avana

16TH ANNUAL REPORT

AVANA ELECTROSYSTEMS LIMITED

(Formely known as Avana Electrosystems Pvt.Ltd)

INNOVATION

RELIABILITY

EXCELLENCE

OUR VISION & MISSION

Powering Progress. Connecting Nations.

VISION

To be a trusted and forward-thinking leader in our industry, creating lasting value for our customers, employees, partners, and communities through innovation, excellence, and sustainable growth.

MISSION

Our mission is to deliver high-quality products and services that address the evolving needs of our customers, while fostering innovation, operational excellence, responsible business practices, and long-term stakeholder value.

CUSTOMERS
At the heart of everything we do.

QUALITY
Delivering reliability in every solution.

INNOVATION
Driving progress through smart and efficient solutions.

SUSTAINABILITY
Committed to a greener and better tomorrow.

GLOBAL COMMITMENT
Building lasting relationships and powering progress across borders.

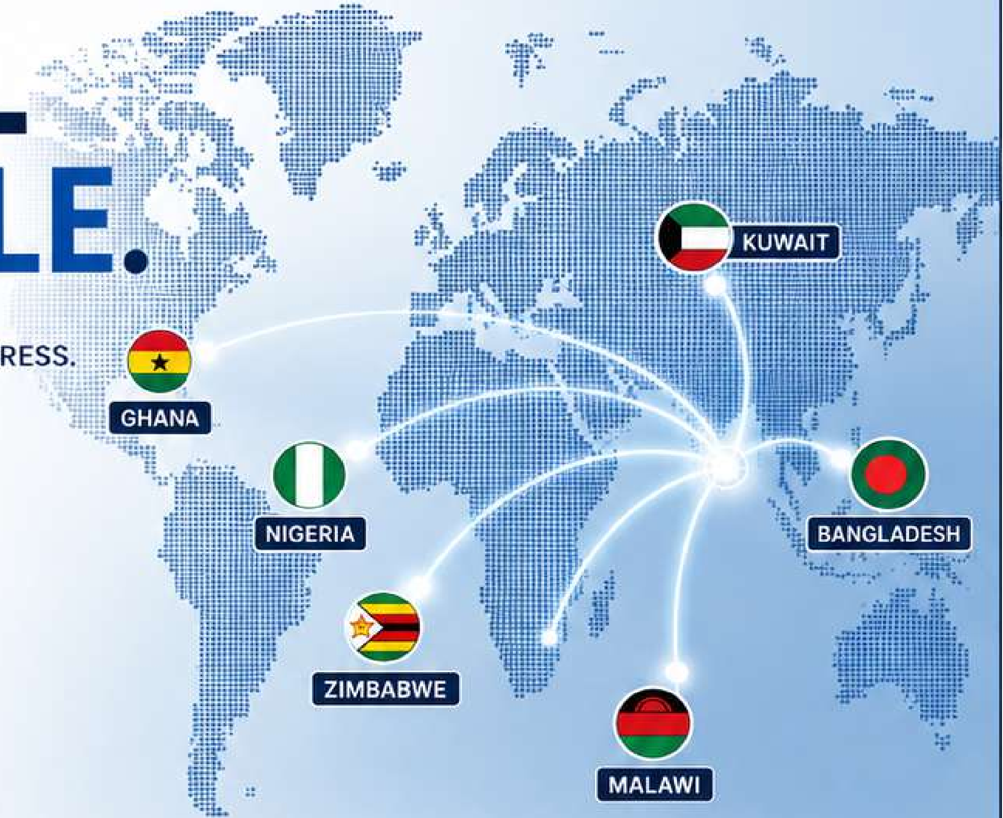
ENERGIZING SOLUTIONS. EMPOWERING FUTURES.

OUR

GLOBAL CLIENTELE.

TRUSTED BY CLIENTS. POWERING PROGRESS.

We design and manufacture Control & Relay Panels and Protection Relays that ensure reliable performance, safety and continuity across industries worldwide.



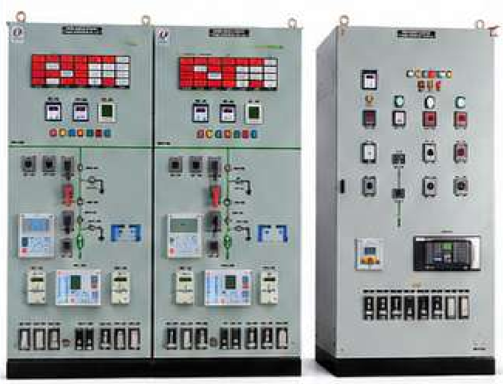
RELIABLE PERFORMANCE
Engineered for safety and uninterrupted operations.

ADVANCED TECHNOLOGY
Intelligent solutions for smarter and safer systems.

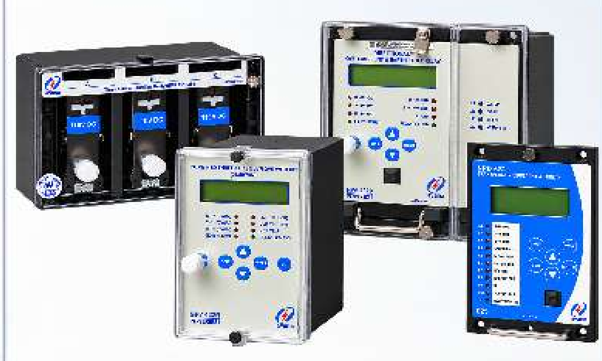
GLOBAL TRUST
Delivering excellence to clients across continents.

OUR SOLUTIONS

CONTROL & RELAY PANELS



PROTECTION RELAYS



QUALITY YOU CAN TRUST

PARTNERSHIPS THAT LAST

COMMITTED TO EXCELLENCE

SUPPORTING INDUSTRIES. ENABLING GROWTH.

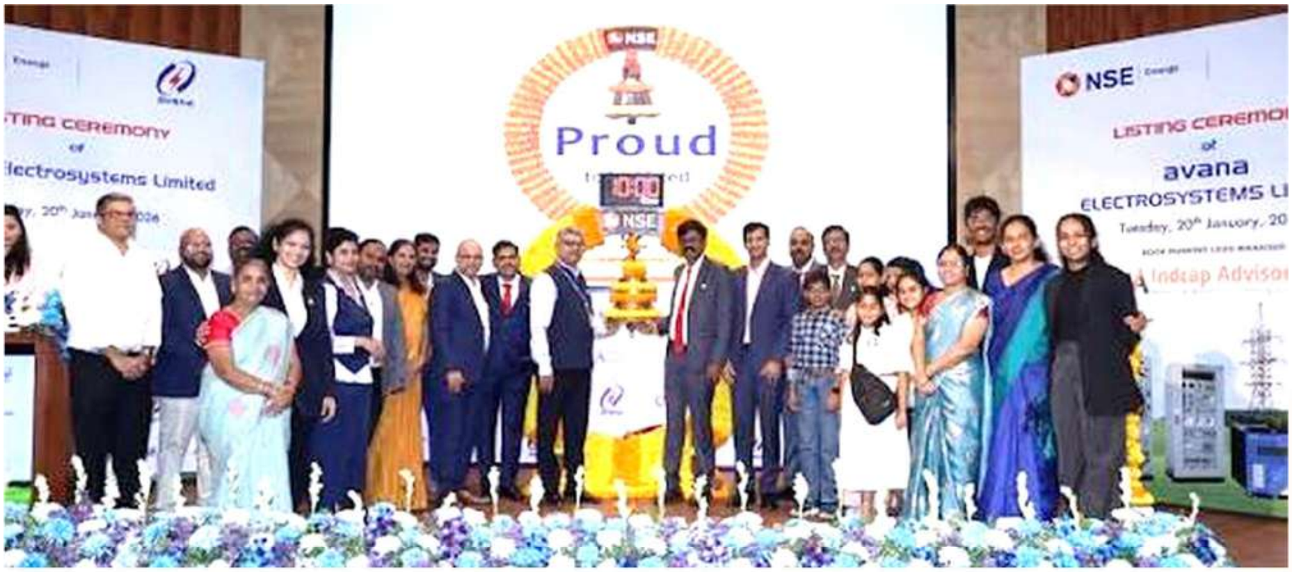
PROUDLY SERVING CLIENTS

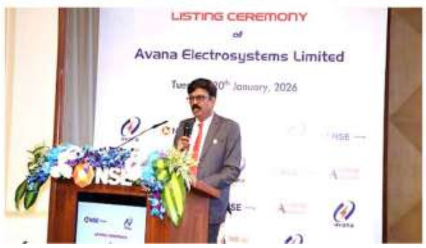
ACROSS THE GLOBE.

A NEW CHAPTER ON NSE EMERGE

LISTED. EMPOWERED. FUTURE-READY.

A landmark moment in Avana's growth journey





Celebrating Avana Electrosystems Limited's listing on NSE EMERGE

20 JANUARY 2026 • NSE EMERGE • A LANDMARK MILESTONE

FROM ENTERPRISE TO THE PUBLIC MARKETS

Avana Electrosystems Limited marked a significant milestone with the listing of its equity shares on NSE EMERGE on 20 January 2026. The occasion reflected years of disciplined growth, technological capability and the collective commitment of the Company's employees, customers, partners and stakeholders.

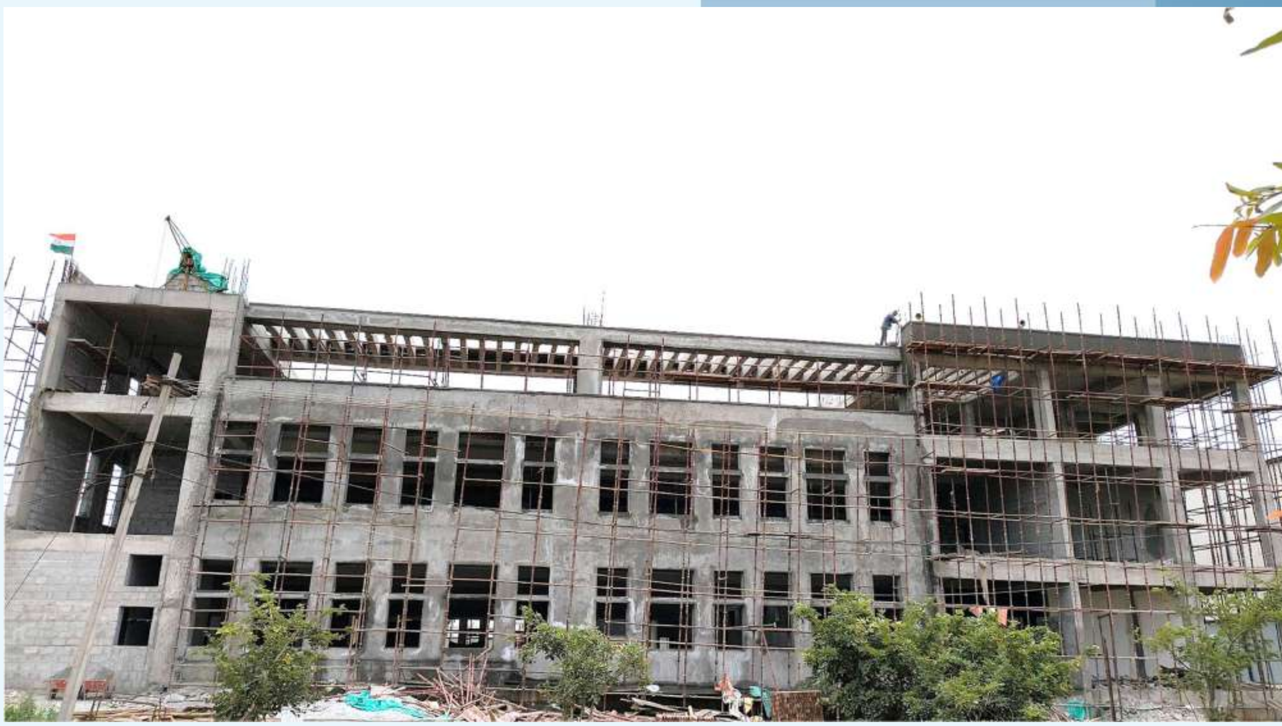
The listing broadens Avana's shareholder base, enhances its visibility in the capital markets and strengthens the platform for its next phase of growth. As a publicly listed company, Avana remains committed to strong governance, transparent communication and the creation of sustainable long-term value for all stakeholders.

GOVERNANCE • GROWTH • ACCOUNTABILITY • VALUE CREATION

BUILDING THE NEXT CHAPTER

PROPOSED INTEGRATED MANUFACTURING FACILITY

Avverahalli Industrial Area, Dabaspete, Bengaluru Rural District



Construction progress at the proposed integrated facility

A STRATEGIC INVESTMENT IN SCALE AND EFFICIENCY

The Company is progressing with the establishment of a new integrated manufacturing facility on KIADB-allotted land. The facility is planned to consolidate Avana's two existing manufacturing units into a single location, bringing the manufacture of protection relays and control & relay panels together under one roof.

This represents an important step in strengthening the Company's manufacturing platform and supporting its next phase of growth.

ENHANCED CAPACITY • STREAMLINED OPERATIONS • OPTIMISED RESOURCE UTILISATION • FUTURE-READY GROWTH

CONNECTING INNOVATION WITH INDUSTRY

AVANA AT ELASIA 2026

Showcasing power-system protection, control and automation solutions

Avana's exhibition stall and stakeholder interactions at ELAsia 2026

14-17 MAY 2026 • BIEC, BENGALURU • STALL F01

SHOWCASING CAPABILITY. CREATING CONNECTIONS.

Avana participated in the 11th ELAsia 2026, an international exhibition focused on power, electrical, controls and lighting. The Company's stall showcased its portfolio of protection relays, control and relay panels, substation automation and associated power-system solutions.

The exhibition provided a valuable platform to engage with customers, industry professionals and prospective business partners, demonstrate product capabilities and exchange insights on evolving sector requirements. Avana's participation strengthened brand visibility and reaffirmed its commitment to delivering dependable, technology-led solutions for the power sector.

INNOVATE • DEMONSTRATE • CONNECT • GROW

BUSINESS DEVELOPMENT & INTERNATIONAL EXHIBITION

Participation in Africa Power & Energy Expo 2026 – Nairobi, Kenya

Africa Power & Energy Expo 2026, held at Carnivore Grounds, Nairobi, Kenya, provided an important platform for Avana Electrosystems Limited to present its capabilities and strengthen its presence in the African power and energy market

Avana's Participation

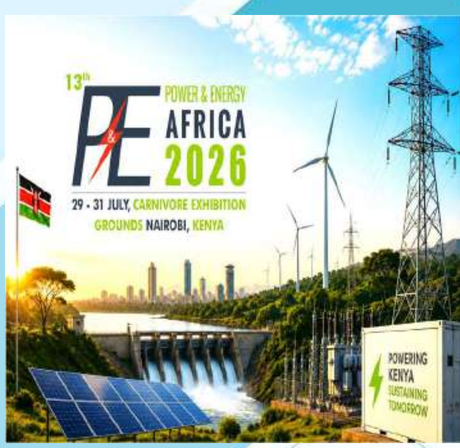
During the exhibition, the Company showcased its range of electrical and power-system solutions, including control and protection panels for transmission lines, electromechanical relays, numerical protection relays and related protection and automation solutions. The exhibition enabled the Company to engage with industry professionals, prospective customers, technology partners and other stakeholders from Africa and other markets.

Participation in the Expo provided an opportunity to demonstrate Avana's technical capabilities, understand emerging market requirements and explore potential business opportunities in the African power and energy sector. The Company's presence also contributed to enhancing brand visibility and building relationships with prospective customers and business partners.

Key Highlights

- Showcased Avana's protection, control and automation solutions.
- Interacted with customers, industry professionals and potential business partners.
- Explored opportunities for market expansion and business development in Africa.
- Enhanced the Company's international visibility and representation in the power and energy sector.

Avana Electrosystems Limited – Exhibition Presence



The Company remains focused on expanding its international market presence and developing sustainable business opportunities.

CARE AT THE HEART OF OUR WORKPLACE

EMPLOYEE MEDICAL CHECK-UP

Promoting preventive healthcare and employee well-being

Medical screening and diagnostic check-up sessions for Team Avana

17th & 18th JULY 2026 • ON-SITE MEDICAL CHECK-UP • EMPLOYEE WELL-BEING

A HEALTHIER TEAM. A STRONGER ORGANISATION.

Avana organised an on-site medical check-up for employees as part of its commitment to fostering a safe, healthy and supportive workplace. The initiative provided employees with convenient access to essential health assessments, including Vision checkup, Audiometry, Pulmonary Function Test and Physician Consultation within the workplace.

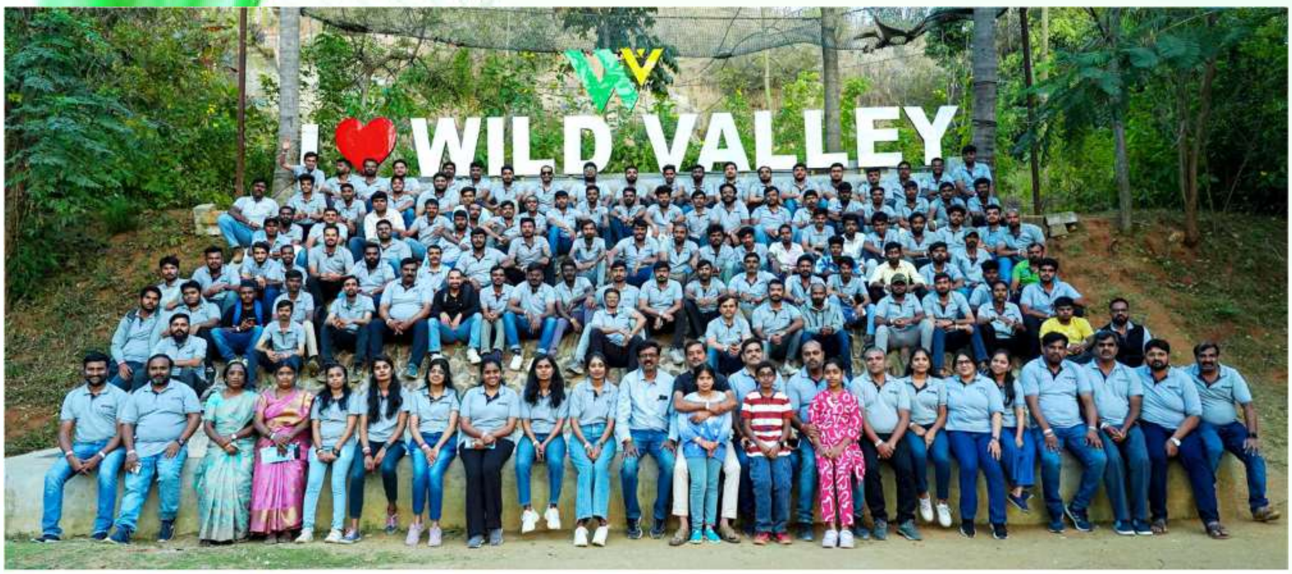
By encouraging preventive healthcare and early awareness, the programme reinforced the importance of personal well-being and informed health choices. Such initiatives reflect the Company's people-first approach and its belief that the long-term strength of the organisation is closely linked to the health and welfare of its employees.

PREVENT • PROTECT • SUPPORT • THRIVE

TOGETHER BEYOND THE WORKPLACE

EMPLOYEE DAY-OUT 2026

Building stronger teams through shared experiences



Team Avana at the Day-Out and recreational activity sessions

31 JANUARY 2026 • WILD VALLEY ADVENTURE RETREAT • TEAM ENGAGEMENT

CONNECTING PEOPLE. STRENGTHENING TEAMS.

Avana organised an employee Day-Out as part of its continuing focus on building an engaged, collaborative and people-centric workplace. The occasion brought colleagues together beyond the formal work environment and created space for interaction, recreation and shared experiences.

Through team activities and informal moments, employees strengthened interpersonal connections, encouraged one another and celebrated the spirit of togetherness that drives the organisation. Such initiatives support employee well-being, reinforce teamwork and nurture a positive culture founded on trust, inclusion and mutual respect.

ENGAGE • CONNECT • COLLABORATE • GROW TOGETHER

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CORPORATE INFORMATION

16TH ANNUAL GENERAL MEETING

Date: 28th September, 2026

Day: Monday **Time:** 02:00 p.m.

Venue: Through Video Conferencing ('VC") / Other Audio Visual Means ("OAVM") without the physical presence of members at a common venue as per the circulars issued by "MCA" and "SEBI".

BOARD OF DIRECTORS

Mr. Panish A (DIN: 00288112)	:	Managing Director
Mr. Gururaj Dambal (DIN: 03099402)	:	Whole Time Director
Mr. K N Sreenath (DIN: 03099421)	:	Whole Time Director (Designated as an Executive Director)
Mr. Vinod Kumar S (DIN: 03115822)	:	Whole Time Director
Mr. Kishore N S (DIN: 11222235)	:	Independent Director
Mrs. Sheela Arvind (DIN: 01020390)	:	Independent Director
Mrs. Shital Darak Mandhana (DIN: 07043909)	:	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Ravi Kumar S	:	Chief Financial Officer (W.e.f.01.09.2025)
Mrs. Amrutha Naveen	:	Company Secretary (From 29.08.2025 to 31.03.2026)
Ms. C R Nerajaa	:	Company Secretary (w.e.f.10.04.2026)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Kishore N S	:	Chairman
Mrs. Sheela Arvind	:	Member
Mr. K N Sreenath	:	Member

NOMINATION & REMUNERATION COMMITTEE

Mrs. Sheela Arvind	:	Chairperson
Mrs. Shital Darak Mandhana	:	Member
Mr. Kishore N S	:	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mrs. Shital Darak Mandhana	:	Chairperson
Mrs. Sheela Arvind	:	Member
Mr. Panish A	:	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Kishore N S	:	Chairman
Mr. Gururaj Dambal	:	Member
Mr. Vinod Kumar S	:	Member

BANKERS

HDFC Bank Limited
State Bank of India

STATUTORY AUDITORS

M/s. Vasanth & Co.,
Chartered Accountants, First Floor,
New No.12 Old No. 37/E, South End Road,
Basavanagudi, Beside Surana College,
Bangalore – 560 004

SECRETARIAL AUDITOR

Mr. Malali Anantharam Adarsha
No 208, 2nd Floor, 14th Main, 2nd Block,
BSK 1st Stage, Bangalore - 560 050

INTERNAL AUDITOR

M/s. Venkatesh Golakaram & Associates.,
No 18, 2nd Main Road Nethaji Layout,
BCC Layout Attiguppe Bangalore - 560 040

STOCK EXCHANGE

National Stock Exchange of India Limited
("NSE EMERGE")

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management
Services Private Limited (IRMSPL)
30, Ramana Residency, 4th Cross,
Sampige Road, Malleswaram,
Bangalore - 560 003.
E-mail: irg@integratedindia.in
gopi@integratedindia.in

UNIT LOCATIONS

Unit-1

Avana Electrosystems Limited
N-1, 3rd Floor, 4th Cross, 1st Stage,
Peenya Indl. Estate, Bangalore – 560 058

Registered Office / Unit-2

Avana Electrosystems Limited
CIN : U31400KA2010PLC054508*
No.08, Plot No.35, 1st Main, 2nd Phase,
Peenya Industrial Area, Bangalore – 560 058
Tel/Fax.: 080-41233386
E-mail: cs@avanaelectrosystems.com
Web: www.avanaelectrosystems.com

*The Corporate Identification Number (CIN) of the Company is presently being updated from “U” to “L”, and the said change is currently under process with the Registrar of Companies.

FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me immense pleasure to present the 16th Annual Report of **Avana Electrosystems Limited** for the financial year ended 31st March 2026. On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders, customers, employees, business partners, lenders, and all other stakeholders for their continued trust and unwavering support.

The financial year 2025-26 has been a landmark year in the journey of our Company. The successful listing of our equity shares on the **NSE Emerge Platform** on **January 20,2026** marked the beginning of a new chapter, reflecting our commitment to sustainable growth, enhanced corporate governance, and long-term value creation. Becoming a listed entity has strengthened our resolve to operate with greater transparency, accountability, and excellence.

I am pleased to report that your Company has delivered a commendable financial performance during the year under review. The Company recorded a **total income of ₹8,483.09 Lakhs**, as against **₹6,293.39 Lakhs** in the previous financial year, registering a robust growth of **34.79%**. The **Profit Before Depreciation, Interest and Tax (PBDIT)** increased from **₹1,396.77 Lakhs** in FY 2024-25 to **₹1,729.94 Lakhs** in FY 2025-26, reflecting a healthy growth of **23.85%**. The **Net Profit** for the year stood at **₹1,172.28 Lakhs**, compared to **₹847.08 Lakhs** in the previous year, representing an impressive increase of **38.39%**. These results underscore the resilience of our business model, our operational excellence, and the relentless efforts of our employees, supported by the trust of our customers and stakeholders.

We remain committed to expanding our capabilities, enhancing operational excellence, and investing in initiatives that improve productivity and customer satisfaction. Our focus continues to be on innovation, quality, responsible business practices, and creating sustainable value for all stakeholders.

Corporate governance continues to be at the core of our operations. The Board remains committed to maintaining the highest standards of ethics, integrity, transparency, and compliance while ensuring effective risk management and sound decision-making. We believe that strong governance is fundamental to building stakeholder confidence and supporting sustainable business growth.

Our employees remain our greatest strength. Their dedication, professionalism, and relentless pursuit of excellence have been instrumental in achieving our objectives. I sincerely thank every member of our team for their valuable contribution and commitment throughout the year.

Looking ahead, we are optimistic about the opportunities before us. With a stronger capital base, a clear strategic direction, and an unwavering commitment to excellence, we are well-positioned to capitalize on emerging opportunities and deliver sustainable growth in the years ahead.

I would like to express my heartfelt appreciation to our shareholders for their continued confidence, to our customers for their trust, to our business associates for their partnership, and to the Government authorities, regulatory bodies, bankers, and all stakeholders for their continued support. I also thank my fellow members of the Board for their guidance and invaluable contributions in steering the Company towards sustained success.

Together, we remain committed to creating enduring value and building a stronger future for our Company.

Yours Sincerely

Panish Anantharamaiah
Managing Director

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 16th Annual General Meeting of **Avana Electrosystems Limited** will be held on Monday, the 28th September 2026 at 02:00 p.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited standalone financial statements of the Company for the financial year ended 31st March, 2026, including the Audited Balance Sheet as at 31st March 2026, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, the reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in the place of Mr. Gururaj Dambal (DIN:03099402) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **APPOINTMENT OF SECRETARIAL AUDITOR**

To Consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Regulation 24A of the SEBI (LODR) Regulations, 2015, other applicable laws / Statutory provisions, if any, as amended from time to time Mr. Malali Anantharam Adarsha [Membership No: A61879, CP No:23994], Practising Company Secretary be and is hereby appointed as the Secretarial Auditor of the Company for a term of five consecutive years from the financial year 2026-2027 to the financial year 2030-2031 at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all the acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. PANISH A, MANAGING DIRECTOR (DIN: 00288112) OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with relevant provisions of Section II of Part II of Schedule V of the Companies Act, 2013 ('Act)' and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the Memorandum and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for revising / increasing the remuneration drawn by Mr. Panish A, Managing Director as follows, w.e.f. April 1, 2026:

a) Salary: Rs. 8,33,000/- (Rupees Eight Lakh Thirty-Three Thousand only) per month.

Basic	3,00,000
HRA	1,50,000
Spl. Allowance	3,47,000
P.F.	36,000
Gross	**8,33,000**

RESOLVED FURTHER THAT the Board of Directors (including its Committee/s thereof) be and are hereby authorized to revise the remuneration of Mr. Panish A from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is in compliance with the provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V thereto, SEBI Regulations and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors and/ or Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as considered necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies/MCA.

5. APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. K N SREENATH, WHOLE TIME DIRECTOR (DESIGNATED AS AN EXECUTIVE DIRECTOR-DIN: 03099421) OF THE COMPANY.

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with relevant provisions of Section II of Part II of Schedule V of the Companies Act, 2013 ('Act)' and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the Memorandum and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for revising / increasing the remuneration drawn by Mr. K N Sreenath, Whole Time Director (Designated as an Executive Director) as follows, w.e.f. April 1, 2026:

a) Salary: Rs. 6,21,000/- (Rupees Six Lakh Twenty-One Thousand only) per month

Basic	3,00,000
HRA	1,50,000
Spl. Allowance	1,35,000
P.F.	36,000
Gross	**6,21,000**

RESOLVED FURTHER THAT the Board of Directors (including its Committee/s thereof) be and are hereby authorized to revise the remuneration of Mr. K N Sreenath from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is in compliance with the provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V thereto, SEBI Regulations and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors and/ or Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as considered necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies/ MCA.

6. APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. GURURAJ DAMBAL, WHOLE TIME DIRECTOR (DIN: 03099402) OF THE COMPANY

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with relevant provisions of Section II of Part II of Schedule V of the Companies Act, 2013 ('Act)' and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the Memorandum and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for revising / increasing the remuneration drawn by Mr. Gururaj Dambal, Whole Time Director as follows, w.e.f. April 1, 2026

a) Salary: Rs. 7,67,000/- (Rupees Seven Lakh Sixty Seven Thousand only) per month

Basic	3,00,000
HRA	1,50,000
Spl. Allowance	2,81,000
P.F.	36,000
Gross	**7,67,000**

RESOLVED FURTHER THAT the Board of Directors (including its Committee/s thereof) be and are hereby authorized to revise the remuneration of Mr. Gururaj Dambal from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is in compliance with provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V thereto, SEBI Regulations and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors and/ or Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as considered necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies/MCA.

7. **APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. VINOD KUMAR S, WHOLE TIME DIRECTOR (DIN: 03115822) OF THE COMPANY**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with relevant provisions of Section II of Part II of Schedule V of the Companies Act, 2013 ('Act)' and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the Memorandum and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for revising / increasing the remuneration drawn by Mr. Vinod Kumar S, Whole Time Director as follows, w.e.f. April 1, 2026:

a) Salary: Rs. 6,26,000/- (Rupees Six Lakh Twenty Six Thousand only) per month

Basic	3,00,000
HRA	1,50,000
Spl. Allowance	1,40,000
P.F.	36,000
Gross	**6,26,000**

RESOLVED FURTHER THAT the Board of Directors (including its Committee/s thereof) be and are hereby authorized to revise the remuneration of Mr. Vinod Kumar from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is in compliance with provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V thereto, SEBI Regulations and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors and/ or Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as considered necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies / MCA.

By Order of the Board of Directors
For **AVANA ELECTROSYSTEMS LIMITED**

Sd/-
Panish Anantharamaiah
Managing Director
DIN: 00288112

Place: Bangalore
Date: 19th August, 2026

Registered Office:
No.8, Plot No. 35, 1st Main Road, 2nd Phase, Peenya Industrial Area, Bangalore – 560 058

NOTES:

1. This is the First Annual General Meeting of the Company Post Listing of Shares of the Company in the Initial Public Offer (IPO) of the Company. The shares were listed on 20th January 2026 on EMERGE Platform of National Stock Exchange of India Limited.

2. Additional information pursuant to the Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Special Business to be transacted at this AGM are mentioned in this Notice. In respect of Special Business, the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), is attached with this Notice.

3. Circulars issued by the Ministry of Corporate Affairs (MCA) vide General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and the latest being 03/2025 dated September 22, 2025 have permitted the holding of Annual General Meeting of the Company through Video Conference ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of the members at a common venue. Hence, in compliance with the said Circulars, provisions of The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 Annual General Meeting of the Company will be held through Video Conferencing facility on Monday, the 28th September, 2026 at 02.00 p.m. (IST).

4. Since the AGM will be held through VC / OAVM, the route map is not annexed with the Notice.

5. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of Proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 Minutes after the scheduled time of commencement of Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for the members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

7. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. The complete Annual Report including the Notice of the AGM for the FY 2025-26 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participants ('DPs') unless any Member has requested for a physical copy of the same.

9. The Company shall send a physical copy of the Annual Report to those Members who request the same at cs@avanaelectrosystems.com mentioning their correct Folio No. / DP ID and Client ID. The Notice convening the 16th AGM has been uploaded on the website of the Company at https://avanaelectrosystems.com/financials-result-reports/ and may also be accessed from the relevant section of the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024, the Company is not required to close its register of members and the share transfer book. Therefore, the Company shall not close its register of members and share transfer book.

11. The relevant details as required by Regulation 36 (3) of Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations,2015, and Secretarial Standards issued by the Institute of Company Secretaries of India of persons seeking appointment/re-appointment as Directors are provided in the annexure attached to this notice.

12. Members may visit Company's website: https://avanaelectrosystems.com/ and contact us at e-mail: cs@avanaelectrosystems.com

13. In compliance with Section 108 of the Companies Act,2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations,2015, the Company is providing a facility to its members to exercise their votes electronically through remote e-voting and e-voting during the AGM arranged by National Securities Depository Limited for all the items of business set out in the notice of AGM and confirms that the business can be transacted through e-voting in pursuance of the above provisions.

    The remote e-voting period begins on Friday, the 25th September, 2026 at 9:00 a.m. and ends on Sunday, the 27th September, 2026 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members of the Company, holding shares in dematerialized form, as on the cut-off date i.e., Monday, the 21st September, 2026, may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for e-voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

14. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date i.e. Monday, the 21st September, 2026. A person, whose name is recorded in the register of members maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting during the AGM through electronic means.

15. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to evoting@nsdl.com. However, if he/she is already registered with NSDL for remote e-voting, then he/she can use his/her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on Help Desk no. 022 - 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, the 21st September, 2026 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

16. M/s. Karthik Supreeta & Associates, Practicing Company Secretaries (Membership No.10725) have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

17. The Scrutinizer shall after the conclusion of voting during the general meeting, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2(Two) days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company https://avanaelectrosystems.com/ and on the website of NSDL at https://www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. Simultaneously, the results shall also be forwarded to the National Stock Exchange of India Limited, Mumbai. The Company is concerned about the environment and utilizes the natural resources in a sustainable way. We request you to update your email address with your Depository Participant or RTA to enable us send Annual Report, Notices and all other communications via e-mail.

18. Members who are holding shares in more than one folio are requested to intimate the Registrar and Share Transfer Agent (IRMSPL), the details of all folio numbers for consolidation in to a single folio.

19. Members can avail the facility of nomination in respect of securities held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled-in to RTA (IRMSPL). Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.

20. Members desiring any information as regards the financial statements are requested to write an email to the Company to its e-mail id cs@avanaelectrosystems.com at least seven days before the date of the meeting (AGM).

21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

22. Shareholders may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@avanaelectrosystems.com on or before Monday, the 21st September, 2026. Replies to the same will be given by the Company suitably.

By Order of the Board of Directors
For **AVANA ELECTROSYSTEMS LIMITED**

Sd/-
Panish Anantharamaiah
Managing Director
DIN: 00288112

Place: Bangalore
Date: 19th August, 2026

Registered Office:
No.8, Plot No. 35,
1st Main Road, 2nd Phase,
Peenya Industrial Area,
Bangalore – 560 058

THE INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Friday, the 25th September, 2026 at 9:00 A.M. and ends on Sunday, the 27th September, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the cut-off date i.e. Monday, 21st September, 2026, may cast their vote/s electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21st September, 2026.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.

The

	NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System My easi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System My easi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
   c) How to retrieve your ‘initial password’?
      (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
    b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **karthik@ksacs.co.in** with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to **Mr. Falguni Chakraborty-Senior Manager** at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to cs@avanaelectrosystems.com
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to (cs@avanaelectrosystems.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under **“Join meeting”** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@avanaelectrosystems.com. The same will be replied by the company suitably.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a Speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at cs@avanaelectrosystems.com from 21st September, 2026 (09.00 a.m. IST) to 23rd September, 2026 (05.00 p.m. IST). Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of Speakers depending on the availability of time for the AGM.

   The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. Monday, 28th September, 2026. Members seeking to inspect such documents can send an email to cs@avanaelectrosystems.comBy Order of the Board of Directors.

   For **AVANA ELECTROSYSTEMS LIMITED**

   Sd/-
   Panish Anantharamaiah
   Managing Director
   DIN: 00288112

   Place: Bangalore
   Date: 19th August, 2026

   Registered Office:
   No.8, Plot No. 35,
   1st Main Road, 2nd Phase,
   Peenya Industrial Area,
   Bangalore – 560 058

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. – 3

APPOINTMENT OF SECRETARIAL AUDITOR

As per the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company and certain other prescribed categories of companies are required to annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in Practice. Further, Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") also mandates that every listed entity shall undertake Secretarial Audit and annex the Secretarial Audit Report with its Annual Report. SEBI has introduced certain amendments to Regulation 24A of SEBI LODR as per which effective from 1st April 2025, the Secretarial Audit of listed entity shall be undertaken by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary i.e. review issued by the Institute of Company Secretaries of India; and who has not incurred any of the Disqualifications as specified by the SEBI. The amended Regulation 24A of SEBI LODR also provides that based on recommendation of its Board of Directors, a listed entity shall appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years, or a firm of Company Secretaries as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the shareholders in its Annual General Meeting.

The Board of Directors of the Company, based on the recommendation of the Audit Committee at its meeting held on 21st May, 2026 and subject to approval of Shareholders in the ensuing Annual General Meeting approved the appointment of Mr. Malali Anantharam Adarsha, Practising Company Secretary (Membership No: A61879, CP No:23994) as Secretarial Auditor of the Company for a term of five (05) consecutive financial years from FY 2026-27 to FY 2030-31, after taking into account his previous experience in various listed and unlisted companies. The approval of shareholders is sought for his appointment and also authorise the Board of Directors to fix his remuneration from time to time.

Mr. Malali Anantharam Adarsha has provided his consent to be appointed as Secretarial Auditor for the aforesaid period i.e. from FY 2026-27 to FY 2030-31 and has confirmed that he is not disqualified to act as Secretarial Auditor as per the provisions of SEBI LODR and shall not render any services to the Company as prohibited under the SEBI LODR.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution financially or otherwise. The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 3 as an Ordinary Resolution.

ITEM NO. – 4

APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. PANISH A, MANAGING DIRECTOR (DIN: 00288112) OF THE COMPANY.

Mr. Panish A (DIN: 00288112) is holding the Position of the Managing Director of the Company.

The Board at its meeting held on 21st May, 2026 discussed the recommendation of Audit Committee and Nomination and Remuneration Committee recommending the revision / increment in the remuneration (w.e.f., 01.04.2026) payable to Mr. Panish A, Managing Director and approved the same subject to approval of the members as per the provisions of Section 197 of the Companies Act, 2013.

The remuneration proposed will be in excess of limits specified under section 197 and hence, the Special Resolution is proposed to be passed.

Keeping in view, the vast experience of Mr. Panish A, the Board of Directors has recommended the payment of remuneration to him w.e.f., April 1, 2026, at Rs. 8,33,000/- (Rupees Eight Lakh Thirty-Three Thousand only) per month with an annual increment as may be decided by the Board of directors. The annual increment will be merit-based and the Board will also take into account the Company's performance.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI LODR.

Accordingly, the Board of Directors recommends the Special resolution set out under Item No. 4 for approval by the members of the Company.

Except Mr. Panish A, Mr. K N Sreenath, Mr. Gururaj Dambal, Mr. Vinod Kumar S, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned / interested in the resolution set out at Item No. 4.

The Audit Committee and the Board of the company have reviewed and taken note of the Certificate issued by the Managing Director and Chief Financial Officer in respect of the related party transaction involving the payment of remuneration to the promoter director.

ITEM NO. – 5

APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. K N SREENATH, WHOLE TIME DIRECTOR (DESIGNATED AS AN EXECUTIVE DIRECTOR-DIN: 03099421) OF THE COMPANY

Mr. K N Sreenath (DIN:03099421) is holding the Position of the Whole Time Director (Designated as an Executive Director) of the Company.

The Board at its meeting held on 21st May, 2026 discussed the recommendation of Audit Committee, and Nomination and Remuneration Committee recommending the revision / increment in the remuneration (w.e.f., 01.04.2026) payable to Mr. K N Sreenath, Whole Time Director (Designated As An Executive Director) and approved the same subject to approval of the members as per the provisions of Section 197 of the Companies Act, 2013.

The remuneration proposed will be in excess of limits specified under section 197 and hence, the Special Resolution is proposed to passed.

Keeping in view, the vast experience of Mr. K N Sreenath, the Board of Directors has recommended the payment of remuneration to him w.e.f., April 1, 2026, at Rs. 6,21,000/- (Six Lakh Twenty-One Thousand only) per month with an annual increment as may be decided by Board of directors. The annual increment will be merit-based and will also take into account the Company's performance.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI LODR.

Accordingly, the Board of Directors recommends the Special resolution set out under Item No. 5 for approval by the members of the Company.

Except Mr. K N Sreenath, Mr. Panish A, Mr. Gururaj Dambal, Mr. Vinod Kumar S, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned / interested in the resolution set out at Item No. 5.

The Audit Committee and the Board of the company have reviewed and taken note of the Certificate issued by the Managing Director and Chief Financial Officer in respect of the related party transaction involving the payment of remuneration to the promoter director.

ITEM NO. – 6

APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. GURURAJ DAMBAL, WHOLE TIME DIRECTOR (DIN: 03099402) OF THE COMPANY

Mr. Gururaj Dambal (DIN:03099402) is holding the Position of the Whole Time Director of the Company.

The Board at its meeting held on 21st May, 2026 discussed the recommendation of Audit Committee, and Nomination and Remuneration Committee recommending the revision / increment in the remuneration (w.e.f., 01.04.2026) payable to Mr. Gururaj Dambal, Whole Time Director and approved the same subject to approval of the members as per the provisions of Section 197 of the Companies Act, 2013.

The remuneration proposed will be in excess of limits specified under section 197 and hence, the Special Resolution is proposed to passed.

Keeping in view, the vast experience of Mr. Gururaj Dambal, the Board of Directors has recommended the payment of remuneration from April 1, 2026, at Rs. 7,67,000/- (Rupees Seven Lakh Sixty Seven Thousand only) per month with an annual increment as may be decided by Board of directors. The annual increment will be merit-based and will also take into account the Company's performance.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI LODR.

Accordingly, the Board of Directors recommends the Special resolution set out under Item No. 6 for approval by the members of the Company.

Except Mr. Gururaj Dambal, Mr. Panish A, Mr. K N Sreenath, Mr. Vinod Kumar S, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned / interested in the resolution set out at Item No. 6.

The Audit Committee and the Board of the company have reviewed and taken note of the Certificate issued by the Managing Director and Chief Financial Officer in respect of the related party transaction involving the payment of remuneration to the promoter director.

ITEM NO. – 7

APPROVAL FOR REVISING / INCREASING THE MANAGERIAL REMUNERATION DRAWN BY MR. VINOD KUMAR S, WHOLE TIME DIRECTOR (DIN: 03115822) OF THE COMPANY

Mr. Vinod Kumar S (DIN: 03115822) is holding the Position of the Whole-Time Director of the Company.

The Board at its meeting held on 21st May, 2026 discussed the recommendation of Audit Committee, and Nomination and Remuneration Committee recommending the revision / increment in the remuneration (w.e.f., 01.04.2026) payable to Mr. Vinod Kumar S, Whole Time Director and approved the same subject to approval of the members as per the provisions of Section 197 of the Companies Act, 2013.

The remuneration proposed will be in excess of limits specified under section 197 and hence, the Special Resolution is proposed to passed.

Keeping in view, the vast experience of Mr. Vinod Kumar S, the Board of Directors has recommended the payment of remuneration from April 1, 2026, as Rs. 6,26,000/- (Rupees Six Lakh Twenty Six Thousand only) per month with an annual increment as may be decided by Board of directors. The annual increment will be merit-based and will also take into account the Company's performance.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI LODR.

Accordingly, the Board of Directors recommends the Special resolution set out under Item No. 7 for approval by the members of the Company.

Except Mr. Vinod Kumar S, Mr. Panish A, Mr. K N Sreenath, Mr. Gururaj Dambal none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned / interested in the resolution set out at Item No. 7.

The Audit Committee and the Board of the company have reviewed and taken note of the Certificate issued by the Managing Director and Chief Financial Officer in respect of the related party transaction involving the payment of remuneration to the promoter director.

