 | 16.24 | 10.09 |

2 Plan Provisions

The benefits valued in this Report are summarized below:

| | |
|---|--------------------------------------|
| Valuation Date | 30-Sep-25 |
| Sponsoring Employer | AVANA ELECTROSYSTEMS LIMITED |
| Type of Plan | Other Long Term Benefit Plan |
| Plan Salary | Monthly Basic+DA |
| Normal Retirement Age | 60 years |
| Leave Cycle | 1 January to 31 December |
| No. of days considered in a month | 30 Days |
| During service | Not Allowed |
| Encashment at separation | Allowed |
| Encashment formula | Leave Balance/ 30 x Monthly Salary. |
| For encashment | 30 Days |
| Accumulation Limits for availment | 30 Days |
| Leave in excess of accumulation limits | Lapsed at the end of the leave cycle |
| Annual Rate of Accrual | 30 Days |
| Carry forward allowed to next leave cycle | No ceiling |
| Leave availment during service | Not Allowed |
| Vesting Period | NIL |



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3 Actuarial assumptions:

| | For the year ended |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30-09-2025 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| Mortality table | IALM 2012-14 (Ult.) | IALM 2012-14 (Ult.) | IALM 2012-14 (Ult.) | IALM 2012-14 (Ult.) |
| Discount rate (p.a.) | 6.4% p.a. | 6.4% p.a. | 7% p.a. | 7.2% p.a. |
| Salary escalation rate (p.a.) | 10% p.a. | 10% p.a. | 10% p.a. | 10% p.a. |
| Expected rate of return on assets (p.a.) | NA | NA | NA | NA |
| Retirement Age (in years) | 60 years | 60 years | 60 years | 60 years |
| Attrition rate (p.a.) | 0.00% | 0.00% | 0.00% | 0.00% |

NOTE:

The Company has certain defined benefit obligations such as gratuity and leave encashment, which are required to be valued using actuarial assumptions in accordance with the provisions of Accounting Standard (AS) 15 – Employee Benefits.

- » In the statutory financial statements of the Company for the half year ended 30 September 2025, year ended 31 March 2025, 31 March 2024 and 31 March 2023, no actuarial valuation was carried out and the liabilities were recognized based on management estimates.
- » For the purpose of preparation of the Restated Financial Statements, the Company has obtained actuarial valuations retrospectively as of each reporting date, and the liability for employee benefits and related expenses have been recomputed on the basis of the actuarial report

Management is of the view, and the Statutory Auditor has relied upon the report of the independent actuary, that the above adjustments are necessary to present a true and fair view of the financial position and results of the Company in accordance with applicable accounting standards.



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Note-31

Restated Foreign exchange earnings/ expenditures during the year

| Particulars | For the half year ended 30th September, 2025 | For the year ended 31 March 2025 | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------------------|--|----------------------------------|----------------------------------|----------------------------------|
| Foreign exchange earnings | | | | |
| Sales | 14.20 | - | - | - |
| Foreign exchange expenditures | | | | |
| Import (CIF Value) | 43.29 | 20.11 | 12.77 | - |

Note-32

Restated Unhedged Foreign Currency Exposure during the year

| Particulars | For the half year ended 30th September, 2025 | For the year ended 31 March 2025 | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|--|----------------------------------|----------------------------------|----------------------------------|
| Trade Payables | - | - | - | - |
| Trade Receivables (Currency: INR) Sundry debtors, sundry creditors, loans & advances balances are subject to confirmation. | | | | |

Note-33

Non- Adjustment Items

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

Note-34

Material Regrouping

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.



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Note-35

Restated Payable to Micro, Small and Medium Enterprises

The information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company and provided by the Parties.

| Particulars | For the half year ended 30th September, 2025 | For the year ended 31 March 2025 | For the year ended 31 March 2024 | For the year ended 31 March 2024 |
|--|--|----------------------------------|----------------------------------|----------------------------------|
| Principal amount outstanding | 319.90 | 266.62 | 353.37 | 125.20 |
| Interest on principal amount due | - | - | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the MSME Development Act, 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 MSME Development Act | - | - | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting 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, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Development Act | - | - | - | - |

Note-36

Events after the reporting period

There were no subsequent events requiring adjustment to, or disclosure in, the financial statements.