Additional information pursuant to the Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of the Special Businesses pursuant to Section 102 of the Companies Act, 2013:

Item No. 4

Name of the Director	**Mr. Panish Anantharamaiah**
Director Identification Number (DIN)	00288112
Date of Birth and Age (in years)	25th April 1969, 57 Yrs
Date of Appointment at current designation / Date of first appointment on the Board	16th July 2010
Profile / Qualifications & Experience	Mr. Panish has over 32 years of experience in electrical engineering and is Instrumental in setting up / promoting the Company in 2010 along with other promoters. Currently he is responsible for overall operations, marketing, sales, testing, and servicing.
Expertise in specific functional area	Mr. Panish is a seasoned business leader with over 30 years of experience in sales leadership, performance optimization, and operational excellence. He has got the proven ability to drive revenue growth, cultivate lasting customer relationships, and implement strategic business plans. He is adept at leading cross-functional teams, executing risk management strategies, and overseeing financial operations to align with corporate objectives.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the Remuneration last drawn	Appointed as the Managing Director, liable to retire by rotation. Remuneration for FY 2026-27 – Rs. 8,33,000/- Per Month FY 2025-26 – Rs. 88.54 Lakhs Per Annum.
Directorship in other Companies & Membership/Chairmanship of Committees of other Boards	None
Listed entities from which the Director has resigned in the past three years	Not Applicable
Shareholding in the Company	42,39,705 shares (18.72%)
Relationship with Other Directors, Managers and other Key Managerial Personnel of the Company	Apart from receiving remuneration and corporate action related benefits as a shareholder of the Company, he has no other pecuniary relationship with the Company. Mr. Panish Anantharamaiah is not related to any Managerial Personnel of the Company.
The number of Meetings of the Board attended during the year	23

Additional information pursuant to the Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of the Special Businesses pursuant to Section 102 of the Companies Act, 2013:

Item No. 5

Name of the Director	**Mr. K N Sreenath**
Director Identification Number (DIN)	03099421
Date of Birth and Age (in years)	20th May 1979, 47 Yrs
Date of Appointment at current designation / Date of first appointment on the Board	16th July 2010
Profile / Qualifications & Experience	Mr. Sreenath is having around 22 years of experience in Accountancy and Finance. Currently in charge of Accounts, Finance and HR Departments and promoted the Company along with other promoters.
Expertise in specific functional area	Mr. Sreenath has been a Finance Director with 20+ years of experience in financial management, strategic planning, and operational leadership. He has got the proven ability to optimize financial performance, lead high-performing teams, and drive cost efficiencies. Skilled in budgeting, forecasting, compliance, and aligning financial strategies with corporate goals. Trusted advisor to senior leadership with deep expertise in financial reporting, risk management, and capital planning.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the Remuneration last drawn	Appointed as a Whole Time Director (Designated as an Executive Director), liable to retire by rotation. Remuneration for FY 2026-27 – Rs. 6,21,000/- Per Month FY 2025-26 – Rs. 62.86 Lakhs Per Annum.
Directorship in other Companies & Membership/Chairmanship of Committees of other Boards	None
Listed entities from which the Director has resigned in the past three years	Not Applicable
Shareholding in the Company	42,39,705 shares (18.72%)
Relationship with Other Directors, Managers and other Key Managerial Personnel of the Company	Apart from receiving remuneration and corporate action related benefits as a shareholder of the Company, he has no other pecuniary relationship with the Company. Mr. K N Sreenath is not related to any Managerial Personnel of the Company.
The number of Meetings of the Board attended during the year	23

Additional information pursuant to the Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of the Special Businesses pursuant to Section 102 of the Companies Act, 2013:

Item Nos. 6

Name of the Director	**Mr. Gururaj Dambal**
Director Identification Number (DIN)	03099402
Date of Birth and Age (in years)	8th July 1977, 49 Yrs
Date of Appointment at current designation / Date of first appointment on the Board	16th July 2010
Profile / Qualifications & Experience	Mr. Gururaj Dambal has over 23 years of experience in the Electrical Industry. Promoted the company in 2010 along with other promoters. Currently he is responsible for product development, automation, purchase, assembly, testing, and delivery in the relay unit.
Expertise in specific functional area	He has got extensive experience in product development from concept to final product for a wide range of solutions, including measuring instruments, security systems, power protection relays, communication protocol devices, annunciation modules, electromechanical relays, and custom-built products for power system protection. He is proficient in firmware development using Assembly and Embedded C, with strong expertise in hardware and PCB design for embedded systems, protection relays, and monitoring/control products.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the Remuneration last drawn	Appointed as a Whole Time Director, liable to retire by rotation. Remuneration for FY 2026-27 – Rs. 7,67,000/- Per Month FY 2025-26 – Rs. 74.62 Lakhs Per Annum.
Directorship in other Companies & Membership/Chairmanship of Committees of other Boards	None
Listed entities from which the Director has resigned in the past three years	Not Applicable
Shareholding in the Company	42,39,705 shares (18.72%)
Relationship with Other Directors, Managers and other Key Managerial Personnel of the Company	Apart from receiving remuneration and corporate action related benefits as a shareholder of the Company, he has no other pecuniary relationship with the Company. Mr. Gururaj Dambal is not related to any Managerial Personnel of the Company.
The number of Meetings of the Board attended during the year	23

Additional information pursuant to the Secretarial Standards - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of the Special Businesses pursuant to Section 102 of the Companies Act, 2013:

Item No. 7

Name of the Director	**Mr. Vinod Kumar S**
Director Identification Number (DIN)	03115822
Date of Birth and Age (in years)	13th January 1984, 42 Yrs
Date of Appointment at current designation / Date of first appointment on the Board	16th July 2010
Profile / Qualifications & Experience	Mr. Vinod has around 23 years of professional expertise in the Electrical Industry. His core expertise is in production, purchase and procurement. He promoted the Company along with other promoters.
Expertise in specific functional area	Mr. Vinod is a result-driven Director with over 23 years of experience in procurement, production and operations. He has got the proven expertise in streamlining supply chains, optimizing manufacturing processes, and driving cost efficiencies across diverse sectors. He is skilled in vendor development, strategic sourcing, and end-to-end production management. He has got the strong leadership skills in cross-functional collaboration, regulatory compliance, and achieving operational excellence. He has been recognized for consistently delivering results in high-pressure, deadline-driven environments.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the Remuneration last drawn	Appointed as a Whole Time Director, liable to retire by rotation. Remuneration for FY 2026-27 – Rs. 6,26,000/- Per Month FY 2025-26 – Rs. 63.46 Lakhs Per Annum.
Directorship in other Companies & Membership/Chairmanship of Committees of other Boards	None
Listed entities from which the Director has resigned in the past three years	Not Applicable
Shareholding in the Company	39,56,205 shares (17.47%)
Relationship with Other Directors, Managers and other Key Managerial Personnel of the Company	Apart from receiving remuneration and corporate action related benefits as a shareholder of the Company, he has no other pecuniary relationship with the Company. Mr. Vinod is not related to any Managerial Personnel of the Company.
The number of Meetings of the Board attended during the year	23

By order of the Board
For **AVANA ELECTROSYSTEMS LIMITED**

Sd/-
Panish Anantharamaiah
Managing Director
DIN: 00288112

Place: Bangalore
Date: 19th August, 2026

Details of the information pursuant to Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" read with SEBI Circular and applicable provisions of the Companies Act, 2013, if any, and as placed before the Audit Committee for consideration while seeking prior approval of the proposed RPT(s), are provided below:

A(1).

Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party/ies	1. Mr. Panish Ananthāramaiah 2. Mr. K N Sreenath 3. Mr. Gururaj Dambal 4. Mr. S Vinod Kumar
2.	Country of incorporation of the related party/ies(Being Individuals – Residence)	India
3.	Nature of business of the related party/ies	Payment of Remuneration to Managing / Whole time Directors

A(2).

Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Relationship between the listed entity/subsidiary[1] (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	Promoter Directors
	• Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	N.A
	• Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	N.A
	• Shareholding of the related party/ies, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). ***Explanation**: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control[2].* *While calculating indirect shareholding, shareholding held by relatives [3]shall also be considered.*	(Percentage on the total paid up Equity Share Capital) Mr. Panish Anantharamaiah-18.72% Mr. K N Sreenath-18.72% Mr. Gururaj Dambal-18.72% Mr. S Vinod Kumar-17.47%

A(3).

Details of previous transactions with the related party

<table>
<tr><th>S. No.</th><th>Particulars of the information</th><th>Information provided by the management</th></tr>
<tr><td>1.</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.
<table><tr><th>SL No</th><th>Nature of Transaction</th><th>Amount (in INR)</th></tr><tr><td>Panish Ananthramaiah</td><td>Director Remuneration</td><td>88.54 Lakhs</td></tr><tr><td>K N Sreenath</td><td>Director Remuneration</td><td>62.86 Lakhs</td></tr><tr><td>Gururaj Dambal</td><td>Director Remuneration</td><td>74.62 Lakhs</td></tr><tr><td>S Vinod Kumar</td><td>Director Remuneration</td><td>63.46 Lakhs</td></tr></table>Explanation: Details need to be disclosed separately for listed entity and its subsidiary.</td><td></td></tr>
<tr><td>2.</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party/ies in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.</td><td>Mr. Panish Ananthramaiah-Rs 20.49 lakhs
Mr. K N Sreenath-Rs 14.13 lakhs
Mr. Gururaj Dambal-Rs 17.01 lakhs
Mr. Vinod Kumar-Rs 14.28 lakhs</td></tr>
<tr><td>3.</td><td>Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.</td><td>NA</td></tr>
</table>

A(4).

Amount of the proposed transaction(s)

S. No.	Particulars of the information	Information provided by the management
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	Payment of Remuneration to Promoter Directors: 1. Mr. Panish Ananthramaiah- Rs 99.96 Lakhs

		2. Mr. K N Sreenath-Rs 74.52 Lakhs 3. Mr. Gururaj Dambal – Rs 92.04 Lakhs 4. Mr. S Vinod Kumar- Rs 75.12 Lakhs
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party/ies during the current financial year would render the proposed transaction a material RPT?	No, It is NOT Material RPT as per the provisions of Regulation 23(1) of SEBI LODR. However as per Regulation 23(2) (e) of SEBI LODR, approval of Audit Committee obtained since the payment of Remuneration is made to the Promoter Directors. Approval of Shareholders is sought since the payment of Remuneration to Promoter Directors exceeds 5% of Net profits of the Company.
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	4%
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	*NA*
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	*NA*
6.	Financial performance of the related party for the immediately preceding financial year: ***Explanations***: *The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.*	NA

A(5).

Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	Payment of remuneration to Promoter Directors
2.	Details of each type of the proposed transaction	Payment of remuneration to Promoter Directors
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	2026-27
4.	Whether omnibus approval is being sought?	*No.*
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	Total Rs 341.64 Lakhs
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	1. All The Executive Directors are Promoters since inception. 2.Their expertise, perseverance, and business acumen transformed Avana from a modest revenue based Company to a listed SME raising funds from the public through SME IPO in January 2026. 3. Their combined leadership and domain expertise have been instrumental in scaling the Company's revenue from ₹2.13 crore in FY 2010-11 to ₹83.85 crore in FY 2025-26, reflecting consistent expansion and market penetration. 4.Profitability has improved significantly, rising from ₹10 lakhs in FY 2010-11 to ₹11.72 crore in FY 2025-26, demonstrating effective cost management, operational efficiency, and strategic execution of projects. 5.Each director's specialized expertise — spanning operations, engineering, product development, procurement, finance, and HR — has ensured holistic growth, robust governance, and operational excellence.
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. *Explanation:* Indirect interest shall mean interest held through any person over which an individual has control.	Mr. Panish Anantharamaiah Mr. K N Sreenath Mr. Gururaj Dambal Mr. S Vinod Kumar
	a. Name of the director / KMP	Mr. Panish Anantharamaiah Mr. K N Sreenath Mr. Gururaj Dambal

		Mr. S Vinod Kumar
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	*Percentage on the total paid up Equity Share Capital :* Mr. *Panish Anantharamaiah-18.72%* Mr. *K N Sreenath-18.72%* Mr. *Gururaj Dambal-18.72%* Mr. *S Vinod Kumar-17.47%*
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	NA
9.	Other information relevant for decision making.	NIL

Note: Details as per RPT Industry Standards are provided since the payment of Remuneration exceeds 2% of Turnover of the Company.

The Audit Committee and the Board of the company have reviewed and taken note of the Certificate issued by the Managing Director and Chief Financial Officer in respect of the related party transaction involving the payment of remuneration to the promoter directors.

By Order of the Board

for Avana Electrosystems Limited

Sd/-
Panish Anantharamaiah
Managing Director
DIN:00288112

Place: Bangalore
Date: 19th August 2026

BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 16th Annual Report of **Avana Electrosystems Limited** ("the Company") along with the audited financial statements for the financial year ended March 31, 2026.

The Financial Year 2025-26 marks a historic milestone in the Company's journey with the successful completion of its Initial Public Offering ("IPO") and the listing of its Equity Shares on the **NSE EMERGE Platform** on the National Stock Exchange of India Limited on **20th January 2026**. The successful listing has strengthened the Company's capital base, enhanced its market visibility and reinforced the confidence of investors in the Company's business model, governance standards and long-term growth strategy.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2026 are summarized below:

(₹. in Lakh)

Particulars	**Current Year ended 31st March, 2026**	**Previous Year ended 31st March, 2025**
Revenue from operations (net)	8,385.88	6,148.58
Other Income	97.21	144.81
Total Income	**8,483.09**	**6,293.39**
Operating Expenditure	6,753.15	4,896.62
Profit before Interest, Depreciation and Amortisation and Tax (PBDIT)	**1,729.94**	**1,396.77**
Finance Costs (net)	85.68	91.25
Depreciation and Amortisation	64.63	75.63
Profit before Taxes	**1,579.63**	**1,229.88**
Tax Expenses	407.35	322.64
Net Profit for the Year	**1,172.28**	**847.08**
Balance Brought Forward from Previous Year	**2,080.87**	**1,233.79**
Less:- Amount utilised for issue of Bonus Shares	-1,658.94	-
Amount Available for Appropriation	**1,594.21**	**2,080.87**
Appropriations		
Dividends on Equity Shares	-	-
Tax on Dividends	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	**1,594.21**	**2,080.87**

PERFORMANCE OF THE COMPANY

During the year under review, your Company clocked a total income of ₹ **8,483.09** Lakhs as against ₹**6,293.39** Lakhs representing an increase of 34.79 % over that of the previous year. The PBDIT has increased from ₹**1,396.77** Lakhs (FY 2024-2025) to ₹**1,729.94 Lakhs** (FY 2025-2026) representing an increase of 23.85 %. The Net Profit during the year was ₹ **1,172.28** Lakhs in comparison with previous year which stood at ₹ **847.08** Lakhs resulting in an increase of 38.39 %.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

DIVIDEND

For the Financial Year 2025-2026, your Company did not declare any dividend.

No Dividend remained unclaimed for a period of 7 consecutive years which is required to be transferred to Investor Education & Protection Fund (IE&PF).

SHARE CAPITAL AND CHANGES IN SHARE CAPITAL: -

During the year, there was a change in the share capital of the Company. The Authorised Share Capital of the Company increased from INR 90,00,000/-(Rupees Ninety Lakhs Only) divided into 9,00,000 Equity Shares of INR 10/- (Rupees Ten) each to INR 25,00,00,000/-(Rupees Twenty Five Crores Only) divided into 2,50,00,000 Equity Shares of INR 10/- (Rupees Ten) each.

The Issued, Subscribed and Paid–up Equity Share Capital of the Company was increased from INR 79,40,640/- (Rupees Seventy Nine Lakhs Forty Thousand Six Hundred and Forty Only) divided into 7,94,064 Equity Shares of INR 10/- each to INR 22,64,54,080/- (Rupees Twenty Two Crores Sixty Four Lakhs Fifty Four Thousand and Eighty Only) divided into 2,26,45,408 Equity Shares of INR 10/- each.

SHARES IN SUSPENSE ACCOUNT

There are No shares lying in Suspense Account.

INITIAL PUBLIC OFFER (IPO) AND LISTING

Pursuant to Section 23 (1) of the Companies Act, 2013 and other provisions under the said Act and Rules made thereunder read with chapter IX of the securities and exchange board of India (issue of capital and disclosure requirements) regulations, 2018 ("SEBI (ICDR) regulations"), as amended in terms of Rule 19(2)(b) of the securities contracts (regulation) Rules, 1957, your Company had made an Initial Public Offer aggregating to INR 3,522.30 Lakhs ("Issue Size") and has issued and allotted 51,76,000 equity shares to the general public and 7,94,000 equity shares were offered under OFS (Offer for Sale) at a price of INR 59/- per share (including Face Value of Rs.10/- and a Premium of Rs. 49/- per share) through an Initial Public Offer. Furthermore, the Equity Shares of your Company were listed on The National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") platform on Tuesday, January 20, 2026.

SUBSIDIARY COMPANY, ASSOCIATE AND JOINT VENTURE

During the year under review, the Company did not have any Subsidiary, Associate or Joint Venture Company.

TRANSFER TO RESERVES

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

FINANCE

The total borrowings reduced from ₹568.51 Lakhs to ₹ 76.14 Lakhs mainly due to internal accruals from Operations/ improvement in the business of the Company.
Your Company follows judicious management of its Short Term and Long-Term Borrowings with strong relationship with reputed Banks from whom your Company has availed Credit facilities at very competitive rates.

DEPOSITS

Your Company neither accepted nor renewed any Deposits during the year to which the provisions of the Companies (Acceptance of Deposits) Rules, 2014 applies.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all the Unpaid or Unclaimed dividends are required to be transferred by the Company to the IEPF Authority after the completion of seven years. Further, according to the Rules, the Shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year 2025-26, No Unpaid or Unclaimed Dividend was required to be transferred to the IEPF Authority since the Company did not declare any dividend in the past.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company has adhered to the provisions of Section 186 of the Companies Act, 2013. There were no loans / guarantees given and no investments made by the Company during the financial year ended 31st March, 2026.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments, Resignations and Changes

Mrs. Sheela Arvind (DIN: 01020390) was appointed as a Non- Executive Independent Woman Director with effect from 4th August 2025 to hold office of the Company for a period of 5 (five) consecutive years w.e.f., 4th August 2025 to 4th August 2030.

Mrs. Shital Darak Mandhana (DIN: 07043909) was appointed as a Non- Executive Independent Woman Director with effect from 4th August 2025 to hold office of the Company for a period of 5 (five) consecutive years w.e.f., 4th August 2025 to 4th August 2030.

Mr. Kishore N S (DIN: 11222235) was appointed as a Non- Executive Independent Director with effect from 4th August 2025 to hold office of the Company for a period of 5 (five) consecutive years w.e.f., 4th August 2025 to 4th August 2030.

Mr. Ravi Kumar S (Membership No: 239041) was appointed as the Chief Financial Officer (CFO) of the Company with effect from 1st September 2025.

Mrs. Amrutha Naveen (Membership No: A65237) Company Secretary and Compliance Officer of the Company resigned from the position for professional growth through Practice with effect from the close of business hours on 31st March 2026. The Board placed on record its appreciation for the services rendered by Mrs. Amrutha Naveen during her tenure as the Company Secretary.

Ms. C R Nerajaa (Membership No: A66661) was appointed as the Company Secretary and Compliance Officer of the Company with effect from 10th April 2026.

Mr. Panish Anantharamaiah, Managing Director, Mr. Gururaj Dambal, Whole-Time Director, Mr. Vinod Kumar S Whole Time Director, Mr. K N Sreenath Whole Time Director (Designated as an Executive Director), Mr. S Ravi

Kumar, Chief Financial Officer and Ms. C R Nerajaa, Company Secretary are the Key Managerial Personnel (KMPs) of the Company as per Section 203 of the Companies Act, 2013.

Brief Profile of Directors appointed during the Financial Year 2025-26:

Mrs. Sheela Arvind, aged 56 years is a Fellow Member of the Institute of Company Secretaries of India and holds a Bachelor's Degree in Commerce from the University of Mysore, a Bachelor's Degree in Law from the Karnataka State Law University, Hubballi and a Diploma in Business Administration from the Department of Technical Education, Government of Karnataka. She is a Practicing Company Secretary with 22 years of expertise in Corporate Governance, Secretarial Compliance, CSR, ESG, Social Audit, Drafting, Taxation and compliance laws.

In the Opinion of the Board, the Independent Woman Director Mrs. Sheela Arvind appointed during the financial year ended 31st March, 2026 has the requisite Independence, Integrity, Expertise and Experience.

Mrs. Shital Darak Mandhana, aged 40 years is a Fellow Member of the Institute of Company Secretaries of India. She holds a Bachelor's Degree in Commerce from the University of Mumbai, a Bachelor's Degree in Law from the Mumbai University, and a Master of Arts in Business Law from NUJS (National University of Juridical Science). She is also a Registered Valuer registered with the Insolvency and Bankruptcy Board of India. She has worked with Avesthagen Limited as Executive Company Secretary from June 2009 to January 2010 and with Kurlon Limited as a Company Secretary from February 2010 to July 2013 and with Integrated Risk Control Applications Private Limited as a Secretarial and Legal Advisor from January 2014 to December 2014. Since 2015, she is a Practicing Company Secretary and has founded ProCS Legal, a firm providing legal, secretarial, and business consultancy services. She has experience in the field of valuation, financial analysis and research, compliance management, ITR Management and Team Management skills.

In the Opinion of the Board, the Independent Woman Director Mrs. Shital Darak Mandhana appointed during the financial year ended 31st March, 2026 has the requisite Independence, Integrity, Expertise and Experience.

Mr. Kishore N S, aged 44 years, is a member of the Institute of Chartered Accountants of India and holds a Bachelor's Degree in Business Management from the Bangalore University and is a Practicing Chartered Accountant. He has over 14 years of experience in financial, regulatory, and strategic advisory services. He also specializes in Audit & Assurance, Taxation (both Direct and Indirect), Corporate Law & Secretarial Services, Financial Advisory, Business Valuation & Transaction Support, Internal Controls & SOP Implementation.

In the Opinion of the Board, the Independent Director Mr. Kishore N S, appointed during the financial year ended 31st March, 2026 has the requisite Independence, Integrity, Expertise and Experience.

Re-appointments

As per provisions of the Companies Act, 2013, Mr. Gururaj Dambal, (DIN: 03099402) Whole-Time Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment.

Brief Profile of Director proposed to be Re-appointed:

Mr. Gururaj Dambal, aged 48 years, is one of the Promoters and a Whole Time Director of your Company. He holds a Diploma in Electronics and Communication Engineering from the Department of Technical Education, Government of Karnataka and has 24 years of experience in the Electrical Industry. Previously, he was associated with JVS Electronics Private Limited as a Technical Assistant from July 2001 to September 2009 and with Vignani Technologies Private Limited from October 2009 to July 2010 as Member Technical Staff. He is associated with your Company since year 2010. Currently he looks after the product development, automation, purchase, assembly, testing and delivery in relay unit.

Your Board recommends the reappointment of Mr. Gururaj Dambal, Whole-Time Director who is retiring by rotation in the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the financial year ended March 31, 2026.
Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Business Responsibility Reporting as required under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 does not apply to your Company for the financial year 2025-26.

DISCLOSURE IN RESPECT OF SCHEME FORMULATED UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013

Since the Company has not formulated any scheme in terms of Section 67(3) of the Companies Act, 2013, no disclosures are required to be made.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the year under review, 23 Board Meetings were convened and held. The intervening gap between the Meetings was within the time period prescribed under the Companies Act, 2013. The details of such meetings are as under:

Sl. No.	Date of Board Meetings	No. of Directors as on Date	No. of Directors Present	Percentage of Attendance
1.	15th May 2025	5	5	100%
2.	30th June 2025	5	5	100%
3.	21st July 2025	5	5	100%
4.	1st August 2025	4	4	100%
5.	19th August 2025	7	4	57%
6.	29th August 2025	7	4	57%
7.	2nd September 2025	7	4	57%
8.	3rd September 2025	7	7	100%
9.	5th September 2025	7	7	100%
10.	11th September 2025	7	4	57%
11.	19th September 2025	7	7	100%
12.	24th September 2025	7	7	100%
13.	8th November 2025	7	4	57%
14.	9th December 2025	7	7	100%
15.	17th December 2025	7	4	57%
16.	19th December 2025	7	7	100%
17.	20th December 2025	7	7	100%
18.	23rd December 2025	7	7	100%
19.	3rd January 2026	7	7	100%
20.	16th January 2026	7	4	57%

21.	21st January 2026	7	4	57%
22.	9th February 2026	7	4	57%
23.	4th March 2026	7	4	57%

BOARD COMMITTEES

The primary committees of the Board are Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The composition of the Primary Committees as of 31st March 2026 (including the changes effected up to the date of this report) and their meeting dates are given below:

Name of the Committee	Composition	Details of Meetings held during the year
Audit Committee	The Committee comprises of 3 Members - 2 Non-Executive Independent Directors and 1 Executive Director as on 31.03.2026. The Chairman of the Committee is an Independent Director.	3 meetings were held during the year on the following dates: - • 19-Sep-2025 • 24-Sep-2025 • 23-Dec-2025
Nomination and Remuneration Committee	The Committee comprises of 3 Members - 3 Non-Executive Independent Directors as on 31.03.2026. The Chairman of the Committee is an Independent Director.	1 meeting was held during the year on the date: - • 23-Dec-2025
Stakeholders' Relationship Committee	The Committee comprises of 3 Members - 2 Non-Executive Independent Directors and 1 Whole - Time Director (MD) as on 31.03.2026. The Chairman of the Committee is an Independent Director.	1 meeting was held during the year on the date: - • 03-Jan-2026
Corporate Social Responsibility Committee	The Committee comprises of 3 Members – 1 Non-Executive Independent Director and 2 Whole-Time Directors as on 31.03.2026. The Chairman of the Committee is an Independent Director	No Corporate Social Responsibility Committee meeting was held during the year.

Details of recommendations of Audit Committee which were not accepted by the board along with reasons

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during its meetings held to consider financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year, the Board of Directors considered all the recommendations made by the Audit Committee, accepted and carried out the same to its satisfaction. Hence there are no recommendation of Audit Committee unaccepted by the Board of Directors of the Company during the year under review.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013and the Listing Regulations. The performance of Managing Director of the Board was reviewed by the Independent Directors taking into consideration the views of the other executive directors. Similarly, the performance of other Executive Directors was reviewed by the Independent Directors taking in to consideration the other Executive Directors and Managing Director (other than the Director being evaluated). The parameters considered were leadership ability, adherence to corporate governance practices, Integrity, Attendance and Availability to Meetings, knowledge of Company's business, Active Participation in deliberations in Meetings, use of Core Competencies, Professional Skills and expertise for the benefit of the Company, maintaining confidentiality, adhering to code of conduct, disclosing conflict of interest etc. The Board evaluated its performance after seeking inputs from all the Directors on the basis of such criteria such as Board

composition and structure, Strategic guidance, Board Dynamics, effectiveness of board processes, information and functioning etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc. The above criteria are as provided by the Guidance note on Board evaluation issued by the Securities and Exchange Board of India.
As per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018, the followings details are being provided on Board evaluation.

Observations of board evaluation carried out for the year.	There were no observations arising out of board evaluation during the year as the evaluation indicates that the Board has functioned effectively within its powers as enumerated under Companies Act, 2013 and in consonance with the Articles of Association of the Company.
Previous year's observations and action taken.	There were no observations during the previous year warranting any action.
Proposed actions based on current year observations.	As there were no observations, the action to be taken does not arise.

NON-APPLICABILITY OF INDIAN ACCOUNTING STANDARDS

As per the provisions of Rule 4(1) of the Companies (Indian Accounting Standards) Rules, 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, are exempted from the compulsory requirements of adoption of IND-AS w.e.f. 1st April, 2017. As your Company is listed on NSE Emerge platform, it is covered under the exempted category and is not required to comply with IND-AS for preparation of Financial Statements.

CODE FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted the Internal Code of conduct for Regulating, monitoring and reporting of trades by Designated persons under the Securities Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 ("Code") for prohibition of insider trading in the securities of the Company to curb the practice for dealing in the securities while having Unpublished Price Sensitive Information ("UPSI") by the Insiders of the Company. The Code, inter alia, prohibits dealing in securities by insiders while in possession of unpublished price sensitive information. The said Code has been amended, from time to time, to give effect to the various notifications/circulars of Securities and Exchange Board of India ("SEBI") with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015. Your Company has also formulated and adopted the Policy and Procedures for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information [Under Regulation 9A (5) of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015].

DETAILS OF POLICIES DEVELOPED BY THE COMPANY

(i) Nomination and Remuneration Policy

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013. The objective of this policy is to ensure

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance with short and long-term performance objectives appropriate to the working of the Company and its goals;

This policy is being governed by the Nomination and Remuneration Committee comprising of members of the Board, as stated above, comprising of three Independent Directors. The policy lays down the standards to be followed by the Nomination and Remuneration Committee with respect to the appointment, remuneration and evaluation of Directors and Key Management Personnel. The detailed policy is hosted on the website of the Company and the web link for same is **https://avanaelectrosystems.com/wp-content/uploads/2025/12/6.-Nomination-and-Remuneration-Policy.pdf**

Affirmation that the remuneration is as per the remuneration policy of the Company

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013. This policy governs the criteria for deciding the remuneration for Directors, Key Managerial Personnel and Senior Management Personnel. It is affirmed that the remuneration to Directors, Key Managerial Personnel and Senior Management Personnel is being fixed based on the criteria and parameters mentioned in the above-mentioned policy of the Company.

(ii) Corporate Social Responsibility Policy (CSR)

Your Company recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

Your Company endeavors to make CSR an important agenda and is committed to its Stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Your Company satisfying the threshold as stipulated under Section 135 of the Companies Act, 2013 has established the CSR Committee comprising of members of the Board, as stated above, and the Chairman of the Committee is Non-Executive and Independent Director. The said Committee has formulated and approved the CSR policy as per the approach and direction given by the Board pursuant to the recommendations made by the Committee including guiding principles for Selection, implementation and monitoring of activities as well as formulation of Annual Action Plan for the Company with its major focus on:-

- Devising meaningful and effective strategies for carrying out CSR activities and engaging with all stakeholders towards implementation and monitoring.
- Make sustainable contributions to communities.
- Identify socio-economic opportunities to perform CSR activities.
- Focus on social welfare activities and programmes as envisaged in Schedule VII of The Companies Act, 2013.
- Modalities of utilizing the funds and implementation of schedules for the Projects or Programmes.
- Monitoring and Reporting mechanism for the Projects or Programmes; and
- Details of need and impact assessment study, if any, for the Projects undertaken by the Company.

The CSR Committee is meant to recommend to the Board of Directors to implement the CSR activities covering any of the areas as detailed under Schedule VII of the Companies Act, 2013 as per CSR Policy of the Company. Annual Report on CSR activities as required under the provisions of Companies Act, 2013 is annexed herewith marked as **Annexure "A"** and forms part of this report.

(iii) Risk Management and Measures

The Company recognizes that risk management is an integral part of good corporate governance. In line with the requirements under Section 134(3)(n) of the Companies Act, 2013, the Board of Directors has developed and implemented a comprehensive Risk Management Measures. The objective is to create a robust framework for identifying, evaluating, monitoring, and mitigating operational, financial, and strategic risks across the organization. The risk management framework is overseen directly by the Board of Directors and reviewed periodically in consultation with the Audit Committee to align with the evolving business environment.

1. Identification of Key Risk Elements the Board has identified the following principal elements of risk that may impact the ongoing operations and future performance of the Company Market and Industry Risk: Vulnerability to fluctuations in customer demand, intense competition within the SME sector, and price volatility of raw materials or inputs. Financial and Liquidity Risk: Exposure to interest rate shifts, foreign exchange fluctuations (if applicable), and timely realization of trade receivables. Operational Risk: Dependencies on key personnel, technology disruptions, supply chain bottlenecks, and maintenance of quality control standards. Regulatory and

Compliance Risk: Adherence to continuous disclosure norms under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, statutory labor laws, environmental guidelines, and tax regulations.

2. Mitigation Measures and Internal Controls To counter the identified risks, the Company has put in place the following proactive control measures: Internal Financial Controls: The Company maintains an adequate system of internal financial controls commensurate with its size and scale of operations, ensuring accuracy in financial reporting and safeguarding of assets. Diversification and Monitoring: Regular review of operational pipelines, expansion of the customer/supplier base to avoid concentration risk, and stringent credit control policies for trade debtors. Compliance Tracking: Periodic internal reviews and updates from the designated Compliance Officer to ensure strict adherence to stock exchange guidelines and statutory filings. Going Concern Assessment: In the opinion of the Board, there are currently no elements of risk that threaten the immediate existence or going concern status of the Company.

(iv) Whistle-Blower Policy – Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairman of the Board/Chairman of the Audit Committee in exceptional cases.

In line with the statutory requirements, the Company has formulated a Whistle Blower Policy/Vigil Mechanism, which covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company Rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is or is likely to be affected and formally reported by whistle blowers concerning its employees.

The Managing Director is responsible for the administration, interpretation, application and review of this policy. The Managing Director is also empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee. The mechanism also provides for access to the Chairman of the Audit Committee in required circumstances.

TRAINING AND FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Every Independent Director on being inducted into the Board attends an orientation program. To familiarize the new directors with the strategy, operations and functions of our Company, the Executive Directors/ Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product offerings, Organization structure, human resources, technologies, facilities and risk management.

Further, at the time of appointment of Independent Directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director. The detailed familiarization program for Independent Directors is hosted on the website of the Company and the weblink for same is https://avanaelectrosystems.com/wp-content/uploads/2025/12/Familiarisation-Programme-for-Independent-Directors.pdf

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively, have been duly followed / complied with by your Company.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

Your Company has **NO** Subsidiary, Joint venture or Associate Companies. Thus, a statement on performance of Subsidiary Company as per form AOC-1 is not applicable to the Company.

AUDITORS

Statutory Auditors

At the Annual General Meeting held on 30th September 2024, M/s. Vasanth & Co, Chartered Accountants, (Firm Registration number 008204S) were appointed as Statutory Auditors of the Company to hold office for a consecutive term of 5 years from the conclusion of Fifteenth (15th) Annual General Meeting of the Company until the conclusion of Nineteenth (19th) Annual General Meeting of the Company to be held in the calendar year 2029.

The Company has received a Certificate from the Statutory Auditors to the effect they are not disqualified to continue as Auditors of the Company has also been received.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Total Fees for all the Services paid by the Company, on a consolidated basis, to the Statutory Auditors

Total Fees for all the Services paid by the Company, on a consolidated basis to M/s. Vasanth & Co, Chartered Accountants, Statutory Auditors for the financial year 2025-26 was Rs.10,00,000/- (Rupees Ten Lakhs Only) in 2025-26 (excluding tax).

The Board, in consultation with the Statutory Auditors and as per the recommendation of Audit Committee, will decide the payment of Audit Fee payable to the Statutory Auditors for all their services including audit of accounts, tax audit etc., for the financial year 2026-27 excluding out of pocket expenses.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Malali Anantharam Adarsha, [Membership No: A61879, CP No:23994], a Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2025-2026 is annexed herewith marked as **Annexure "B"** and forms part of this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to recent SEBI-LODR Amendments, the Company is required to appoint Secretarial Auditors for a term of five consecutive financial years. In view this, the Directors recommend the resolution at Item No. 3 of the Notice of Annual General Meeting to be passed as an Ordinary Resolution for appointment of Mr. Malali Anantharam Adarsha (Peer Review No. – 3224/2023) Company Secretary in Practice to undertake Secretarial Audit of the Company for a term of five consecutive financial years i.e. from the financial year 2026-27 to financial year 2030-31.

The Board, in consultation with the Secretarial Auditor and as per the recommendation of Audit Committee has decided to pay a sum of Rs.1,00,000/- (Rupees One Lakh Only) as Secretarial Audit fee for a financial year 2025-26 which will be paid during this financial year. Similarly, the above said fee will be paid to the Secretarial Auditor for every financial year until their appointment is valid. The above said fee is exclusive of out-of-pocket expenses.

Internal Auditors

The Board of Directors have appointed M/s. Venkatesh Golakaram & Associates, Chartered Accountants (FRN: 029733S) as Internal Auditors of the Company for the financial year 2026-27. The Internal Auditors are reporting to the Audit Committee with regard to their audit process and key audit findings during the year.

The Board, in consultation with the Internal Auditor/s and as per the recommendation of Audit Committee has decided to pay a sum of Rs.3,00,000/- (Rupees Three Lakh Only) as Internal Audit fee for the financial year 2025-26 which will be paid during this financial year. Similarly, the above said fee will be paid to the Internal Auditor for every financial year until their appointment is valid. The above said fee is exclusive of out-of-pocket expenses.

MAINTENANCE OF COST RECORDS

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014, the Company is not required to maintain the cost records and accordingly the Company has not maintained the Cost record.

STATEMENT OF DEVIATION OR VARIATION

Pursuant to Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, there is no deviation or variation in the use of IPO proceeds.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Details of Top ten Employees in terms of Remuneration drawn:

Name/s of the Employee/s	Designation of the Employee/s	Remuneration received (Amount in ₹ Per Annum)	Nature of employment, whether contractual or otherwise Qualifications and experience of the Employee/s	Age of such Employee	Last employment held by such Employee before joining the company	Percentage of Equity Shares held by the Employee by himself or along with his/her spouse and dependent Children, being not less than two percent of the Equity Shares of the Company	Whether any such Employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
B N SHANMUKHA SWAMY	DGM- Design and Technical Support	1,836,612	BE	41	Venson Electric Pvt Ltd	Nil	No
NEYYILA RAMBABU	Manager- Automation	1,495,200	Diploma	55	Infoline LLC	Nil	No
AVINASH S J	Senior Manager- Technical Support	1,222,860	Diploma	41	Anjana Engineering Services	Nil	No
DEEPAK SHARMA	Manager - Northern Region	1,133,148	MBA	31	Elmeasure India Pvt Ltd	Nil	No
NAGARAJE GOWDA H J	Asst. Manager - Purchase	1,068,000	MBA	38	Venson Electric Pvt Ltd	Nil	No
SOMASHEKARA H K	Asst. Manager - Q&C	987,900	BA	41	Venson Electric Pvt Ltd	Nil	No
VARADARAJU C	Asst. Manager - Production	987,900	ITI	39	Venson Electric Pvt Ltd	Nil	No
CHETHAN M	Senior Design Engineer (L2)	831,972	M-Tech	31	Gnarus Solutions Pvt Ltd	Nil	No
SRIDHARA	Asst. Manager - Production	806,340	ITI	44	Venson Electric Pvt Ltd	Nil	No
SUGU KUMAR	Assistant Manager-Commercial	787,116	Diploma	43	Sai Info Systems	Nil	No

(i) Details of the employees employed throughout the year and drawing remuneration which in the aggregate is not less than Rupees One Crore and Two Lakhs per annum, during the financial year. - **NIL**

(ii) Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, which, in the aggregate exceeds Rupees Eight Lakhs and Fifty Thousand per month, during the financial year. - **NIL**.

(iii) None of the employees except the Executive Directors employed throughout the financial year or part thereof, hold by himself / herself or along with his/her spouse and dependent children, more than two per cent of the equity shares of the Company.

Details required as per Section 197 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director/KMP	Amount of Remuneration Per Annum (In Rs.)	Ratio of remuneration to median remuneration of employees for the FY	% increase / decrease in remuneration during the FY
Mr. Anantharamaiah Panish Managing Director	88.54	23.26	45%
Mr. Gururaj Dambal Whole Time Director	74.62	19.60	58%
Mr. K N Sreenath Executive Director	62.86	16.51	65%
Mr. S Vinod Kumar Whole Time Director	63.46	16.67	64%
Mr. Ravikumar S Chief Financial Officer*	4.05	NA	NA
Mrs. Amrutha Naveen Company Secretary & Compliance Officer **	8.18	NA	NA

Note: Retirement benefits like Gratuity not included since the same is not comparable.

*Mr. Ravi Kumar S was appointed as Chief Financial Officer of the Company with effect from September 1, 2025.
** Mrs. Amrutha Naveen was appointed as Company secretary & Compliance Officer on August 29,2025 and resigned from the position of Company Secretary & Compliance Officer with effect from March 31, 2026.

Percentage increase in the median remuneration of employees in the financial year

The median remuneration of Employees for the Financial Year 31st March, 2026 was arrived at Rs 3,80,633/- per annum and the median remuneration of Employees for the previous financial year 31st March, 2025 was arrived at Rs 3,37,459/- per annum and accordingly, there was an increase of 12.79% in the median remuneration of employees in the financial year.

Number of permanent employees on the rolls of the Company as on 31st March 2026

The Number of permanent employees on the rolls of the Company as of 31st March, 2026 stood at 154.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile increase was about 15.23% for all the employees who went through the compensation review cycle in the year. For the managerial personnel, the compensation has increased marginally for Executive Directors, Managing Director, CFO and the Company Secretary, due to annual increment based on their performance. The remuneration for the Managing Director and Executive Directors is determined by the Shareholders for a defined term as stipulated under the Companies Act, 2013.

The compensation decisions are taken after considering at various levels of the benchmark data and the compensation budget approved for the financial year. The Nomination and Remuneration Committee recommends to the Board of Directors any compensation revision of the managerial personnel. In respect of Whole-time Directors, the remuneration fixed for them is finally approved by the Shareholders.

Details of pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company

All the Non-Executive Directors were entitled to only the Sitting fees of Rs. 30,000/- (Rupees Thirty Thousand Only) for every board meeting they attend as Members pursuant to the payment of sitting fees approved by the Board at its meeting held on 29th August 2025.

Mr. Panish Anantharamaiah, Managing Director held 42,39,705 Equity shares as of 31st March 2026.

Mr. K N Sreenath, Executive Director held 42,39,705 Equity shares as of 31st March 2026.

Mr. Gururaj Dambal, Whole-Time Director held 42,39,705 Equity shares as of 31st March 2026.

Mr. Vinod Kumar S, Whole-Time Director held 39,56,205 Equity shares as of 31st March 2026.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The term Internal Financial Controls has been defined as the policies and procedures adopted by the Company to ensure orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

Your Company has adequate and robust Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Internal Auditor of the Company carry out review of the internal control systems and procedures. The internal audit reports are reviewed by Audit Committee and Board.

Your Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial year ended 31st March, 2026.

MATERNITY BENEFIT PROVIDED BY THE COMPANY UNDER MATERNITY BENEFIT ACT 1961

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

LISTING WITH STOCK EXCHANGE

The Equity Shares of the Company were listed on National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") platform on 20th January, 2026.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there were no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31ST MARCH 2026 TILL THE DATE OF THIS REPORT

There have been no material changes and commitments which affect the financial position of the Company which have occurred between the end of the financial year i.e., from 31st March 2026 to which the financial statements relate until the date of this report.

EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

The Company has not issued any shares with differential voting rights and accordingly the provisions of section 43 read with Rule 4 (4) of the Companies (share capital and debentures) Rules 2014 of the Companies act 2013 and Rules framed there under are not applicable to the Company for the financial year under review.

DETAILS OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity shares and accordingly the provisions of Section 54 read with Rule 8 (13) of the Companies (Shares Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and Rules framed there under are not applicable to the Company for the financial year under review.

DETAILS OF EMPLOYEES STOCK OPTION SCHEME

The Company has not granted stock option and accordingly the provisions of Section 62(1)(b) read with Rule 12 (9) of the of the Companies (Shares Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and Rules framed there under are not applicable to the Company for the financial year under review.

DEMAT STATUS

All the shares are presently held in Dematerialized / electronic mode.

CREATION OF CHARGE

During the year the Company has created / modified charge on its assets for the purpose of availing Loans from Banks / Financial Institutions.

CORPORATE GOVERNANCE REPORT

The Company is claiming exemption under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Compliance with the Corporate Governance Provisions as specified in regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) 2015 shall not apply except those specifically made applicable to SME Listed Companies.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTION: -NIL

ANNUAL RETURN

The Annual Return as on 31st March 2026 as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-7 of the Companies (Management and Administration) Rules, 2014, is available on the website of the Company and can be accessed at https://avanaelectrosystems.com/

RELATED PARTY TRANSACTIONS

As required under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company has developed a policy on dealing with Related Party Transactions and such policy is disclosed on the Company's website. The weblink for the same is https://avanaelectrosystems.com/wp-content/uploads/2026/09/AEL-Related-Party-Transactions-Policy-Final.pdf

There were no related party transactions entered into during the financial year by the Company with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large other than the remuneration paid to the Executive Director/s and the payments made to some of the Related Parties as disclosed in the financials and Stock Exchange as per the approval obtained from the Audit Committee.

The details of Related Party Transactions are provided in the Notes to the Accounts and AOC-2 forming part of the Director's Report – Marked as **Annexure "C"**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT: -

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report as **Annexure "D"** which forms an integral part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details on Conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed herewith as marked as **Annexure "E"** and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.
5. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
6. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITORY

Your Company has arrangements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), the Depositories, for facilitating the members to trade in the fully paid-up equity shares of the Company in Dematerialized form. The Annual Custody fees for the FY 2026-27 has been paid to both the Depositories.

INDUSTRIAL RELATIONS

Industrial relations in all the units and branches of your Company remained cordial and peaceful throughout the year.

DETAILS OF APPLICATION MADE / PROCEEDINGS PENDING UNDER IBC CODE, 2016 DURING THE YEAR AND THEIR STATUS AS AT THE END OF FY: NIL

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF: N.A.

DETAILS OF ONE TIME SETTLEMENT, IF ANY; NIL

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company gives importance to the conduct of operations in such a manner to ensure safety of all the Stakeholders concerned, compliance with all the environmental regulations and preservation of natural resources.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and sincere thanks to the Customers, Business Associates, Vendors, Bankers, Government and all the statutory authorities for their unwavering support and co-operation. Your directors, also acknowledge the hard work, dedication, and commitment of the employees and place on record the appreciation for the dedication and hard work contributed by employees, individually and collectively, in the overall progress of the Company during the last year.

By Order of the Board
for Avana Electrosystems Limited

Sd/-	**Sd/-**
Panish A	**K N Sreenath**
Managing Director	**Executive Director**
DIN:00288112	**DIN:03099421**

Place: Bangalore
Date: 19th August 2026

ANNEXURE "A"

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company**

Avana recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. CSR Policy of Avana encompasses its philosophy of giving back to the Society from which it thrives and it endeavors to make CSR an important agenda and is committed to its stakeholders to conduct its business in an accountable manner that creates a sustainable positive impact on society.

The objectives of Avana's CSR policy are –

- Devising meaningful and effective strategies for carrying out CSR activities and engaging with all stakeholders towards implementation and monitoring.
- Make sustainable contributions to communities.
- Identify socio-economic opportunities to perform CSR activities.
- Focus on social welfare activities and programmes as envisaged in Schedule VII of Companies Act, 2013.
- Modalities of utilizing the funds and implementation of schedules for the Projects or Programmes.
- Monitoring and Reporting mechanism for the Projects or Programmes; and
- Details of need and impact assessment study, if any, for the Projects undertaken by the Company.

2. Composition of the CSR Committee, the details of its Meetings and Attendance: -

Mr. Kishore N S – Non-Executive Independent Director (Chairman), Mr. Gururaj Dambal – Whole-Time Director (Member), Mr. Vinod Kumar S. – Whole-Time Director (Member)

S.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kishore N S	Independent Director	-	-
2.	Mr. Gururaj Dambal	Whole-Time Director	-	-
3.	Mr. Vinod Kumar S	Whole-Time Director	-	-

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

Web Link: https://avanaelectrosystems.com/composition-of-committee/
https://avanaelectrosystems.com/wp-content/uploads/2025/12/CSR-policy_avana-electro.pdf

4. **Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-Rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.**

Not applicable during the financial year 2025-26.

5.

a) Average net profit of the Company as per sub-section (5) of section 135

Financial years	**Net profit (in Lakhs)**
2024-2025	1,229.88
2023-2024	587.64
2022-2023	99.73
Average Net Profit	**639.09**

b) Two percent of average net profit of the Company as per sub-section (5) of section 135.
Rs. 12.78 Lakhs.

c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.: **NIL**

d) Amount required to be set-off for the financial year, if any: **NIL**

e) Total CSR obligation for the financial year [(b)+(c)-(d)] :
Rs. 12.78 Lakhs.

6.

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)

(i) Details of CSR Amount spent against Ongoing Projects for the financial year: **NIL**

(ii) Details of CSR Amount spent against other than Ongoing Projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
NIL												

b) Amount spent in Administrative Overhead
NIL

c) Amount spent on Impact Assessment, if applicable
NIL

d) Total amount spent for the Financial Year (a+b+c)
NIL

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
12,78,175	NIL	NIL	PMCARES	12,78,175	16.07.2026

Note: The amount of Rs.12,78,175 was transferred to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PMCARES) on 16th July 2026.

f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	12.78
(ii)	Total amount spent for the Financial Year	12.78
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs).	Date of transfer.		
NIL									

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NO**

If yes, enter the number of Capital assets created/acquired: **NIL**

S.No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
NIL							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.
Not Applicable

For **Avana Electrosystems Limited**

Sd/-	**Sd/-**
Gururaj Dambal	**Kishore N S**
Whole Time Director	**Chairman CSR Committee**
DIN:03099402	**DIN:11222235**

Place: Bangalore
Date: 19th August 2026

ANNEXURE "B"

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
AVANA ELECTROSYSTEMS LIMITED
CIN: U31400KA2010PLC054508
Registered Office: No. 8, Plot No.35, 1st Main Road, 2nd Phase,
Peenya Industrial Area, Nelagadaranahalli Village, Peenya Small Industries, Bangalore, Bangalore North, Karnataka, India, 560058.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avana Electrosystems Limited having CIN: U31400KA2010PLC054508 (hereinafter called the Company). Secretarial Audit was conducted based on the records made available to me, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's relevant books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 01st April 2025 to 31st March 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by AVANA ELECTROSYSTEMS LIMITED ("the Company") for the financial year ended on 31st March 2026 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder read with notifications, exemptions and clarifications thereto;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    e) The Securities and Exchange Board of India (Share Based Employee Benefits (SBEB) & Sweat Equity (SE)) Regulations, 2021 (**Not applicable,** as the Company has not issued and listed any securities under SBEB or SE during the financial year under review);
    f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable,** as the Company has not issued and listed any debt securities during the financial year under review);

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client with respect to issue of securities;
h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. (**Not applicable** to the Company as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review.);
i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable** as the Company has not bought-back its shares during the financial year under review).