Note-37

Segment Reporting Disclosures

The Company is primarily engaged in the business of designing, manufacturing, and supplying electrical control, protection, and automation panels, as well as relays, for power system applications. These activities are considered to constitute a single business segment in terms of the applicable accounting standards. Accordingly, separate segment-wise disclosures have not been presented, as the entire operations of the Company relate to one reportable segment only.



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Note - 38:

FCFE Computation

| Particulars | Upto 30-09-2025 | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|--|-----------------|---------------|----------------|---------------|
| Cash Flow from Operations | 330.56 | 1,001.53 | 258.73 | -0.65 |
| Taxes Paid | (184.68) | -324.88 | -163.95 | -31.10 |
| Net CF from operations | 145.88 | 676.66 | 94.77 | -31.75 |
| Less Capital Expenditure PPE | (62.15) | -23.47 | -213.02 | -13.76 |
| Add Sale of Fixed Assets | - | - | - | - |
| Less Capital WIP | (15.62) | - | - | - |
| FCF | 68.11 | 653.19 | -118.25 | -45.50 |
| Add - Long term borrowing | - | - | 54.46 | 232.08 |
| Less - Repayment of borrowings | 52.36 | 165.39 | - | - |
| Add- Short term borrowings | 52.12 | - | 139.65 | 79.66 |
| Less- Repayment of Short Term borrowings | - | 193.39 | - | - |
| Less Interest exp (1-t) | 36.08 | 61.67 | 71.87 | 63.08 |
| FCFE | 31.78 | 232.73 | 3.99 | 203.16 |

tax calculation (1- PAT/PBT)

0.24

0.32

0.35

0.21



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Annexure-V: Notes to Restated Financial Information

Note 39

OTHER RELEVANT DISCLOSURES

Additional regulatory information required by Schedule III of Companies Act, 2013:

- A. Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.
- B. The company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provision of the Income Tax Act, 1961.
- C. The Company has not traded or invested in crypto currency or virtual currency for the half year ended 30th Septemebr 2025 ,year ended 31st March 2025, 31st March 2024 and 31st March 2023.
- D. The Company do not had any transaction for thehalf year ended 30th Septemebr 2025, year ended 31st March 2025, 31st March 2024 and 31st March 2023 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- E. The company has not been declared as willful defaulter by any bank or from any other lender for the half year ended 30th Septemebr 2025,year ended 31st March 2025, 31st March 2024 and 31st March 2023.
- F. The company has registered all the charges which are required to be registered under the terms of the loan and liabilities and submitted Documents with ROC within the period as required by Companies Act, 2013.
- G. As per the information & detail available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the companies act read with the Companies (Restriction on number of layers) Rules 2017.
- H. Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- I. Consequent to the requirement of section 135 and schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility ("CSR") Policy. This is the first year of CSR applicability in the Company as per the requirement of Section 135 (1).

| Particulars | As on Sep 30, 2025 | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|---|-----------------------|-------------------------|-------------------------|-------------------------|
| a) Opening Balance | 4.95 | - | - | - |
| b) Gross amount required to be spent by the Company during the year | 6.39 | 4.95 | - | - |
| c) Amount approved by the Board to be spent during the year | 4.95 | - | - | - |
| d) Amount spent during the year | 4.95 | - | - | - |
| e) Closing Balance | 6.39 | 4.95 | - | - |

- J. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- K. Compliance with regards to the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable to the Company,
- L. Utilisation of Borrowed Funds and Share Premium
 - (i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s), entity(ies) including foreign entities (intermediaries) with the understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security of the like to or on behalf of the ultimate beneficiary.
 - (ii) The Company has not received any from any person(s), entity(ies) including foreign entities (funding party with the understanding that the Company shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or provide any guarantee, security of the like to or on behalf of the ultimate beneficiary.
- M. As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses an accounting software for maintaining its books of account that have a feature of, recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

Note 40 Previous year figures have been regrouped and recasted wherever necessary to confirm current year's classification.



ANNEXURE-A (A)
RESTATED STATEMENT OF PRINCIPAL, TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

| Name of Lender | Nature of Security | Sanctioned Amount [Rs. Int. M/-] | Rate of Interest per annum (%) | Re-Payment Schedule | | | | Outstanding amount as on (as per Books) [Rs. in Lakhs] | | | | | |
|---|--|-------------------------------------|-----------------------------------|---------------------|------------|------------|------------|--|------------|------------|------------|------------|------------|
| | | | | 31-03-2025 | | 31-03-2025 | | 31-03-2024 | | 31-03-2024 | | 31-03-2023 | |
| | | | | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term |
| National Small Industries Corporation Ltd | Cash Credit - Raw Material Assistance Scheme | 25.00 | 9.90 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 20.85 |
| HDFC Bank | | | | | | | | | | | | | |
| HDFC Bank | Auto Lien. | | | | | | | | | | | | |
| HDFC Bank | | | | | | | | | | | | | |
| HDFC Bank | Drui | 300.00 | | | | | | | | | | | |
| | Letter of Credit | 45.00 | | | | | | | | | | | |
| | Letter of Credit | 135.00 | | | | | | | | | | | |
| | Cash Credit | 200.00 | | | | | | | | | | | |
| | Bank Guarantee | 200.00 | | | | | | | | | | | |
| | Bank Guarantee | 100.00 | | | | | | | | | | | |
| HDFC Bank | Collateral | | | | | | | | | | | | |
| | Bank Guarantee | 100.00 | | | | | | | | | | | |
| | EG-TERM LOANS | 30.00 | 9.41 | 24.00 | 1.38 | 5.40 | | 13.19 | | 13.19 | | 14.52 | |
| | Letter of Credit | 500.00 | | | | | | | | | | | |
| | BANK GUARANTEE (With equitable mortgage charges) | (500.00) | | | | | | | | | | | |
| | Sublimit | (10.00) | | | | | | | | | | | |
| | Letter of credit- Sub limit of cash credit | (400.00) | | | | | | | | | | | |
| | Letter of credit- Sub limit of Bank Guarantee | | | | | | | | | | | | |
| | Total | | | | | 50.45 | 399.43 | 60.41 | 311.24 | 92.29 | 464.95 | - | 260.95 |



| Name of Lender | Nature of Facility | Semi-annual Amount (Rs. in Lakhs) | Rate of Interest per annum (%) | Re-Payment Period | EMI (Amount, Rs. in Lakhs) | Outstanding amount as at (Rs. in Lakhs) | | | | | |
|---|--------------------------------|-----------------------------------|--------------------------------|-------------------|----------------------------|---|------------|------------|------------|------------|------------|
| | | | | | | 31-03-2025 | | 31-03-2024 | | 31-03-2023 | |
| | | | | | | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term |
| Komal A | Business Loan, Working Capital | 18.00 | 13.80 | 12months | 1.50 | - | - | - | - | - | - |
| 3 Capital | Business Loan, Working Capital | 24.00 | 12.00 | 12months | 2.00 | - | - | - | - | - | - |
| I.M. Credits | Business Loan, Working Capital | 21.00 | 12.00 | 12months | 2.00 | - | - | - | - | - | - |
| Omash Electro Marketix | Business Loan, Working Capital | 24.00 | 12.00 | 12months | 2.00 | - | - | - | - | - | - |
| M.M Ahuja | Business Loan, Working Capital | 24.00 | 12.00 | 12months | 2.00 | - | - | - | - | - | - |
| Arshish Combine | Business Loan, Working Capital | 12.00 | 12.00 | 12months | 1.00 | - | - | - | - | - | - |
| Shanmukh S Ahuja | Business Loan, Working Capital | 12.00 | 12.00 | 12months | 1.00 | - | - | - | - | - | - |
| Srinivas Krishnamoorthy | Business Loan, Working Capital | 24.00 | 12.60 | 12months | 2.00 | - | - | - | - | - | - |
| J.R. Consultancy | Business Loan, Working Capital | 18.00 | 12.00 | 12months | 1.50 | - | - | - | - | - | - |
| Prem Kumar | Business Loan, Working Capital | 24.00 | 12.00 | 12months | 2.00 | - | - | - | - | - | - |
| Clix Capital Service Private Limited | Business Loan, Working Capital | 40.19 | 18.00 | 36months | 1.46 | - | - | - | - | - | - |
| Fullerton India Credit Co. Ltd. | Business Loan, Working Capital | 45.25 | 17.60 | 25months | 1.99 | - | - | - | - | - | - |
| Avis Sankt LTD | Business Loan, Working Capital | 50.00 | 16.50 | 36months | 1.77 | - | - | - | - | - | - |
| Deutsche Bank | Business Loan, Working Capital | 40.00 | 18.05 | 36months | 1.45 | - | - | - | - | - | - |
| Standard Chartered Bank | Business Loan, Working Capital | 200.00 | 16.00 | 36months | 3.52 | - | - | - | - | - | - |
| KCCak Mahindra Bank LTD | Business Loan, Working Capital | 40.00 | 16.74 | 36months | 1.43 | - | - | - | - | - | - |
| Uni-Small Finance Bank | Business Loan, Working Capital | 5.00 | 18.50 | 36months | 1.86 | - | - | - | - | - | - |
| FedJuniper Financial Services LTD | Business Loan, Working Capital | 30.25 | 17.25 | 36months | 1.08 | - | - | - | - | - | - |
| Rata Capital LTD | Business Loan, Working Capital | 60.00 | 17.25 | 36months | 2.15 | 9.94 | 21.94 | 18.74 | 20.14 | 41.52 | 16.87 |
| Yec Bank | Business Loan, Working Capital | 50.00 | 16.50 | 35months | 1.77 | 8.22 | 18.22 | 34.49 | - | 34.49 | 14.25 |
| Total | | | | | | 23.35 | 95.24 | 65.75 | 131.11 | 199.26 | 170.78 |
| Total : 2 RESTATED STATEMENT OF LONG TERM BORROWINGS | | | | | | 73.80 | - | 126.16 | - | 291.55 | - |
| Total : 2A RESTATED STATEMENT OF SHORT-TERM BORROWINGS | | | | | | 591.47 | - | 442.35 | - | 635.73 | - |
| Total : 2B RESTATED STATEMENT OF OTHER FINANCIAL INSTRUMENTS | | | | | | 73.80 | - | 201.55 | - | 237.09 | - |
| Total : 2C RESTATED STATEMENT OF INVESTMENT IN ASSOCIATED COMPANIES | | | | | | - | - | - | - | - | 496.10 |