6. I have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for the compliances under the following applicable Act (if applicable), Law & Regulations to the Company:

    a. Workmen's compensation Act, 1923 and all other allied labour laws,
    b. Applicable Direct and Indirect Tax Laws,
    c. Prevention of Money Laundering Act, 2002,
    d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,
    e. Fire Prevention and Life Safety Measures,
    f. Environment Protection Act, 1986 and other environmental laws including Waste Management Rules, 2016,
    g. Payment of Wages Act, 1936, and Rules made thereunder,
    h. The Minimum Wages Act, 1948, and Rules made thereunder.
    i. The Employees Provident Fund and Miscellaneous Provisions Act, 1952, and Rules made thereunder;
    j. Employee State Insurance Act, 1948
    k. The Factories Act, 1948.

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
2. The Listing Agreement entered into by the Company with NSE Emerge, to the extent applicable during the period subsequent to listing.

During the period under review, the Company was listed on 20th January, 2026 on NSE Emerge. Accordingly, the applicable provisions relating to listed entities have been examined from the date of listing, in addition to the applicable statutory requirements governing the Company during the entire financial year.

During the period under review the Company has complied with the requirements to be met in accordance with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the required extent.

I, Further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

I, Further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The following changes took place in the composition of the Board:

Sl. No	Name	Designated at the beginning/during the financial year	Date of appointment/change in designation/ Cessation	Nature of Change (Appointment/ Change in designation/ Cessation
1	Mr. Nama Sreeramaiah Kishore	Independent Director	04-08-2025	Appointment
2	Mrs. Sheela Arvind	Independent Director	04-08-2025	Appointment
3	Mrs. Shital Darak Mandhana	Independent Director	04-08-2025	Appointment
4	Mr. Kondahalli Nagaraj Sreenath	Executive Director	29-09-2025	Re-appointment (re-designated, retired by rotation, and re-appointed at the subsequent AGM held on 29 September 2025
5	Mr. Kondahalli Nagaraj Sreenath	Chief Financial Officer (CFO)	29-08-2025	Cessation
6	Mr. Ravikumar S	Chief Financial Officer (CFO)	01-09-2025	Appointment
7	Mrs. Amrutha Naveen	Company Secretary (CS)	29-08-2025	Appointment
8	Mrs. Amrutha Naveen	Company Secretary (CS)	31-03-2026	Cessation
9	Ms. Chennai Ramdas Nerajaa	Company Secretary (CS)	10-04-2026	Appointment

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured, if any and recorded as part of the minutes.

I further report that, based on our examination of the records and information provided to us, the Company has generally complied with the filing requirements under the Companies Act, 2013 and has filed the necessary forms, returns, documents and resolutions with the Registrar of Companies and other concerned authorities.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, regulations and guidelines.

I further report that during the Audit period, the Company had the following event which had a bearing on the Company's affairs in pursuance of the above-referred laws, Rules, regulations, guidelines, and standards.

1) Bonus Issue of Equity Shares:

On 19 August 2025, the Board of Directors of the Company approved and allotted bonus equity shares in the ratio of 21:1, i.e., 21 new equity shares for every 1 existing equity share held by the members of the Company.

During FY 2025–26, the Company issued and allotted **1,66,75,344 equity shares of ₹10 each as fully paid-up bonus equity shares**, by way of capitalisation of free reserves amounting to **₹1,658.94 lakhs** and the Capital Redemption Reserve (CRR) amounting to **₹8.59 lakhs**.
Any fractional entitlements arising from the bonus issue, if any, were dealt with in accordance with the Articles of Association of the Company and the applicable provisions and practices of the stock exchanges.

2) Approval for Initial Public Offer and Listing:

The Board of Directors, at its meeting held on 29 August 2025, approved the Initial Public Offer (IPO) of the Company, which was subsequently approved by the shareholders through a Special Resolution passed at the Extra-Ordinary General Meeting held on 03 September 2025.

The aforesaid approval was subsequently amended by the Board Resolution dated 09 December 2025 and the Shareholders' Resolution dated 12 December 2025.

3) Initial Public Offer and Allotment of Equity Shares:

Pursuant to the aforesaid approvals, the Company issued and allotted **59,70,000 equity shares of face value of ₹10 each at an issue price of ₹59 per equity share**, including a securities premium of ₹49 per equity share, aggregating to **₹3,522.30 lakhs**, pursuant to its SME Initial Public Offer (IPO) on the EMERGE Platform of the National Stock Exchange of India Limited ("NSE EMERGE").
Out of the total 59,70,000 equity shares, **7,94,000 equity shares were offered for sale by the existing shareholders under the Offer for Sale (OFS)**, and the remaining **51,76,000 equity shares were issued by the Company as a Fresh Issue**.

Pursuant to the aforesaid allotment, the paid-up equity share capital of the Company increased to **₹2,264.54 lakhs**.

4. Listing and Commencement of Trading:

The Company obtained listing approval from the National Stock Exchange of India Limited ("NSE") vide its letter dated **19th January 2026**, pursuant to which **2,26,45,408 equity shares of face value of ₹10 each** were listed on the SME Platform of NSE.

Trading in the equity shares of the Company commenced with effect from **20th January 2026**.

Sd/-

Malali Anantharam Adarsha
Company Secretary
ACS: 61879
CP: 23994
UDIN: A061879H001155972
PR: 3224/2023

Place: Bangalore
Date: 19/08/2026

* This report is to be read with our letter of even date which is annexed as **Annexure-1** and forms an integral part of this report.

ANNEXURE-1

To,
The Members,
AVANA ELECTROSYSTEMS LIMITED
CIN: U31400KA2010PLC054508
Registered Office: No. 8, Plot No.35, 1st Main Road, 2nd Phase,
Peenya Industrial Area, Nelagadaranahalli Village, Peenya Small Industries, Bangalore, Bangalore North, Karnataka, India, 560058.

My Secretarial Audit Report for Financial Year ended on 31st March 2026 of even date is to be read along with this letter.

1. **Maintenance of Secretarial Records:**

The maintenance of secretarial records and ensuring compliance with the applicable laws, Rules, regulations and standards are the responsibility of the Management of the Company. My responsibility as the Secretarial Auditor is to express an opinion on the compliance with the applicable laws and the maintenance of secretarial records, based on the Secretarial Audit conducted by me.

2. **Conduct of Secretarial Audit:**

The Secretarial Audit has been conducted in accordance with the applicable Secretarial Auditing Standards issued by the Institute of Company Secretaries of India. These Standards require that I comply with the applicable statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about the compliance with applicable laws and the maintenance of secretarial records.

3. **Inherent Limitations of Audit:**

I have performed such procedures as I considered appropriate to obtain reasonable assurance about the compliance with applicable laws, Rules, regulations and standards and the maintenance of secretarial records. However, due to the inherent limitations of an audit, including the possibility of human error, the use of test-checking procedures and limitations in the internal control systems and processes of the Company, there is an unavoidable risk that some instances of non-compliance or material misstatements may not be detected, even though the audit has been properly planned and performed in accordance with the applicable Secretarial Auditing Standards.

Accordingly, I wish to state as under:

1. The maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on the compliance with applicable laws and the maintenance of secretarial records, based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness and completeness of the contents of the secretarial records. The verification was carried out on a test basis to ensure that the relevant facts and records are appropriately reflected in the secretarial records. I believe that the audit procedures and processes followed by me provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of the financial records and books of account of the Company, as the same are subject to audit by the Statutory Auditors of the Company.

4. Wherever required, I have obtained Management representations concerning compliance with applicable laws, Rules and regulations and the occurrence of events and transactions, as considered necessary for the purpose of the Secretarial Audit.

5. The compliance with the provisions of corporate and other applicable laws, Rules, regulations and standards is the responsibility of the Management of the Company. My examination was limited to the verification of procedures and records on a test basis and, accordingly, I do not express an opinion on the financial records of the Company.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. The Secretarial Audit was conducted based on the records, documents, information and explanations made available to me by the Company and its officers and authorised representatives during the course of the audit.

Sd/-

Malali Anantharam Adarsha
Company Secretary
ACS: 61879
CP: 23994
UDIN: A061879H001155972
PR: 3224/2023

Place: Bangalore
Date: 19/08/2026

ANNEXURE "C"

AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in during the year ended 31st March 2026, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis- NIL

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Panish A	**K N Sreenath**
Managing Director	**Executive Director**
DIN:00288112	**DIN:03099421**

Place: Bangalore
Date: 19th August 2026

ANNEXURE "D"

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Avana Electrosystems Limited ("AVANA" or "the Company"), is a pioneering Indian Company dedicated to delivering innovative and high-quality electrical solutions to the Industrial Customers predominantly in India and to Customers in a few other Countries viz., Bangladesh, Kuwait, Zimbabwe, Ghana and Kenya. Established with a commitment to excellence, your Company specializes in manufacturing and supplying a wide range of electrical products and systems that cater to various industries. With a focus on sustainability and technological advancement, Avana aims to empower businesses through reliable and efficient electrical solutions. Our state of-the art manufacturing facilities and skilled workforce enable us to maintain the highest standards of quality and service.

Your Company is an established and reliable player in providing control and protection solutions for electrical power systems. The Company manufactures customized Control and Relay Panels and electrical protection relays for power systems. Your Company provides end to end monitoring, control and automation solutions for the power transmission and renewable energy sectors. Your Company has in-house facility for design, development and manufacture of protection relays and electromechanical auxiliary and trip relays and design, wiring, manufacture and testing of all types of panels generally used for power system applications. Your Company has experienced and talented team to design the required scheme for control and protection, development of SCADA (Supervisory Control and Data Acquisition) and automation and testing and commissioning of panels manufactured by the Company.

Your Company has well equipped calibrated testing and measuring instruments, high end 3 phase numerical power system simulator for testing and commissioning of latest numerical protection relays. Your Company has also provided complete SCADA (Supervisory Control and Data Acquisition Data Acquisition) and automation systems upto 400kV in utility substations and also renewable energy substations.

Your Company's products are in operation for over several years in various power utilities and other substations both in India and overseas like Bangladesh, Kuwait, Zimbabwe, Ghana and Kenya for voltages upto 380kV.

AVANA is a Listed Company, listed its Equity Shares on the NSE EMERGE platform (SME) of National Stock Exchange of India Limited and having its Registered Office in Bengaluru, Karnataka, India.

The Financial Statements of the Company are prepared as per the Accounting Standards, the provisions of The Companies Act, 2013 and the guidelines issued by the Securities and Exchange Board of India (SEBI)

GENERAL ECONOMIC SCENARIO & INDUSTRY STRUCTURE

The global power transmission and distribution sector is undergoing significant transformation, driven by increasing electricity demand, rapid urbanization, renewable energy integration, and modernization of ageing grid infrastructure. As countries strive to build reliable, resilient, and sustainable power systems, investments in transmission substations, distribution networks, and smart grid technologies continue to accelerate, creating substantial opportunities for manufacturers of control and relay panels, protection relays, SCADA and Automation, switchgear panels, and switchyard equipment.

Manufacture of Control & Protection Panels and Protection Relays form the backbone of modern substations by ensuring the safe, reliable, and efficient operation of electrical networks. These panels incorporate protective relays, control systems, metering devices, annunciation systems, communication modules, and automation equipment that continuously monitor electrical parameters and isolate faults within milliseconds. The widespread adoption of numerical relays compliant with IEC 61850 standards, Supervisory Control and Data Acquisition (SCADA) systems, and Intelligent Electronic Devices (IEDs) has significantly enhanced the reliability, flexibility, and operational efficiency of power utilities across the world.

The demand for Control & Relay Panels and Protection Relays has increased substantially with the development of renewable energy projects, including solar parks, wind farms, hydroelectric plants, battery energy storage systems (BESS), and hybrid power projects. Grid operators require advanced protection schemes capable of managing bidirectional power flow, variable generation sources, and increasingly complex grid operations while ensuring system stability and minimizing outages.

Utilities worldwide are increasingly replacing conventional air-insulated equipment with compact Gas-Insulated Switchgear (GIS) and hybrid substations which requires use of Control & Relay Panels, particularly in urban areas where land availability is limited.

Switchyards continue to play a pivotal role in the transmission and distribution of electricity by facilitating voltage transformation, circuit isolation, and network interconnection between generating stations, transmission lines, and distribution systems. Expansion of Extra High Voltage (EHV) and Ultra High Voltage (UHV) transmission networks has significantly increased demand for sophisticated switchyard solutions incorporating circuit breakers, disconnectors, instrument transformers, surge arresters, busbar systems, control and relay panels, protection schemes, and communication infrastructure.

Governments across major economies are investing heavily in grid expansion and modernization to accommodate increasing electricity demand and renewable energy integration. Electrification initiatives, cross-border transmission projects, smart grid deployment, electric vehicle charging infrastructure, and industrial development continue to drive investments in substations and associated electrical equipment. Emerging economies are also strengthening rural electrification and power reliability through substantial investments in transmission and distribution infrastructure.

Technological advancements are reshaping the industry through digital substations, IEC 61850-based communication architecture, process bus technology, fibre-optic communication networks, artificial intelligence-enabled asset management, predictive analytics, cybersecurity solutions, and cloud-based monitoring platforms. These innovations enable utilities to improve grid visibility, reduce operational costs, enhance asset utilization, and ensure higher levels of system reliability.

Despite positive market fundamentals, the industry continues to face challenges arising from volatility in raw material prices, supply chain constraints, geopolitical uncertainties, and evolving environmental regulations. Rising costs of copper, aluminum, electrical steel, semiconductors, and electronic components have impacted manufacturing costs, while utilities increasingly demand shorter project execution timelines and customized engineering solutions.

Looking ahead, the long-term outlook for the industry remains highly favorable. Global commitments towards clean energy transition, expansion of renewable energy capacity, increasing investments in transmission infrastructure, electrification of transport, industrial automation, and modernization of ageing electrical networks are expected to sustain robust demand for control and protection panels, switchgear panels, and switchyard solutions. Manufacturers capable of delivering technologically advanced, reliable, energy-efficient, and digitally integrated electrical systems will be well positioned to capitalize on the evolving requirements of utilities, infrastructure developers, and industrial customers worldwide.

INDIA’S MARKET FOR ELECTRICAL CONTROL AND RELAY PANELS AND PROTECTION RELAYS – DRIVEN BY INDUSTRIALISATION, AUTOMATION AND POWER INFRASTRUCTURE UPGRADES

General Industry Scenario

The Indian electrical and electronics industry continues to be a critical component of the country's economic and industrial development. Increasing industrialisation, urbanisation, electrification, infrastructure development and rising electricity consumption are driving sustained investments across the power generation, transmission and distribution value chain.

India's installed power generation capacity reached approximately 532.74 GW as of March 2026, compared with around 248 GW in 2014. Renewable energy capacity has also expanded significantly, reaching approximately 274.69 GW as of March 2026. The continued expansion of generation capacity, particularly renewable energy, is creating a corresponding requirement for strengthening transmission and distribution infrastructure and improving grid reliability.

The country's electricity demand is also increasing with economic growth and rising industrial and commercial activity. India achieved a record peak electricity demand of approximately 256.1 GW on April 25, 2026, which was met without power shortage. The growth in peak demand highlights the increasing requirement for reliable generation, transmission, distribution and electrical control infrastructure.

The electrical equipment industry is consequently witnessing increasing demand for switchgear, transformers, cables and wires, control & relay panels, protection relays, power electronics and other associated products. Industry analysis indicates that India's domestic consumption of electrical equipment grew at approximately 11% CAGR between 2020 and 2025, reaching around US$59 billion in 2025. Transmission and distribution accounted for nearly 40% of the market, while storage, grid management and power electronics are among the faster-growing segments.

The industry is also benefiting from the Government's continued focus on domestic manufacturing, infrastructure development, renewable energy integration, grid modernisation, smart metering and distribution-sector reforms. Initiatives such as the Revamped Distribution Sector Scheme (RDSS) and various manufacturing and localisation initiatives are expected to support investments in electrical infrastructure and create opportunities for domestic manufacturers.

The increasing emphasis on energy efficiency, digitalisation and automation is further changing the nature of electrical equipment demand. Customers are progressively seeking equipment that provides enhanced reliability, safety, monitoring capabilities, energy efficiency and operational flexibility.

Specific Industry Scenario – Control & Relay Panels and Protection Relays

Control and relay panels and protection relays form an important part of the protection, monitoring and automation infrastructure used across power generation, transmission, distribution and industrial applications. These systems facilitate the protection, control, monitoring and management of electrical equipment and networks, thereby contributing to the safe and reliable operation of electrical installations.

The market for electrical control panels in India is expected to witness sustained growth, supported by industrial expansion, grid reinforcement, renewable-energy evacuation, infrastructure development, manufacturing investments, data centres, railways, water infrastructure and commercial projects. A recent industry assessment estimates the Indian electric control panel market at approximately US$486 million in 2025, with the market projected to reach approximately US$790 million by 2031, representing an estimated CAGR of 8.4%.

The growth drivers for the specific segment include:

1. Industrialisation and Manufacturing Expansion

The expansion of manufacturing facilities, industrial corridors and process industries is increasing the requirement for reliable electrical distribution and control systems. New manufacturing facilities as well as brownfield expansion and modernisation projects require electrical panels, motor control centres, control panels, protection systems and automation solutions.

2. Power Transmission and Distribution Upgrades

The continued expansion and modernisation of India's transmission and distribution network is a major demand driver. With the transmission network expanding and renewable-energy capacity increasing, there is a growing requirement for protection, control, monitoring and automation equipment at substations and distribution facilities. India's transmission infrastructure of 220 kV and above had already exceeded 5 lakh circuit kilometres by January 2026, with further expansion planned.

3. Renewable Energy Integration

The rapid growth of solar and wind power is creating additional requirements for grid integration, power evacuation, protection and control systems. Renewable generation is more variable than conventional generation, increasing the importance of sophisticated monitoring, protection, grid-management and control infrastructure. India's transition towards a larger renewable-energy base is therefore expected to create new opportunities for manufacturers of electrical control and protection equipment.

4. Industrial Automation and Digitalisation

The adoption of automation, programmable logic controllers, SCADA systems, intelligent electronic devices and digital monitoring is increasing across manufacturing and infrastructure sectors. Modern control panels are increasingly required to integrate protection, automation, communication and monitoring functions rather than merely provide conventional electrical distribution.

This shift is creating opportunities for manufacturers capable of providing engineered, customised and technologically advanced panel solutions. Industry analysis indicates that smart and connected panels are gaining importance as customers increasingly seek remote diagnostics, energy monitoring and improved operational visibility.

5. Modernisation of Existing Infrastructure

In addition to greenfield projects, a significant opportunity exists in the replacement, retrofitting and modernisation of existing electrical infrastructure. Ageing substations, industrial installations and distribution systems require upgrading of protection relays, control systems, switchgear, metering and automation systems.

This creates opportunities for manufacturers and system integrators that can provide customised retrofit solutions while ensuring minimum operational disruption.

6. Increasing Focus on Reliability and Safety

As electrical networks become more complex and interconnected, the importance of reliable protection and control systems is increasing. Relay panels and associated protection systems play an important role in detecting abnormal electrical conditions, isolating faults and protecting critical equipment.

Consequently, customers are placing greater emphasis on quality, reliability, technical compliance, testing, customisation and after-sales support, in addition to price.

7. Emergence of Smart and Connected Electrical Systems

The electrical equipment industry is gradually moving towards intelligent and connected systems. Digital protection relays, remote monitoring, communication-enabled control systems and data-driven maintenance are increasingly being adopted to improve asset utilisation and reduce unplanned downtime.

The shift towards smart-grid technologies and digital substations is expected to further increase the technology content of relay and control panels.

8. Growth Opportunities for Domestic Manufacturers

The Government's emphasis on domestic manufacturing and reducing dependence on imported equipment and components is expected to provide opportunities for Indian manufacturers. The broader electrical-equipment industry has significant potential to expand domestic production and exports, with control panels already forming part of India's electrical-equipment export basket. McKinsey and IEEMA estimate that India's electrical-equipment production could potentially scale to more than US$195 billion by 2035, supported by domestic demand and export opportunities.

Outlook

The outlook for the electrical relay panel and control equipment segment remains positive, supported by the convergence of industrialisation, power-sector expansion, renewable-energy integration, infrastructure development, automation and digitalisation.

The Company's operating segment is positioned to participate in these opportunities through the manufacture and supply of electrical control & relay panels, protection relays and associated electrical equipment. Continued investments in power generation, transmission and distribution, industrial infrastructure and renewable energy are expected to provide a favourable demand environment.

Going forward, the ability to deliver quality products, customised engineering solutions, technological capability, competitive pricing and timely execution will remain important factors in determining competitiveness within the industry.

Power-Related Investments

The Government of India continues to place significant emphasis on strengthening the power sector and creating adequate generation, transmission and distribution infrastructure to meet the country's growing energy requirements. The Union Budget 2026-27 reinforces the focus on infrastructure-led growth, with the Union Government proposing capital expenditure of ₹12.22 lakh crore and effective capital expenditure of ₹17.15 lakh crore during FY 2026-27.

The power sector is expected to witness continued investments across generation capacity, transmission networks, distribution infrastructure, renewable energy and energy storage. As of January 2026, India's installed power generation capacity stood at approximately 520.51 GW, while substantial investments are being undertaken to strengthen the transmission and distribution network and integrate increasing renewable energy capacity.

Particular emphasis is being placed on strengthening transmission infrastructure to facilitate the integration of renewable energy into the national grid. Transmission systems are being planned to integrate more than 500 GW of renewable energy capacity by 2030 and more than 600 GW by 2032. The transmission network of 220 kV and above is projected to expand to approximately 6.48 lakh circuit kilometres, with transformation capacity expected to increase to around 2,345 GVA by 2031-32.

Investment in the distribution sector is also expected to remain significant. Under the Revamped Distribution Sector Scheme (RDSS), works amounting to approximately ₹1.53 lakh crore for strengthening distribution infrastructure and ₹1.30 lakh crore for smart metering have been sanctioned, supporting the modernisation and strengthening of India's electricity distribution network.

The increasing deployment of renewable energy and battery energy storage systems is further expected to create requirements for modern grid infrastructure, including electrical protection, control and automation systems. The Government is also supporting Battery Energy Storage Systems through viability gap funding mechanisms to facilitate greater integration of renewable energy into the grid.

In addition, the Government's continued focus on domestic manufacturing of power and renewable energy equipment is expected to provide opportunities for manufacturers and suppliers forming part of the electrical and power equipment ecosystem.

The above developments are expected to provide favourable opportunities for the Company's business, particularly in relation to electrical control & relay panels, protection relays and protection systems and other associated electrical equipment, as investments in power generation, transmission, distribution, renewable energy and industrial infrastructure are expected to drive demand for such equipment. The Company remains well positioned to participate in the emerging opportunities arising from the continued expansion and modernisation of India's power infrastructure.