NOTE: 1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.
 2) The Company does not have any long term borrowings from promoters/group companies/ subsidiaries/ material associate companies/ related parties as on the reporting date.
 3) The Company does not have any continuing default in repayment of loans and interest as on the reporting date.
 4) The company is not declared as 'wilful defaulter' by any bank or financial institution or other lender as on the reporting date.



FINANCIAL KPIs

(₹ in lakhs unless otherwise stated)

| Particulars | Units | Sep 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⁾ | (%) | 53.38% | 53.71% | 40.02% | 15.31% |
| RoE ⁽¹⁰⁾ | (%) | 45.58% | 47.11% | 35.07% | 10.25% |
| Return on Assets ⁽¹¹⁾ | (%) | 21.71% | 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) | 21.58 | 17.90 | 18.67 | 14.39 |



Avana Electrosystems Limited
(Formerly known as Avana Electrosystems Private Limited)
(All amounts in Rs. Lakhs, except as otherwise stated)

ANNEXURE-IV
AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508

Notes to restated financial Information:

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL INFORMATION.

A. Corporate information

Our Company was incorporated as a Private Limited Company under the name of "Avana Electrosystems Private Limited" under the Companies Act, 1956 vide certificate of incorporation dated 16th July 2010, issued by the Registrar of Companies, Bangalore, bearing CIN- U31400KA2010PTC054508. Further, our Company was converted into a Public Limited Company in pursuance of a Board Resolution dated December 05, 2024 and Special Resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 09, 2024 and the name of our Company was changed from "Avana Electrosystems Private Limited" to "Avana Electrosystems Limited" and a new certificate of incorporation dated December 17, 2024, consequent upon conversion, has been issued by the Registrar of Companies, Central Processing Centre, bearing CIN- U31400KA2010PLC054508.

The company is engaged in the business of manufacturing and dealers in various types of electronic products, switchgear products, circuit breakers, relay, control and protection panels, electric distribution boards, electronic meters, transformers, raw materials, assemblies, spares, accessories, consumables, disposables, tools, test equipment's, measuring equipment's, telecommunication products, satellite products, information technology products, substation, automation products, SCADA, energy saving equipment's, battery charges, current transformers, power transformers, etc.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements:

The Restated Statement of Assets and Liabilities of the Company as on September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the half year ended September 30, 2025 and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the annexures thereto (collectively, the "Restated Financial Statements") have been compiled by the management from the Audited Financial Statements of the Company for the half year ended September 30, 2025 and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME platform of Bombay Stock Exchange Limited ('BSE SME') in connection with its proposed Initial Public Offer. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated financial Statements.