Highlights of Union Budget 2026-27

The Union Budget 2026-27 was presented by the Hon'ble Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman, on February 1, 2026. The Budget lays emphasis on strengthening infrastructure, promoting domestic manufacturing, supporting the power and renewable energy sectors, and accelerating investment-led economic growth.

Some of the key announcements relevant to the electrical and power equipment industry are as follows:

- **Higher Public Capital Expenditure:** The Government has proposed to increase public capital expenditure to **₹12.2 lakh crore in FY 2026-27**, with continued focus on infrastructure development and connectivity. The increased infrastructure spending is expected to support demand across various segments of the electrical and power equipment industry.
- **Focus on Power and Renewable Energy Equipment Manufacturing:** The Government continues to promote domestic manufacturing of power and renewable energy equipment through dedicated manufacturing zones, with an emphasis on cutting-edge, clean and energy-efficient technologies and reducing dependence on imports of equipment, critical components, raw materials and spares.

- **Strengthening of the Power Sector:** The Budget proposes measures to improve the efficiency and scale of Public Sector NBFCs, including restructuring of Power Finance Corporation and Rural Electrification Corporation. This is expected to support financing and investment in the power sector.
- **Infrastructure Development:** The Budget provides for continued development of infrastructure, including dedicated freight corridors, national waterways and high-speed rail corridors. Such infrastructure expansion is expected to create opportunities for ancillary industries and suppliers of electrical, control, protection and related equipment.
- **Growth Opportunities for Electrical and Relay Panel Industry:** The continued emphasis on power infrastructure, transmission and distribution, renewable energy, industrial development and domestic manufacturing is expected to provide a favourable environment for the electrical equipment industry, including manufacturers and suppliers of **control & relay panels, protection relays**. The Company's business in this segment is expected to benefit from the increased focus on infrastructure creation and strengthening of the domestic power ecosystem.

Overall, the Union Budget 2026-27 reflects the Government's continued focus on infrastructure-led growth, domestic manufacturing, energy security and strengthening of the power sector. These initiatives are expected to create favourable opportunities for the Company's business and support its growth prospects over the medium to long term.

BUSINESS-WISE PERFORMANCE OF THE COMPANY

During the year under review, your Company recorded a total income of ₹ 8,483.09 Lakhs as against ₹6,293.39 Lakhs representing an increase of 34.79 % over that of the previous year. The PBDIT has increased from ₹1,396.77 Lakhs (FY 2024-2025) to ₹1,729.94 Lakhs (FY 2025-2026) representing an increase of 23.85 %. The Net Profit during the year was ₹ 1,172.28 Lakhs in comparison with previous year which stood at ₹ 847.08 Lakhs resulting in an increase of 38.39 %.

EXPORTS

India's export sector continued to demonstrate resilience and diversification during FY 2025-26, supported by growth in engineering goods, electronics, electrical machinery and other value-added manufacturing segments. India's total exports of goods and services reached a record USD 860.09 billion in FY 2025-26, reflecting the increasing competitiveness of Indian businesses in global markets.

The electrical and electronics segment has emerged as an important contributor to India's export growth. Electronics exports increased substantially, reaching approximately ₹4.24 lakh crore in FY 2025-26, compared with approximately ₹38,263 crore in FY 2014-15. Electronic goods exports were valued at approximately USD 47.96 billion during FY 2025-26, reflecting the rapid expansion of India's electronics manufacturing capabilities and integration with global supply chains.

The engineering goods sector also continued to be a significant contributor to India's merchandise exports. Electrical machinery and equipment accounted for approximately 12.5% of India's engineering exports during FY 2025-26, highlighting the growing importance of the electrical equipment segment in India's export basket.

India is also demonstrating increasing competitiveness in power equipment and electrical control equipment, including electrical control panels. NITI Aayog's analysis indicates that India's export share in power equipment and electrical control panels has increased, reflecting the country's growing capabilities in electro-mechanical and power-related equipment.

The Government's continued focus on Make in India, Atmanirbhar Bharat, domestic manufacturing, infrastructure development and integration with global value chains is expected to provide further opportunities for Indian manufacturers to expand their international presence. Recent trade initiatives and tariff liberalisation measures are also expected to improve market access for Indian electrical machinery and equipment, including products such as circuit breakers, control panels, generating sets, electric motors and insulated conductors.

The growth in global demand for electrical and power-related equipment, coupled with India's expanding manufacturing capabilities, presents opportunities for the Company to explore and strengthen its presence in international markets. The Company remains focused on leveraging its capabilities in electrical control & relay panels, protection relays and associated electrical equipment to participate in the opportunities emerging from the growth of India's electrical and power equipment export market.

NEW PRODUCT DEVELOPMENT

The Company continues to focus on innovation and development of products and solutions in line with the evolving requirements of the electrical and power sector. The increasing adoption of automation, digitalisation, renewable energy and smart-grid technologies is creating demand for more efficient, reliable and technologically advanced electrical and control systems.

The evolving power sector is increasingly adopting advanced digital technologies, smart-grid solutions, automation and improved protection systems to enhance grid reliability and facilitate the integration of renewable energy. The Draft National Electricity Policy, 2026 also emphasises indigenous technology development, research and development, smart-grid technologies and domestic manufacturing of power-sector equipment and components.

In this environment, the Company is continuously evaluating opportunities for development and enhancement of its electrical control & relay panels, protection relays and other associated electrical products, with a focus on improving product reliability, operational efficiency, safety and customisation to meet specific customer requirements.

The Company also intends to leverage its technical capabilities and manufacturing infrastructure to develop products aligned with the changing requirements of the power generation, transmission and distribution sectors. The increasing deployment of renewable energy, grid modernisation, distribution automation and energy storage systems is expected to create new opportunities for technologically advanced electrical and control equipment.

The Company remains committed to strengthening its product portfolio through continuous improvement, technology adoption and customer-oriented product development, while exploring opportunities to introduce new and value-added products that can enhance its competitiveness and support sustainable growth.

DETAILS OF SIGNIFICANT CHANGES (i.e., CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS WITH EXPLANATION:

(i) **Debtors Turnover Ratio (in Days)** - This stands at 3.86 times compared to the previous year's 3.41 times There is a change to the extent of 13.21%. There is no significant change.

(ii) **Inventory Turnover Ratio –** This stands at 2.68 times compared to previous year's 2.41 times There is a change to the extent of 11.32%. There is no significant change.

(iii) **Interest Coverage Ratio –** This stands at 0.05 times compared to previous year's figure of 0.07 times The change is 25.51%. The significant change is mainly due to lower operating earnings relative to the Company's interest obligations during the year.

(iv) **Current Ratio –** This stands at 3.34 times compared to previous year's figure of 2.10 times The change is 59.15% The significant change is due to improvement in liquidity position and repayment of unsecured working capital loans during the year.

(v) **Total Debt to Equity Ratio –** This stands at 0.01 times compared to previous year's figure of 0.26 times. The significant change by decrease of 96.15% is mainly due to repayment of loans during the year, resulting in lower debt

(vi) **Operating Profit Margin (%) –** This stands at 19.86% compared to previous year's figure of 21.49% The change is 1.63%. There is no significant change.

(vii) **Net Profit Margin (%) –** This stands at 13.98% compared to previous year's figure of 13.78% The change is 1.47%. There is no significant change.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.-

Pursuant to Section 23 (1) of the Companies Act, 2013 and other provisions under the said Act and Rules made thereunder read with chapter IX of the securities and exchange board of India (issue of capital and disclosure requirements) regulations, 2018 ("SEBI (ICDR) regulations"), as amended in terms of Rule 19(2)(b) of the securities contracts (regulation) Rules, 1957 , your Company had made Initial Public Offer aggregating to INR 3,522.30 Lakhs ("Issue Size") and has issued and allotted 59,70,000 equity share at a price of INR 59/- per share (including Face Value of Rs.10/- and a Premium of Rs. 49/- per share) through an Initial Public Offer. Furthermore, the Equity Shares of your Company were listed on National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") platform on Tuesday, January 20, 2026.

Besides the SME IPO, the Company's Operations resulted in transfer of Surplus to Reserves which has resulted in increase in the Net worth of the Company.

OPPORTUNITIES

Some of the factors that contribute to the growth of the industry are as follows:

Significant Industrial Activity, Expansion and Power Infrastructure Upgrade Across India Drives the growth of the market for Electrical Control & Relay Panels and Protection Relays

India's continued industrialisation, expansion of manufacturing capacity and significant investments in power infrastructure are creating a favourable environment for the electrical equipment industry. The growth of industrial, infrastructure, renewable energy and commercial projects is increasing the requirement for reliable electrical distribution, protection, control and automation systems.

The country's industrial activity has shown continued momentum. During June 2026, India's Index of Industrial Production (IIP) recorded a year-on-year growth of 7.3%, with the manufacturing sector growing by 7.8% and electricity and gas supply growing by 10.6%. Notably, the manufacture of electrical equipment recorded growth of 34.0%, with electrical apparatus for switching or protecting electrical circuits, including switchgear, circuit breakers, switches and control/meter panels, being among the significant contributors to growth.

The expansion of industrial and manufacturing activities is accompanied by increasing investments in captive power systems, substations, electrical distribution networks, industrial automation and process-control infrastructure. New manufacturing facilities as well as expansion and modernisation of existing facilities require dependable electrical systems to ensure operational continuity, equipment protection and efficient energy management.

The power sector is another significant driver of demand. India's installed generation capacity stood at approximately 524 GW as of February 2026, while the country successfully met a peak electricity demand of 256.1 GW in April 2026 without shortage. The continued increase in electricity demand is necessitating corresponding investments in generation, transmission, distribution and grid-management infrastructure.

The Government's transmission-development roadmap provides significant visibility for future investment. The National Electricity Plan envisages transmission-sector investment opportunities exceeding ₹9.15 lakh crore up to 2032, along with substantial expansion in transmission and transformation capacity. The plan also provides for adoption of advanced technologies, including hybrid substations, dynamic line rating, high-performance conductors and advanced grid-management systems.

The integration of renewable energy is further accelerating the need for transmission and distribution upgrades. The transmission network is being expanded to facilitate the evacuation and integration of large quantities of renewable energy, while advanced protection and control technologies are becoming increasingly important for maintaining grid stability and reliability.

Against this backdrop, electrical relay panels and control systems form an essential component of modern electrical infrastructure. Relay panels and protection systems enable detection of electrical faults and abnormal operating conditions and facilitate the timely isolation of affected equipment. Control panels, meanwhile, provide the interface for monitoring, controlling and automating electrical systems and industrial processes.

The increasing adoption of digital protection relays, intelligent electronic devices, SCADA systems, automation, remote monitoring and smart-grid technologies is further enhancing the role of relay and control panels in modern power and industrial installations. The transition from conventional electrical systems to digitally enabled and automated systems is expected to increase the technology content and value of electrical control and protection solutions.

The growth opportunities are therefore not limited to new power projects. Significant potential also exists in the upgradation, replacement and retrofitting of existing electrical infrastructure, including ageing substations, industrial electrical systems and distribution networks. Such modernisation requires replacement of conventional protection and control equipment with technologically advanced systems.

The continued expansion of India's manufacturing base, together with investments in power generation, transmission and distribution, renewable energy, industrial automation, infrastructure and grid modernisation, is expected to sustain demand for electrical control & relay panels, protection relays and associated equipment.

The Company is well positioned to participate in these emerging opportunities through its capabilities in electrical control & relay panels, protection relays and associated electrical equipment. The Company remains focused on product quality, customised solutions, technological advancement and timely execution to cater to the evolving requirements of industrial and power-sector customers.

Supportive Government Schemes to Contribute to the Stellar Growth of the Market

The Government of India continues to undertake various policy initiatives and schemes aimed at strengthening domestic manufacturing, improving power infrastructure, promoting energy efficiency and developing a robust electronics and electrical equipment ecosystem. These initiatives are expected to create favourable opportunities for Companies operating in the electrical and electronics industry.

- **Revamped Distribution Sector Scheme (RDSS):** The Revamped Distribution Sector Scheme is aimed at improving the operational efficiency and financial sustainability of electricity distribution utilities and enhancing the quality and reliability of power supply. As of March 2026, distribution infrastructure and smart metering works aggregating approximately ₹2.83 lakh crore had been sanctioned under the scheme. The infrastructure component includes augmentation of substations and distribution transformers, creation of new substations, feeder segregation and deployment of SCADA/DMS systems. These investments are expected to generate sustained demand for electrical, control and protection equipment.

- **Production Linked Incentive (PLI) Schemes:** The Government's PLI framework covering 14 key sectors is aimed at enhancing domestic manufacturing capabilities, attracting investments, increasing exports and improving India's global competitiveness. As of March 31, 2026, the PLI schemes had attracted actual investments exceeding ₹2.40 lakh crore and generated employment of more than 14.15 lakh direct and indirect jobs. The electronics sector has been a significant beneficiary of the PLI initiatives, supporting the development of domestic manufacturing capabilities.

- **Electronics Component Manufacturing Scheme (ECMS):** The ECMS is intended to deepen India's electronics component ecosystem and encourage domestic manufacturing of components, sub-assemblies and related products. The Government has increased the budgetary outlay for the scheme to ₹40,000 crore in Budget 2026, following strong industry participation. The scheme is expected to encourage localisation, increase domestic value addition and strengthen the domestic supply chain for electronic and electro-mechanical components.

- **Manufacturing Zones for Power and Renewable Energy Equipment:** The Government has been promoting dedicated manufacturing zones for power and renewable energy equipment with a focus on advanced, clean and energy-efficient technologies and reducing dependence on imported equipment, critical components, raw materials and spares. Such initiatives are expected to strengthen domestic manufacturing capabilities and create opportunities across the power equipment value chain.

- **Support for Energy Storage and Renewable Energy**: Government initiatives supporting Battery Energy Storage Systems and renewable energy integration are expected to facilitate the development of grid-scale energy storage and enable greater integration of renewable energy into the electricity grid. The resulting investments in grid infrastructure, protection, control and power management systems are expected to create additional opportunities for the electrical equipment industry.
- **Energy Efficiency Initiatives**: Various Government programmes aimed at promoting energy efficiency across industries and establishments encourage businesses to adopt energy-efficient technologies and improve energy management. Such initiatives are expected to support demand for efficient electrical equipment and modernisation of industrial electrical systems.

Overall, the Government's continued emphasis on domestic manufacturing, power-sector reforms, renewable energy, distribution infrastructure, electronics manufacturing and energy efficiency is expected to provide a supportive environment for the growth of the electrical and electronics industry. These initiatives are likely to create opportunities for manufacturers of electrical panels, relay panels, control panels, switchboards, protection systems and associated electrical equipment, thereby supporting the Company's growth prospects over the medium to long term.

Projected Key Trends for 2026-27

Continued Market Growth:

The Indian electrical and power equipment industry is expected to maintain a strong growth trajectory during FY 2026-27, supported by sustained economic growth, increasing electricity demand, industrial expansion and continued investments in power generation, transmission and distribution infrastructure. India's electricity demand is projected to continue growing over the coming years, supported by rising industrial and residential consumption.

The expansion of renewable energy is expected to be an important driver of industry growth. India's transmission system is being planned to integrate more than 500 GW of renewable energy capacity by 2030, while the transmission network at 220 kV and above is projected to expand from approximately 5.04 lakh circuit kilometres in February 2026 to 6.48 lakh circuit kilometres by 2032.

The distribution segment is also expected to witness continued investments in network strengthening, substations, distribution transformers, feeder segregation, smart metering and automation. Under the Revamped Distribution Sector Scheme, distribution infrastructure works of approximately ₹2.83 lakh crore have been sanctioned, including ₹1.53 lakh crore towards loss-reduction infrastructure and ₹1.31 lakh crore towards smart metering.

The increasing adoption of renewable energy, smart-grid technologies, energy storage and industrial automation is further creating demand for advanced electrical protection, control and monitoring systems. The Government is also encouraging investments in transmission infrastructure and technologies such as HVDC systems, STATCOMs and other grid-stability solutions to support the evolving power ecosystem.

These developments are expected to provide sustained opportunities for manufacturers of electrical control & relay panels, protection relays and associated electrical equipment. The Company expects to benefit from the continued expansion and modernisation of India's power and electrical infrastructure and remains focused on strengthening its manufacturing capabilities, product portfolio and customer base to participate in the emerging market opportunities.

Technological Advancements:

The electrical and power equipment industry is undergoing rapid technological transformation, driven by increasing electrification, renewable energy integration, industrial automation, digitalisation and the growing requirement for reliable and efficient power infrastructure. India is also witnessing increasing adoption of advanced technologies across generation, transmission and distribution systems.

Key technological developments expected to influence the industry include:

- Smart Grid Technologies: Increasing adoption of smart-grid solutions, smart metering, digital substations and automated distribution systems is expected to improve grid reliability, real-time monitoring, energy management and fault detection. Under the Revamped Distribution Sector Scheme, smart metering and SCADA systems are being deployed on a significant scale.

- Digitalisation and Automation: Artificial Intelligence (AI), data analytics, digital monitoring, automation and advanced communication technologies are increasingly being integrated into power-sector operations. The Draft National Electricity Policy, 2026 specifically envisages adoption of AI, augmented reality, virtual reality and smart-grid technologies across the power sector.
- Advanced Protection and Control Systems: The increasing complexity of electricity networks and renewable-energy integration is driving demand for sophisticated protection, control, monitoring and automation systems. This is expected to support opportunities for manufacturers of control & relay panels, protection relays and associated protection equipment.
- Power Electronics and Intelligent Equipment: Power electronics and power software are emerging as important growth areas within the electrical equipment industry, particularly in renewable energy, energy storage, electric mobility and grid-management applications.
- Renewable Energy Integration: The increasing share of renewable energy in the power mix is creating demand for technologies capable of managing variable power flows, maintaining grid stability and enabling efficient power evacuation and distribution.
- Indigenous Technology Development: Greater emphasis is being placed on domestic R&D, indigenous technology development and localisation of critical power-sector equipment and components. The Draft National Electricity Policy, 2026 also proposes measures for promoting domestic technologies, R&D and vendor development.
- Digital Manufacturing: Manufacturers are increasingly adopting digital manufacturing, automation and AI-enabled quality and production-management systems to improve productivity, reduce defects and enhance consistency. Such technologies can support improved cost and quality competitiveness in the electrical equipment industry.

These technological advancements are expected to create significant opportunities for the Company's business, particularly in electrical control & relay panels, protection relays and other associated electrical equipment. The Company remains focused on adopting appropriate technologies, improving manufacturing processes and developing products aligned with the evolving requirements of the power, infrastructure and industrial sectors.

Changing Distribution Channels:

The distribution landscape in the Indian electrical and electronics industry is evolving with the increasing adoption of digital technologies, organised procurement practices and direct customer engagement. While traditional distribution networks comprising manufacturers, authorised distributors, dealers, stockists and electrical contractors continue to remain important, businesses are increasingly adopting multiple channels to improve market reach, customer engagement and supply-chain efficiency.

For standard electrical products, distributors and dealers continue to play an important role, particularly in serving regional markets and smaller customers. At the same time, large infrastructure, power and industrial projects increasingly involve direct sales, competitive tenders, EPC contractors, system integrators and institutional procurement, enabling manufacturers to engage directly with project owners and end users.

The increasing adoption of digital B2B platforms, online product catalogues, manufacturer portals and technology-enabled procurement systems is further changing the way electrical products are discovered, evaluated and procured. Buyers are increasingly using digital channels to compare products, check availability, obtain quotations and manage procurement, while traditional relationship-based channels continue to remain relevant for technical consultation, project execution and after-sales support.

The electrical equipment industry is therefore moving towards an omni-channel distribution model, combining direct sales, distributors and dealers, project-based procurement and digital channels. This provides manufacturers with opportunities to expand geographical reach, improve customer access and strengthen market visibility while also requiring greater investment in digital capabilities, logistics, customer support and channel management.

For manufacturers of electrical control & relay panels, protection relays direct engagement with customers, EPC contractors and system integrators remains particularly important due to the customised and project-specific nature of such products. Digital channels can complement these relationships by improving product visibility, enquiry generation, communication and order management.

The Company continues to evaluate and strengthen its distribution and customer engagement channels in line with changing market requirements. The Company intends to leverage direct customer relationships, project-based opportunities, channel partners and appropriate digital platforms to enhance market reach, improve customer service and support sustainable business growth.

Focus on Value-Added Products:

Industry analysis indicates that storage, grid management and power electronics are among the faster-growing segments of the electrical equipment market, creating opportunities for manufacturers to move beyond conventional equipment towards technologically advanced solutions.

Customers are increasingly seeking electrical equipment that offers enhanced reliability, safety, efficiency, customisation, automation and monitoring capabilities, rather than products based solely on basic functionality. The adoption of digital substations, intelligent electronic devices, microprocessor-based protection relays and automated switchgear is further increasing the demand for advanced electrical and control solutions.

In this environment, manufacturers of electrical control & relay panels, protection relays have opportunities to enhance their product offerings through improved design, engineering, automation, digital monitoring and customer-specific configurations. The shift towards value-added products can also help manufacturers improve product differentiation, strengthen customer relationships and enhance their competitiveness.

The Company intends to focus on developing and offering value-added and customised electrical solutions aligned with the evolving requirements of the power, infrastructure, renewable energy and industrial sectors. The Company will continue to explore opportunities for technology adoption, product enhancement and process improvement with a view to increasing the value proposition of its products and strengthening its market position.

The Company's focus on value-added products is expected to support better customer engagement, enhanced product differentiation, improved operational efficiency and sustainable long-term growth, while enabling the Company to participate in emerging opportunities arising from the modernisation and digitalisation of India's electrical infrastructure.

Your Company has the excellent work force to achieve its goals, implement strategies and thus constantly improve its performance and rewarding all its stakeholders. The existing Human Resource is proving to be opportunity to unearth the potential of the Company, achieve the targets / milestones and mitigate the risks due to the unforeseen external negativities like fluctuating weather conditions, competitions, etc.

THREATS

Low Productivity:

Low productivity remains a challenge for the electrical and electronics manufacturing industry, particularly in areas involving labour-intensive manufacturing processes. The requirement for skilled technical manpower, coupled with gaps in practical training and limited adoption of advanced manufacturing technologies, can affect production efficiency, product quality, delivery schedules and overall cost competitiveness. Recent industry analysis also identifies workforce capability and productivity improvement as important factors for strengthening the competitiveness of India's electrical equipment industry.

The increasing complexity of electrical equipment and the adoption of automation, digital manufacturing and advanced production systems require continuous upgradation of workforce skills. Inadequate availability of appropriately skilled personnel and dependence on manual processes may result in lower productivity and higher manufacturing costs.

The Company seeks to mitigate these challenges through process improvement, workforce training, adoption of appropriate automation and technology, better production planning and continuous monitoring of operational efficiency. The Company remains focused on improving productivity and manufacturing efficiency while maintaining the required standards of quality and safety.

Quality Issues:

Quality and reliability are critical factors in the electrical and electronics industry, particularly for products such as electrical control & relay panels, protection relays, where product performance and safety are essential. Deficiencies in product quality, component reliability, manufacturing processes or testing may result in rework, rejection, warranty claims, delays in delivery and reputational impact.

The industry is also subject to evolving technical standards and quality-control requirements. The Bureau of Indian Standards (BIS) has prescribed mandatory conformity requirements for various electrical equipment and low-voltage switchgear and control gear products, requiring appropriate manufacturing infrastructure, process controls, quality-control systems and testing capabilities.

In addition, increasing customer expectations for customised, reliable and technologically advanced electrical equipment require continuous monitoring and improvement of manufacturing and testing processes. Any failure to consistently meet applicable specifications, standards or customer requirements may adversely affect customer relationships and business prospects.

The Company seeks to mitigate these risks through stringent quality-control procedures, inspection and testing at various stages of production, use of quality components and raw materials, adherence to applicable standards and specifications, and continuous improvement of manufacturing processes. The Company remains committed to maintaining consistent product quality and reliability and strengthening its quality-management practices as its operations expand.

Market Challenges:

The Indian electrical and electronics industry is witnessing significant growth; however, Companies operating in the sector continue to face challenges arising from intense competition, cost pressures, technological changes and evolving customer requirements. The electrical equipment industry is increasingly required to compete on the parameters of cost, quality, technology, delivery capability and after-sales support.

Intense Competition: The presence of established domestic manufacturers, multinational Companies and regional players has resulted in a highly competitive market. Competitive bidding and price-sensitive procurement, particularly in infrastructure and power projects, may exert pressure on product realisations and operating margins.

Raw Material and Component Costs: The prices of key inputs such as copper, aluminium, steel and other electrical components are subject to fluctuations. Recent increases in copper and aluminium prices have added cost pressures for power and electrical equipment manufacturers. The inability to pass on the entire increase in input costs to customers may adversely affect margins.

Import Dependence and Supply Chain Risks: Dependence on certain imported components and specialised equipment exposes manufacturers to fluctuations in foreign exchange rates, international logistics costs, geopolitical developments and supply-chain disruptions.

Technological Advancement: Rapid developments in automation, digitalisation, smart-grid technologies, power electronics and intelligent protection systems require continuous investment in technology, product development and skilled manpower. Failure to keep pace with technological advancements may affect competitiveness and market opportunities.

Project and Order Execution: The electrical equipment industry is closely linked to investments in power, infrastructure, industrial and renewable energy projects. Delays in project approvals, tendering, financing or execution may result in postponement or bunching of orders, thereby affecting production planning, capacity utilisation and revenue visibility.

Regulatory and Compliance Requirements: Electrical equipment manufacturers are required to comply with applicable technical, safety, quality and certification requirements. Changes in regulatory standards and customer-specific specifications may necessitate additional investment in testing, certification, product development and manufacturing processes.

Despite these challenges, the Company continues to focus on quality, cost optimisation, efficient production processes, timely delivery, technology adoption and development of customer-specific solutions to strengthen its competitive position and mitigate the impact of market-related challenges.

Climate Change Impacts:

The transition towards a lower-carbon economy is creating opportunities for the electrical industry through increased investments in renewable energy, energy storage, grid modernisation, smart-grid technologies and energy-efficient electrical systems. The increasing integration of renewable energy into the grid is also driving requirements for advanced protection, control and grid-stability solutions.

The Company continues to monitor climate-related developments and their potential impact on its operations and supply chain. The Company remains focused on operational resilience, efficient resource utilisation, technology adoption, appropriate contingency planning and compliance with applicable environmental and regulatory requirements to mitigate potential climate-related risks while pursuing opportunities arising from the transition towards a more sustainable and resilient power infrastructure

Infrastructure and Logistics:

The availability and efficiency of infrastructure and logistics networks are important factors influencing the competitiveness of the electrical and electronics manufacturing industry. Timely availability of raw materials and components, efficient transportation, warehousing and reliable connectivity are essential for maintaining production schedules and meeting customer delivery requirements.

India has been making significant investments in infrastructure and logistics through initiatives such as PM GatiShakti National Master Plan and the National Logistics Policy. PM GatiShakti focuses on integrated and multimodal infrastructure planning, including first- and last-mile connectivity, while the National Logistics Policy aims to improve logistics efficiency through process reforms, digitalisation, technology adoption and development of human resources.

As of February 2026, the Network Planning Group under PM GatiShakti had evaluated 352 infrastructure projects with an estimated value of ₹16.10 lakh crore, demonstrating the scale of infrastructure development being undertaken across the country.

The expansion of multimodal freight infrastructure is also expected to improve the movement of goods. As of January 2026, Indian Railways had approved 306 Gati Shakti Multi-Modal Cargo Terminals, of which 118 had been commissioned, with a combined approved capacity of approximately 192 million tonnes per annum.

Despite these developments, challenges relating to transportation costs, availability of specialised logistics services, supply-chain disruptions, congestion and delays in movement of goods may impact manufacturing schedules and delivery timelines. Any disruption in the availability of critical raw materials or electrical components may also result in increased procurement and inventory costs.

The Company seeks to mitigate such risks through efficient procurement and inventory planning, supplier diversification, production planning, timely procurement of critical components and close monitoring of logistics and delivery schedules. The continued improvement in India's infrastructure and logistics ecosystem is expected to provide long-term benefits to the manufacturing sector and support the Company's ability to serve its customers efficiently.

Consumer Behavior:

Consumer behaviour in the electrical and electronics industry is evolving with increasing awareness of quality, reliability, energy efficiency, safety, technology and overall product value. Customers are increasingly seeking products that offer improved performance, longer service life, lower energy consumption and greater operational efficiency.

The growing adoption of automation, digitalisation and smart technologies is also influencing purchasing decisions. Demand is gradually shifting towards technologically advanced and energy-efficient electrical products, including smart control and monitoring solutions. The increasing adoption of smart-home technologies and connected electrical devices reflects the growing preference for convenience, efficiency and technology-enabled solutions.

In the industrial and infrastructure segments, customers are increasingly evaluating electrical equipment based on product quality, technical specifications, reliability, customisation, delivery timelines, after-sales service and total cost of ownership, rather than solely on initial purchase price. This trend is particularly relevant for products such as electrical control & relay panels and protection relays, where safety and dependable performance are critical.

The increasing focus on renewable energy, power infrastructure modernisation and industrial automation is also creating demand for advanced electrical and control equipment. India's electrical equipment industry is projected to witness strong growth, supported by investments in power infrastructure, renewable energy, batteries, power electronics and industrial modernisation.

At the same time, customers are becoming more price-conscious and expect shorter delivery periods, improved product performance and responsive technical support. These changing expectations require manufacturers to continuously improve product quality, manufacturing efficiency, technology and customer service.

The Company continues to monitor changing customer preferences and market requirements and remains focused on quality, innovation, product customisation, timely delivery and customer satisfaction. The Company seeks to align its product offerings with the evolving requirements of customers and the emerging opportunities in the electrical and power equipment industry.

Your Company enters new markets by expanding geographical areas, launching new product range, adopting to new technologies.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has established and maintains appropriate internal control systems and procedures that encompass all financial and operational aspects.

INFORMATION TECHNOLOGY

Successful implementation of Design Software facilitates an effective product design, which helps in effective operations at all the units of the Company. Your Company constantly upgrades and reconfigures this application to effectively monitor the increasing scale of operations of the Company. The hardware and network infrastructure is being constantly reviewed to increase the bandwidth and reduce operational costs. This is an ongoing process and your Company is committed to leverage the benefits of IT to enhance and optimize benefits to itself and its customers. Constant training and guidance has been provided to all the end users.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company values its human resource as the most significant asset and the key focus is to attract, retain and develop talent as a resource. Your Company provides a congenial working atmosphere which will foster creative thinking. As part of manpower development and to enhance operational efficiency, training programmes have been organized for employees at all levels, wherever necessary.

The HR programmes of the Company focus on building capabilities and engaging employees through various initiatives to help the organization consolidate and achieve sustainable future growth for the business.

Industrial Relations remained cordial at all manufacturing locations during the year.

Effective employee communication through various channels ensured that all the employees are kept abreast of the current business situation. This has helped your Company to build mutual trust and confidence with the employees. The total strength of the Company as on 31st March, 2026 stood at154.

OUTLOOK AND RISKS & CONCERNS ARE COVERED UNDER OPPORTUNITIES AND THREATS.

FORWARD LOOKING STATEMENTS

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.

ANNEXURE "E"

FORM-A-DISCLOSURE OF PARTICULARS WITH RESEPECT TO CONSERVATION OF ENERGY

Power & Fuel Consumption

Electricity Consumption:	**Year-2025-26**	**Year-2024-25**
a) Purchased		
Units	56,485	50,035
Total Amount (Rs.)	4,75,311	484,449
Rate / Unit (Rs.)	**8.41**	**9.68**
b) Through Diesel Generation		
Quantity of Diesel Consumed (Ltrs)	NA	NA
Units	NA	NA
Total Amount (Rs.)	NA	NA
Cost per Unit	NA	NA
Unit per Liter of Diesel Oil	NA	NA

Coal Consumption	**Year-2025-26**	**Year-2024-25**
Quantity in Kg.	NA	NA
Total Amount (Rs.)	NA	NA
Average Rate (Rs. /KG)		

Furnace Oil Consumption	**Year-2025-26**	**Year-2024-25**
Quantity in Ltrs	NA	NA
Total Amount (Rs.)	NA	NA
Average Rate (Rs. /LT)		

Firewood Consumption	**Year-2025-26**	**Year-2024-25**
Quantity in Kg.	NA	NA
Total Amount (Rs.)	NA	NA
Average Rate (Rs. /KG)		

Briquette Consumption	Year-2025-26	Year-2024-25
Quantity in Kg. Total Amount (Rs.) **Average Rate (Rs. /KG)**	NA NA	NA NA

2 Consumption per Unit of Products i.e. per Kilowatt

Control and Relay Panel

Period	UoM	Units	Produced Qty	Unit Consumed/Qty
2023-24	KW	20,065	502	0.025
2024-25	KW	21,765	523	0.024
2025-26	KW	26,535	886	0.033

Relay

Period	UoM	Units	Produced Qty	Unit Consumed/Qty
2023-24	KW	20,940	58,501	2.79
2024-25	KW	28,270	65,840	2.33
2025-26	KW	29,950	62,034	2.07

RESEARCH AND DEVELOPMENT

1. Specific Areas in which R & D is being carried out by the Company

a) Process Development

- The Company has focused on improving relay and panel manufacturing processes through continuous refinement of testing protocols and automation techniques.
- Efforts are directed towards enhancing production efficiency while maintaining stringent quality standards.

b) Ongoing Process of Product Diversification

- The Company has initiated development of advanced relay systems tailored for diverse industrial applications, including power distribution and automation.
- Efforts are underway to design customized control panels that cater to sector-specific requirements such as renewable energy, infrastructure, and manufacturing.
- The Company is evaluating opportunities to diversify into energy-efficient product lines, aligning with sustainability goals and customer demand for eco-friendly solutions.
- Market studies are conducted periodically to identify emerging customer segments, enabling the Company to diversify its offerings in line with industry trends.

c) **Constantly Upgrading / Enhancing Quality of Products to be on a par with International Standards**

- The Company has adopted ISO-compliant quality management systems across its relay and panel manufacturing units, ensuring adherence to international benchmarks.
- Stringent quality checks are carried out at every stage of production, from raw material inspection to final product testing, to guarantee consistency and reliability.
- Benchmarking against global standards is undertaken periodically, with product specifications aligned to IEC and BIS norms, enabling competitiveness in both domestic and export markets.
- Continuous calibration of testing equipment ensures accuracy and compliance with international certification requirements.
- The Company has invested in advanced diagnostic tools and automated testing rigs, which reduce human error and enhance precision.
- Supplier quality audits are conducted regularly to ensure that inputs meet global standards, thereby strengthening the overall value chain.
- Training and skill development programs for technical staff ensure that manufacturing practices remain updated with the latest international methodologies.

d) **Safety Assurance**

- R&D initiatives emphasize the integration of advanced safety features in product design and manufacturing processes.
- Continuous validation of equipment and systems ensures compliance with applicable safety standards and enhances customer confidence.

2. Benefits derived

- Continuous upgradation of the quality of products has resulted in better acceptance of the products by all classes of consumers.
- Continuous R&D investment provides the following long-term benefits: Strengthens the Company's competitive edge Ensures sustained technological leadership Promotes a culture of innovation across the organization.

3. Future plan of action

More importance will be given on product / process development / innovation, to bring down cost without compromising on product quality and to achieve international standards in quality and safety.

4. Expenditure on R & D*

(a)	Capital	:	Nil
(b)	Recurring	:	Rs.34.53 Lakhs
(c)	Total	:	Rs.34.53 Lakhs
(d)	Total R & D Expenditure as a percentage of Total Turnover	:	0.41%

* The expenditures incurred on R&D are merged with the appropriate expenditure.

5. i) The Steps taken or Impact on Conservation of Energy:

a) Preference is given to energy-efficient office equipment and appliances that align with sustainability goals.

b) The Company is exploring renewable energy procurement options through third-party suppliers to gradually increase the share of green energy.
c) The Company has adopted energy-efficient lighting systems (LEDs) across office and manufacturing areas, reducing electricity consumption for routine operations.

d) Periodic maintenance of machinery ensures optimal performance and minimizes idle power wastage.

e) Awareness initiatives among employees encourage responsible use of electricity, including switching off equipment when not in use.

f) Energy audits are conducted internally to identify areas of improvement and reduce overhead consumption.

ii)The Steps taken by the Company for utilizing alternate sources of energy:

a) The Company has initiated the use of solar energy for office lighting and basic utilities, thereby reducing dependence on grid electricity.

b) Plans are underway to expand solar installations to cover a larger share of office and ancillary power requirements.

iii) **The Capital Investment on Energy Conservation Equipment:** NIL.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

3. Efforts Made

a) The Company has undertaken efforts to absorb the best available technology for relay and panel manufacturing processes, with emphasis on:

b) Adoption of modern testing equipment to ensure product reliability and safety.

c) Integration of computer-aided design (CAD) tools for precision engineering and faster prototyping.

d) Implementation of process automation in assembly lines to reduce manual intervention and improve consistency.

e) Continuous employee training programs to upgrade technical skills and align with evolving industry standards.

4. Benefits

a) Absorption of the best technology reflects in the Company's products, which are clearly differentiated from its competitors and its processes that consistently deliver more with less expenditure. Due to the measures taken above, there were considerable improvements in:

b) Operational efficiency, with streamlined production cycles and reduced downtime.
c) Energy efficiency, leading to measurable reduction in power consumption and overall power cost.

d) Product quality, resulting in enhanced durability and customer satisfaction.

e) Cost optimization, through reduced wastage and improved resource utilization.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

Sl. No.	Particulars	Year ended 31.3.2026	Year ended 31.3.2025
1.	Foreign exchange earnings	46.28	-
2.	CIF Value of Imports	58.69	20.11
3.	Expenditure in foreign currency	-	-
4.	Dividend paid in foreign currency	-	-

For and on behalf of the Board of Directors

Sd/-
Panish A
Managing Director
DIN:00288112

Sd/-
K N Sreenath
Executive Director
DIN:03099421

Place: Bangalore
Date: 19th August 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Avana Electrosystems Limited
(Formerly known as Avana Electrosystems Private Limited)
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Avana Electrosystems Limited (Formerly known as Avana Electrosystems Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended on that date and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Director's for the Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the **'Annexure-A'** a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable

2. (A) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) the Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) in our opinion, the aforesaid financial statements comply with the specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) on the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact on its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year and therefore, compliance under section 123 is not commented upon.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention

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

Sd/-
N. Amarnath
Partner
M.No.510064
ICAI UDIN: 26510064NTCNWX1388

Place: Bangalore
Date: 21-05-2026

Annexure - A to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Avana Electrosystems Limited (formerly known as Avana Electrosystems Private Limited) of even date]

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i.

a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of Intangible Assets.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this program, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties are held in the name of the Company and in respect of the leasehold industrial land allotted by the Government which is disclosed under Property, Plant & Equipment's. The allotment letter and lease documents are executed in the name of the Company (It holds property as a lessee and the lease agreements are duly executed in favour of the Company).

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year. Therefore, provisions of Clause 3(i)(d) of the Order are not applicable to the Company.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no proceedings initiated or are pending against the Company as on 31st March, 2026, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and Rules made thereunder. Therefore, provisions of Clause 3(i)(e) of the Order are not applicable to the Company.

ii.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory has been physically verified by the management during the year and in our opinion, the coverage and frequency of the inventory verification is reasonable and no material discrepancies 10% or more in aggregate for each class of inventory have been noticed during such physical verification of inventories when compared with the books of accounts.

b) The Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company for the respective quarters and no material discrepancies have been observed.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments, nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Companies Act read with Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of the products manufactured by the Company. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii.

a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1st July 2017, these statutory dues has been subsumed into GST. As explained to us, the Company did not have any dues of Customs, Provident fund, Employee's State Insurance.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no disputed statutory dues in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Customs duty, cess and any other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of its loans or borrowings or in payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has obtained short term loans during the year and the Company has applied the loans for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company and on an overall examination of the balance sheet of the Company, we report that the Company had not utilized funds raised for short term basis for long term purposes.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company ,the Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31st March 2026. Accordingly, clause 3(ix)(e) is not applicable.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x.

a) In our opinion and according to information and explanations given to us, the Company has raised money from Initial Public Offer (IPO) during the year and proceeds that have been utilized during the year, are utilized for the purposes for which they were raised. The details of the same is provided in the note 2(iii) to the financial statements.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

a) Based on examination of the books and records of the Company and according to the information and explanations given to us by the management, no fraud by the Company or on the Company has been noticed or reported during the course of audit.

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

c) According to the information and explanation given to us and representation received by the management, the Company has not received any whistle blower complaints during the year and upto the date of this report

xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, Clause 3 (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv.

a) In our opinion and according to the information & the explanations given to us, the Company has an internal audit system commensurate with size and nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

a) In our Opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3 (xvi) (a) & (b) of the Order is not applicable to the Company.

b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) & (d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

(a) There are no unspent amounts towards Corporate Social Responsibility (“CSR”) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no ongoing CSR projects in the Company. Accordingly, reporting under clause (xx)(b) of the Order is not applicable

xxi. There is no consolidation of financial statements, accordingly, reporting under clause 3(xxi) is not applicable.

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

Sd/-
N. Amarnath
Partner
M.No.510064
ICAI UDIN: 26510064NTCNWX1388

Place: Bangalore
Date: 21-05-2026

Annexure -B to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Avana Electrosystems Limited (Formerly known as Avana Electrosystems Private Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of **Avana Electrosystems Limited (Formerly known as Avana Electrosystems Private Limited)** ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

Sd/-
N. Amarnath
Partner
Membership No. 510064
UDIN: 26510064NTCNWX1388

Place: Bangalore
Date: 21-05-2026

AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508
Balance Sheet As At 31st March, 2026

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

Particulars	Note	As At 31st March, 2026	As At 31st March, 2025
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share capital	2	2,264.54	79.41
(b) Reserves and surplus	3	3,643.49	2,100.59
Non-Current Liabilities			
(a) Long-term borrowings	4	55.60	126.16
(b) Long-term provisions	5	294.41	404.55
Current Liabilities			
(a) Short-term borrowing	6	20.54	442.35
(b) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises		365.29	266.62
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		963.55	660.55
(c) Other current liabilities	8	410.24	331.01
(d) Short-term provisions	9	458.87	427.44
Total		**8,476.53**	**4,838.68**
II. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment & Intangible assets	10		
(A) Property, Plant and Equipment		520.10	317.26
(B) Intangible assets		11.91	9.42
(C) Capital work-in-progress		466.79	-
(b) Deferred tax assets (net)	11	25.27	7.39
(c) Other non-current assets	12	32.80	32.80
Current assets			
(a) Inventories	13	2,243.25	1,470.95
(b) Trade receivables	14	2,221.29	2,119.08
(c) Cash and cash equivalents	15	2,782.78	530.71
(d) Short-term loans and advances	16	124.96	254.71
(e) Other current assets	17	47.38	96.35
Total		**8,476.53**	**4,838.68**

Significant accounting policies & other explanatory Information: 1

The notes referred to above form an integral part of the financial statements.
In terms of our report attached

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

Sd/-
N.Amarnath
Partner
Membership No:510064
ICAI UDIN: 26510064NTCNWX1388

Place: Bengaluru
Date: 21.05.2026

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

Sd/-	Sd/-	Sd/-
Anantharamaiah Panish	K N Sreenath	Gururaj Dambal
Managing Director	Executive Director	Whole Time Director
DIN: 00288112	DIN: 03099421	DIN: 03099402
Sd/-	Sd/-	Sd/-
S Vinod Kumar	Ravi Kumar S	C R Nerajaa
Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 03115822	M.No: 239041	ACS No. A66661

AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508
Statement of Profit and Loss for the year ended 31st March, 2026

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

Particulars	Note	For the year ended 31st March, 2026	For the year ended 31st March, 2025
I. Revenue from operations	18	8,385.88	6,148.58
II. Other Income	19	97.21	144.81
III. Total Income (I +II)		**8,483.09**	**6,293.39**
IV. Expenses:			
Cost of Materials Consumed	20	5,310.03	3,311.35
Changes in inventory of Finished Goods & Work-In-Progress	21	(329.69)	(102.06)
Employee benefits expense	22	1,059.98	886.46
Finance costs	23	85.68	91.25
Depreciation and Amortisation Expense	10	64.63	75.63
Other Expenses	24	712.83	800.87
IV. Total Expenses		**6,903.46**	**5,063.50**
V. Profit before exceptional and extraordinary items and tax	**(III - IV)**	**1,579.63**	**1,229.88**
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		**1,579.63**	**1,229.88**
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII-VIII)		**1,579.63**	**1,229.88**
X. Tax expense:			
(1) Current tax		426.01	325.70
(2) Tax adjustments relating to earlier years		(0.78)	(0.82)
(3) Deferred tax credit		(17.88)	(2.24)
Total tax expenses		**407.35**	**322.64**
XI. Prior period expenses			
Gratuity and Leave encashment adjustment		-	60.17
XII. Profit for the year	(V - XI)	**1,172.28**	**847.08**
Earnings Per Equity Share (EPS)			
(1) Basic - Rs.		6.34	4.85
(2) Diluted- Rs.		6.34	4.85
Significant accounting policies & other explanatory Information:	1		

The notes referred to above form an integral part of the financial statements.