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The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) to comply with the Accounting Standards specified u/s Section 133 read with the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – noncurrent classification of assets and liabilities.

2. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates, difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

C. Significant Accounting Policies:

1. Revenue Recognition:

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured. Revenue from Sale of products is recognized when the risks and rewards of ownership are passed on to the customers, generally, at the time of delivery and acceptance and after consideration of all the terms and conditions of the customer contract.

The Company reports revenues net of taxes.

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

2. Expenditure:

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities. Expenses incurred on and directly attributable to the company's manufacturing activities are charged to revenue as 'period costs'.

Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or



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accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

4. Provisions and contingent liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

5. Property Plant and Equipment:

Property Plant and Equipment are stated at cost less depreciation. The Company capitalizes all cost relating to the acquisition and installation of fixed assets.

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1st April 2014.

Depreciation on tangible fixed assets is provided on the written down value method, based on life of assets and in the manner specified in Schedule II to the Companies Act, 2013 and individual assets acquired for a value less than (or) equal to Rs.5,000/- are not capitalized.

The useful lives of assets and the manner specified in Schedule II to the Companies Act, 2013 is as per the table below:

| Asset Description | No. of Years |
|-------------------------|--------------|
| Computers & Accessories | 3 |
| Plant & Machinery | 15 |
| Furniture & Fixtures | 10 |
| Office Equipment | 5 |
| Tools | 5 |
| Car | 8 |
| Leasehold Improvements | 30 |

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

6. Impairment of Assets:

The Company assess at each Balance Sheet date whether there is any indication that any of the assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognized in the profit and loss account. As on the Balance Sheet date the Company assessed for impairment of assets and found no indication of impairment of assets as per Accounting Standard (AS-28).

7. Effects of changes in Foreign Exchange rates:

- a. Foreign currency transactions of Income and Expense during the year are recorded at the rate prevailing on the date of transaction.
- b. Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Profit and Loss account.
- c. Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except those arising from investments in non-integral operations.

8. Leases:

Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment at the inception of the lease term. These are disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

9. Cash and cash equivalents:

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

10. Income Taxes:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- a) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- b) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

11. Employee Benefits:

a. Defined –contribution plans

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund, Superannuation Fund and Certain State plans like Employees' State Insurance and Employees' Pension Scheme. Presently the company provides for Employees' Provident Fund, Pension Scheme and Employees' State Insurance. The company does not provide for Superannuation benefits. The company's payments to the defined contribution plans recognized as expense during the period in which the employees perform the services that the payment covers.

b. Defined-benefit plans:

The Group provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss.

12. Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or productivity of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

13. Valuation of Inventories:

Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. "Cost" means standard weighted average cost exclusive of all statutory levies but inclusive of transit insurance, wherever applicable.

- a. Raw materials and component inventories (excluding non-standard, non-moving and obsolete items) are valued at lower of cost and net realizable value.



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b. Finished goods and Semi-Finished goods are valued at cost or net realizable value, whichever is lower.

14. Related Party Disclosures:

Transactions between related parties are disclosed as per Accounting Standard 18, "Related Party Disclosures". Accordingly, disclosures regarding the name of the transacting-related party, description of the relationship between the parties, nature of transactions and the amount outstanding as at the end of the accounting year, are made.

15. Product Warranty:

Provisions for warranty-related costs are recognized on estimated basis when the product is sold or service provided to the customer. Initial recognition is based on historical experience of the product / services failures as well as current information of repair costs. The initial estimate of warranty-related costs is revised annually.

Product warranty expenses are provided on an estimated basis. The management estimate of the provision amount is primarily based on historical experience of the product/service failures as well as current information of repair costs.

16. Earnings Per Share:

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

D. CHANGES IN ACCOUNTING POLICIES.

There were no changes in the accounting policies adopted by the Company during the period under review, which needs to be adjusted in the Restated Financial Statements.

E. DISCLOSURE OF EMPHASIS OF MATTER/QUALIFICATION

There was no matter of emphasis or qualifications reported by the earlier Statutory Auditors in the financial statements of the Company for the earlier years audited by them for or the present Peer Reviewed Auditors of the Company on the financial statements reviewed and audited by them as per the requirements of SEBI (ICDR) Regulations, 2018, which has an impact on the financial statements. Hence, no adjustments are required in the restated financial statements.

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