In terms of our report attached for Vasanth & Co., Chartered Accountants Firm Reg No: 008204S	For and on behalf of the Board of Directors of Avana Electrosystems Limited (Formerly known as Avana Electrosystems Private Limited)		
Sd/- N.Amarnath Partner Membership No:510064 ICAI UDIN: 26510064NTCNWX1388	Sd/- Anantharamaiah Panish Managing Director DIN: 00288112	Sd/- K N Sreenath Executive Director DIN: 03099421	Sd/- Gururaj Dambal Whole Time Director DIN: 03099402
Place: Bengaluru Date: 21.05.2026	Sd/- S Vinod Kumar Whole Time Director DIN: 03115822	Sd/- Ravi Kumar S Chief Financial Officer M.No: 239041	Sd/- C R Nerajaa Company Secretary ACS No. A66661

AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508
Cash Flow Statement For The Year Ended 31st March 2026

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

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Cash flow from operating activities		
Net profit before tax for the year.	**1,579.63**	**1,229.88**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/Amortisation	64.63	75.63
Prior Period Items- Gratuity and Leave encashment	-	(60.17)
Finance Costs	85.68	91.25
(Gain)/ Loss on Foreign Exchange Transactions	(0.57)	-
(Gain)/ Loss on Sale of PPE	(1.58)	-
Interest Income	(83.78)	(29.21)
Operating (loss) / profit before working capital changes	**1,644.01**	**1,307.39**
Adjustment for changes in Assets and Liablities		
(Increase) / Decrease in Inventories	(772.30)	(277.64)
(Increase) / Decrease in Trade receivables	(102.20)	(635.44)
(Increase) / Decrease in Other current assets	48.96	(39.18)
Increase / (Decrease) in Trade payables	401.66	250.88
Increase / (Decrease) in Short-term provisions	(11.77)	(231.13)
Increase / (Decrease) in Long-term provisions	(110.13)	404.55
Increase / (Decrease) in Other current liabilities	79.23	13.30
Cash generated from operations	**1,177.46**	**792.73**
Income taxes paid	(382.02)	(219.52)
Net cashflow generated from/(utilised in) operating activities (A)	**795.44**	**573.22**
B. Cash flow from investing activities		
Purchase of property, plant, and equipment (including intangibles assets and Capital Work-in progress)	(750.23)	(23.47)
Net Proceeds from sale of property, plant, and equipment	15.06	-
Bank balances not considered as Cash & Cash Equivalent (net)	(413.61)	(128.26)
Interest Income	83.78	29.21
Decrease / (Increase) in Short-term loans and advances	129.75	(8.54)
Decrease / (Increase) in Other non-current assets	-	32.00
Net cash flow in investing activities (B)	**(935.26)**	**(99.06)**
C. Cash flows from financing activities		
Repayment of Long Term Borrowings	(103.25)	(165.39)
Proceeds from Long Term Borrowings	32.70	-
Increase / (Decrease) from Short Term Borrowings	(421.81)	(193.39)
Proceeds from IPO net of Issue Expenses	2,555.75	-
Finance Costs	(85.68)	(91.25)
Net cash flow in financing activities (C)	**1,977.70**	**(450.04)**
Net increase / (Decrease) in cash & cash equivalents (A + B + C)	1,837.88	24.12
Effect of exchange rate changes on cash and cash equivalents	0.57	-
Cash and cash equivalents at the beginning of the year	25.16	1.04
Cash and Cash Equivalents at the end of the year	**1,863.61**	**25.16**

AVANA ELECTROSYSTEMS LIMITED
(Formerly known as Avana Electrosystems Private Limited)
CIN- U31400KA2010PLC054508
Cash Flow Statement For The Year Ended 31st March 2026

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

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Components of Cash and cash equivalents as at	**31st March, 2026**	**31st March, 2025**
Balances with banks	84.17	25.11
Cash on hand	1.04	0.04
Cash Credit Facility	276.41	-
Fixed Deposit with Bank	1,502.00	-
Total Cash and cash equivalents	**1,863.61**	**25.16**

Note:
1. The above Cash Flow has been prepared using the "Indirect Method" as set out in Accounting Standard 3 - 'Cash Flow Statements.
2. Cash and cash equivalents for the purposes of financial statement comprise cash in hand, balances with bank and Fixed deposits with bank as per Note No - 15. Other Bank Balances are considered in investing activities.
3. Previous Year figures have been regrouped when necessary to confirm to the current year's classification.

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

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

Sd/-
N.Amarnath
Partner
Membership No:510064
ICAI UDIN: 26510064NTCNWX1388

Sd/-
Anantharamaiah Panish
Managing Director
DIN: 00288112

Sd/-
K N Sreenath
Executive Director
DIN: 03099421

Sd/-
Gururaj Dambal
Whole Time Director
DIN: 03099402

Place: Bengaluru
Date: 21.05.2026

Sd/-
S Vinod Kumar
Whole Time Director
DIN: 03115822

Sd/-
Ravi Kumar S
Chief Financial Officer
M.No: 239041

Sd/-
C R Nerajaa
Company Secretary
ACS No. A66661

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

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

Note : 1

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION:

A. Background:

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 Equity Shares of the Company were listed on January 20,2026 on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), pursuant to the approval accorded by the Board of Directors of the Company at their meeting held on August 29, 2025 (as amended vide Board Resolution dated December 09, 2025) and subsequently approved by the Shareholders of the Company through a Special Resolution passed at the Extra Ordinary General Meeting held on September 03, 2025 (as amended vide Shareholders’ Resolution dated December 12, 2025).

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. Basis for preparation:

The Financial Statements are prepared on accrual basis of accounting, following historical cost convention, in accordance with the provisions of the Companies Act, 2013 (‘the Act’), accounting principles generally accepted in India and it comply the accounting standards specified under Section 133 of the Act, read with relevant applicable rules, as amended from time to time. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The accounting policies applied are consistent with those in the previous year unless otherwise stated.

1. Revenue Recognition :

a. 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.

b. In case of services, revenue is recognized on completion of particular services.

c. The Company reports revenues net of taxes and 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.

3. 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 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

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4. Use of Estimate:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date.

5. 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 Balance sheet 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.

6. Property Plant and Equipment:

a. Property, Plant & Equipment are stated at their cost of acquisition less any subsidy / grant received less accumulated depreciation. The cost of acquisition includes freight, installation cost, duties & taxes for which no credit is available and other incidental expenses, identifiable with the asset, incurred during the installation / acquisition /construction stage in order to bring the assets to their working condition for intended use.

b. Intangible assets are stated at direct cost incurred and other costs identified as incurred towards the same less any subsidy / grant received less accumulated amortization.

c. Any Property, Plant & Equipment under construction as at the Balance Sheet date are shown as Capital Work in Progress.

d. Depreciation:

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

e. On addition / disposals during the year, depreciation has been provided on pro-rata basis depending on period of usage.
f. Cost of Intangible Assets is amortized over its estimated useful life i.e. 5 years for Software

7. Capital work-in-progress:
Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses

8. 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).

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9. 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.

10. Goods and Service Tax (GST) and Input Tax Credit (ITC):

a. Purchases and Sales are accounted net of GST element and net of recoveries, if any.

b. Expenses are accounted net of GST Input Tax Credit Available.

c. Element of Input Tax Credit is set off against the amount of GST to be paid on sales / provision of services. Net Amount Payable against GST is shown under Current Liabilities.

11. 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.

12. 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.

13. Income Taxes:

a. Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

b. Tax expenses comprises of current and deferred tax.

c. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable Income and accounting income for the year and reversal of timing differences of earlier years.

d. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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 carries 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. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets.

e. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

f. The carrying amount of deferred tax assets are reviewed at each balance sheet 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.

14. 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 contribution 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:

Gratuity: The gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, based on the respective employee's last drawn salary and the number of years of service.

Leave Encashment: Under the leave encashment plan, employees are entitled to receive a lump sum payment for unutilized earned leave at the time of retirement, resignation, or termination, based on their last drawn salary and the number of leave days accrued.

A provision is created by the Company for future obligations under both plans. The liabilities for gratuity and leave encashment are determined based on actuarial valuations, in accordance with Accounting Standard (AS) 15 – Employee Benefits, using the projected unit credit method and other actuarial assumptions as recommended by independent actuaries. The actuarial valuation considers factors such as employee attrition, expected salary increases, and retirement age to arrive at the present value of the defined benefit obligations.

15. 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.

16. 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.

b. Finished products are valued at lower of cost or net realizable value.

c. The Stock of Work in Progress have been valued at Raw Material cost increased by a proportion of overheads in consonance with the stage of completion as certified by the management.

d. The Goods in transit are valued at Actual Cost.

17. 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.

18. 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.

19. Installation and Commissioning:

Provision for installation and commissioning expenses is recognized in respect of contractual obligations relating to installation, testing, commissioning, and related services associated with products supplied by the Company. The provision is created when a present obligation exists as at the reporting date and the amount of obligation can be reliably estimated.

The estimates are reviewed periodically and adjusted based on actual costs incurred and progress of execution.

20. 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.

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Note 2: Share capital

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	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	9,00,000	90.00
(b) Issued, Subscribed and Fully paid up				
- Equity Shares of Rs.10/- each with voting rights	2,26,45,408	2,264.54	7,94,064	79.41
Total	**2,26,45,408**	**2,264.54**	**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	As at 31 March, 2026		As at 31 March, 2025	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	7,94,064	79.41	7,94,064	79.41
Add: Bonus Shares Issued on 19th August 2025 [Refer Note No- (ii)]	1,66,75,344	1,667.53	-	-
Add: Fresh Public Issue of Equity Shares [Refer Note No- (iii)]	51,76,000	517.60	-	-
Outstanding at the year end	**2,26,45,408**	**2,264.54**	**7,94,064**	**79.41**

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

(a) On 19th 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) will be settled in accordance with the Company's Articles of Association and prevailing stock exchange practices.

(b) 1,66,75,344 equity shares of Rs. 10/- each issued as fully paid-up bonus shares by way of capitalization of free reserves of Rs. 1,658.94 lakhs and Capital Redemption Reserve (CRR) of Rs. 8.59 lakhs during FY 2025 - 26.

(iii) Public Issue of Equity Shares:

(a) The Company has issued and allotted 59,70,000 Equity Shares of face value of ₹ 10 each at the price of ₹ 59 each (including ₹ 49 Security Premium) for total consideration of ₹ 3,522.30 Lakhs through SME IPO (Initial Public Offer) on EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") . Out of the total 59,70,000 Equity Shares, 7,94,000 shares were issued through Offer for Sale and the remaining 51,76,000 shares were issued as Fresh Issue. Pursuant to the allotment of Equity shares, the paid up Equity Share capital of the company stands increased at ₹ 2,264.54 Lakhs.

(b) The details of utilization of Fresh Issue IPO Proceeds of ₹ 3,053.84 lakhs are as follows:

Particulars	Proceeds	Utilisation up to March 31st, 2026*	Unutilised up to March 31st, 2026**
Capital expenditure towards civil construction, internal electric work and internal plumbing to set up an integrated manufacturing unit	1,155.38	275.83	879.55
To meet Working Capital requirements of the Company	860.00	123.03	736.97
General Corporate Purposes	457.00	-	457.00
Issue Expenses (Related to Fresh issue)	581.46	551.01	30.45
Total	**3,053.84**	**949.86**	**2,103.98**

*The utilization of IPO proceeds has been disclosed on a cash payment basis, representing actual payments made during the period.

**The unutilised balance as at 31st March 2026 has been partly placed in a Fixed Deposit with a scheduled bank amounting to ₹1,702 Lakhs, and the remaining balance is held in bank accounts.

(iv) 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.

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(v) Increase in Authorised Share Capital Pursuant to the Shareholders' Approval:

(a) 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

(vi)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.

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

(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				
As at 31st March, 2026	Nil	Nil	Nil	Nil	Nil
As at 31st March, 2025	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 31st March, 2026		As at 31st March, 2025	
	Number of shares held	% holding	Number of shares held	% holding
Anantharamaiah Panish	42,39,705	18.72%	2,01,890	25.42%
K N Sreenath	42,39,705	18.72%	2,01,890	25.42%
Gururaj Dambal	42,39,705	18.72%	2,01,890	25.42%
S Vinod Kumar	39,56,205	17.47%	1,88,390	23.72%

(x) Bonus share, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31st March 2026

Particular	As at 31st March					
	2026	2025	2024	2023	2022	2021
A) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares.	1,66,75,344	-	-	-	-	-
B) Aggregate number and class of shares bought back.*	-	-	-	-	-	85,936

The company has only One class of equity shares at a face value of ₹10 per share. Each shareholder is eligible for one vote per share.

* 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.

(xi) Details of shares held by promoters

Class of shares / Name of shareholder	As at 31st March, 2026		As at 31st March, 2025		
	Number of shares held	% holding	Number of shares held	% holding	% change during the year
Equity shares with voting rights:					
Anantharamaiah Panish	42,39,705	18.72%	2,01,890	25.42%	-6.70%
K N Sreenath	42,39,705	18.72%	2,01,890	25.42%	-6.70%
Gururaj Dambal	42,39,705	18.72%	2,01,890	25.42%	-6.70%
S Vinod Kumar	39,56,205	17.47%	1,88,390	23.72%	-6.25%

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Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 3 Reserve & surplus		
(A) Capital Redemption Reserve		
Balance brought forward from Previous Year	8.59	8.59
Addition during the year	-	-
Less: Issue of bonus shares(1)	(8.59)	-
Closing Balance	**-**	**8.59**
(B) General Reserve		
Balance brought forward from Previous Year	11.14	11.14
Less: Transfer to Capital redemption Reserve Account	-	-
Closing Balance	**11.14**	**11.14**
(C) Securities Premium		
Balance brought forward from Previous Year	-	-
Add: Premium Received (2)	2,536.24	
Less: IPO Issue Expenses (3)	(498.09)	-
Closing Balance	**2,038.15**	**-**
(D) Surplus from Statement of Profit and Loss		
Balance brought forward from Previous Year	2,080.87	1,233.79
Less: Issue of bonus shares (4)	1,658.94	-
Add : Profit for the year carried from Profit and loss	1,172.28	847.08
Closing Balance	**1,594.21**	**2,080.87**
Closing balance of Reserves and Surplus(A+B+C+D)	**3,643.49**	**2,100.59**

(1)**Capital Redemption Reserve:** The Company had created a Capital Redemption Reserve in accordance with the provisions of Section 69 of the Companies Act, 2013. During the year, the said reserve has been utilized for the issuance of fully paid bonus shares to the shareholders of the Company in accordance with the provisions of Section 63 of the Act.

(2) **Premium Received:** The Company has issued and allotted 51,76,000 Equity Shares as a fresh issue of face value of ₹10 each at a price of ₹59 per share (including a securities premium of ₹49 per share), aggregating to ₹3,053.84 lakhs, through SME Initial Public Offer (IPO) on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). Pursuant to the fresh issue, the Company has recognized securities premium amounting to ₹2,536.24 Lakhs.

(3) **IPO Issue Expenses:** Issue-related expenses attributable to the fresh issue have been adjusted against the Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013.

(4) **Issue of Bonus Shares:** 1,66,75,344 equity shares of Rs. 10/- each issued as fully paid-up bonus shares by way of capitalization of free reserves of Rs. 1,658.94 lakhs and Capital Redemption Reserve (CRR) of Rs. 8.59 lakhs during FY 2025-26.

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Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 4 Long-term borrowings		
Term Loans		
(a) Banks Secured *	76.14	92.29
Less : Current Maturities of long-term borrowings	20.54	31.88
	55.60	**60.41**
(b) Unsecured Loan **	-	196.86
Less : Current Maturities of long-term borrowings	-	131.11
	-	**65.75**
	55.60	**126.16**

(*) 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 closed during the FY 2025-26

(*) Company is paying instalment to banks on timely basis and there has been no delays in payment

(**) During the FY 2025-26 the company has repaid all the working capital unsecured loans

Details of Security, Outstanding Balance, Rate of Interest, EMI (Amount & Nos.) with respect to long term Borrowing:

Note No.	Particulars	Secured Against	Outstanding Balance	Rate of Interest	Monthly Installment	No of Installment
4.1	HDFC Bank Car Loan	Hypothicated against Vehicle	6.06	8.75	0.21	60.00
4.2	HDFC Bank Car Loan	Hypothicated against Vehicle	19.14	8.50	0.65	60.00
4.3	HDFC Bank Car Loan	Hypothicated against Vehicle	19.14	8.50	0.65	60.00
4.4	HDFC Bank Car Loan (1)	Hypothicated against Vehicle	-	8.50	0.55	60.00
4.5	EEG-Term Loan(1)	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	-	9.41	1.38	24.00
4.6	HDFC Bank Car Loan (2)	Hypothicated against Vehicle	31.80	8.10	0.57	60.00

(1) The HDFC Bank Car Loan and EEG Term Loan were fully repaid and closed during the financial year 2025–26.

(2) The Company availed a car loan from HDFC Bank during the financial year 2025–26.

Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 5 Long-term provisions		
(a) Provision for Employee Benefits		
Provision for Leave Encashment	28.85	29.00
Provision for Gratuity	7.84	29.95
(b) Provision - Others		
Provision for Warranty	257.72	345.60
	294.41	**404.55**
Note : 6 Short-term borrowings		
From Banks- Secured*		
Cash Credit Facility	-	279.36
Add : Current Maturities of the long-term borrowings	20.54	162.99
	20.54	**442.35**

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

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Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 7 Trade Payables		
Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	365.29	266.62
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	963.55	660.55
	1,328.84	**927.17**

Trade payables ageing schedule for the year ended as at 31st March 2026

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
MSME	-	365.29	-	-	-	365.29
Others	-	963.55	-	-	-	963.55
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-

Trade payables ageing schedule for the year ended as at 31st March 2025

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	266.62	-	-	-	266.62
Others	-	660.55	-	-	-	660.55
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-

Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 8 Other Current Liabilities		
(a) Advance received from Customers	235.19	109.17
(b) Statutory Dues Payable	96.40	164.32
(c) Salary, Wages & Incentive payable	56.75	47.45
(d) Other payable	21.91	10.07
	410.24	**331.01**
Note : 9 Short-Term Provisions		
(a) Provision for Employee Benefits		
Provision for Bonus	35.64	29.05
Provision for Leave Encashment	3.49	2.47
(b) Provision - Others		
Provision for Income Tax (net of advance taxes and TDS)	216.04	191.15
Provision for Warranty	64.43	86.40
Provision for Installation & Commissioning	139.27	118.37
	458.87	**427.44**

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NOTE - 10 Property, Plant and Equipment & Intangible assets and Capital work-in-progress schedule

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Particulars	Property Plant and Equipment										Intangible Assets		Capital work-in-progress	
	Land	Lease hold land	Lease Hold Improvements	Computer	Office Equipment's	Tools	Plant and Machinery	Furniture and Fittings	Vehicles	Total Tangible Assets	Software	Total Intangible Assets	Capital work-in-progress	Total Capital work-in-progress
I Gross Block:														
Balance as on 31st March 2025	173.07	-	11.60	50.20	95.38	59.60	59.12	40.85	102.70	592.53	33.79	33.79	-	-
Additions	-	172.68	6.46	22.65	3.61	2.93	36.14	1.33	32.05	**277.85**	5.59	**5.59**	466.79	**466.79**
Deletions	-	-	-	-	-	-	-	-	27.44	**27.44**	-	-		
Balance as at 31st March 2026	173.07	172.68	18.06	72.86	99.00	62.53	95.26	42.18	107.32	**842.94**	39.37	**39.37**	466.79	**466.79**
II Accumulated Depreciation:														
Balance as at 31st March 2025	-	-	3.34	40.12	59.27	55.76	41.01	38.07	37.70	275.26	24.36	24.36	-	-
Depreciation/Amortisation charge		-	1.19	12.70	17.08	2.04	8.01	0.48	20.04	**61.54**	3.10	**3.10**	-	-
Deduction/Adjustment	-	-	-	-	-			-	13.96	**13.96**	-	-		
Balance as at 31st March 2026	-	-	4.53	52.82	76.35	57.79	49.01	38.55	43.78	**322.85**	27.46	**27.46**	-	-
III Net Block:														
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 at 31st March 2026	173.07	172.68	13.53	20.04	22.65	4.74	46.24	3.63	63.53	**520.10**	11.91	**11.91**	466.79	**466.79**

Particulars	Property Plant and Equipment										Intangible Assets		Capital work-in-progress	
	Land	Lease hold land	Lease Hold Improvements	Computer	Office Equipment's	Tools	Plant and Machinery	Furniture and Fittings	Vehicles	Total Tangible Assets	Software	Total Intangible Assets	Capital work-in-progress	Total Capital work-in-progress
I Gross Block:														
Balance as on 31st March 2024	173.07	-	11.23	40.80	88.24	59.46	57.18	40.71	101.52	572.20	30.64	30.64	-	-
Additions	-	-	0.37	9.40	7.14	0.14	1.94	0.15	1.19	**20.32**	3.14	**3.14**	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31st March 2025	173.07	-	11.60	50.20	95.38	59.60	59.12	40.85	102.70	**592.53**	33.79	**33.79**	-	-
II Accumulated Depreciation:														
Balance as at 31st March 2024	-	-	2.52	32.46	30.52	53.39	37.39	37.44	8.82	202.54	21.45	21.45	-	-
Depreciation/Amortisation charge		-	0.81	7.66	28.75	2.37	3.62	0.63	28.88	**72.72**	2.91	**2.91**	-	-
Deduction/Adjustment	-	-	-	-	-			-	-	-	-	-		
Balance as at 31st March 2025	-	-	3.34	40.12	59.26	55.76	41.01	38.07	37.70	**275.26**	24.36	**24.36**	-	-
III Net Block:														
Balance as at 31st March 2024	173.07	-	8.71	8.34	57.72	6.07	19.79	3.27	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**	-	-

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Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 11 Deferred tax assets (net)		
Deferred tax assets (net)	25.27	7.39
	25.27	**7.39**
Note : 12 Other non-current assets		
Security Deposits	32.80	32.80
	32.80	**32.80**
Note : 13 Inventories		
Raw Material	1,234.84	1,055.67
Work-in-progress	54.50	84.66
Finished Goods	690.47	330.62
Stock-in-Transit	263.44	-
	2,243.25	**1,470.95**
(As valued and certified by the management, in accordance with the accounting policy adopted)		
Note : 14 Trade Receivables		
Trade Receivables:		
Unsecured, considered good	2,221.29	2,119.08
	2,221.29	**2,119.08**

Trade receivables ageing schedule for the year ended as at 31st March 2026

Particulars	Outstanding for following periods from due date of payment					
	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	1,914.16	171.10	49.79	55.14	31.10	**2,221.29**
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Trade receivables ageing schedule for the year ended as at 31st March 2025

Particulars	Outstanding for following periods from due date of payment					
	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	1,876.61	76.98	119.23	14.40	31.86	**2,119.08**
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

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Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 15 Cash and cash equivalents		
(a) Balances with banks	84.17	25.11
(b) Cash on hand	1.04	0.04
(c) Cash Credit Facility*	276.41	-
(d) Fixed Deposit with Bank (Maturity within 3 Months)	1,502.00	-
Other Bank Balances		
(a) Margin money against borrowings, guarantee/other Commitments**	719.17	505.55
(b) Fixed Deposits with Bank (Maturity More Than 3 Months)	200.00	-
	2,782.78	**530.71**

* Cash Credit Facility from HDFC Bank has a positive balance at the end of the FY 2025-26.

** 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.

Particulars	As At 31st March, 2026	As At 31st March, 2025
Note : 16 Short-term loans and advances		
(a) Deposits		
Earnest Money Deposit	93.35	67.94
Other Deposit	0.21	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
(c) Unsecured Advances		
(Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)		
Advance to Suppliers & Others	29.07	18.93
Advance to Employees	2.33	2.53
	124.96	**254.71**
Note : 17 Other current assets		
Prepaid expenses	22.44	18.35
Accrued Interest	24.95	47.70
Deferred IPO Expenses	-	30.30
	47.38	**96.35**

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Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Note : 18 Revenue from operations		
Sale of products:		
Domestic Sales	8,315.92	6,119.02
Export Sales	46.28	-
Sale of services:		
Service Charges	23.68	29.55
	8,385.88	**6,148.58**
Note : 19 Other Income		
Interest on term deposits	83.78	29.21
Gain on sale of PPE	1.58	-
Net Gain on Foreign Exchange Transactions	0.57	-
Other Income	11.29	115.60
	97.21	**144.81**
Note : 20 Cost of Materials Consumed		
Opening Stock of Raw Materials and Consumables	1,055.67	880.09
Purchases of Raw Materials and Consumables	5,752.65	3,486.93
Less : Closing Stock of Raw Materials and Consumables	1,234.84	1,055.67
Less : Closing Stock in Transit	263.44	-
	5,310.03	**3,311.35**
Note : 21 Changes in inventory of Finished Goods & Work-In-Progress		
Closing Inventories		
-Finished Goods	690.47	330.62
-WIP	54.50	84.66
Less: Opening Inventories		
-Finished Goods	330.62	283.68
-WIP	84.66	29.53
	(329.69)	**(102.06)**
Note : 22 Employee Benefits Expenses		
Salaries and Wages	920.79	807.28
Contribution to Provident and other funds	81.41	42.40
Staff Welfare Expenses	57.78	36.78
	1,059.98	**886.46**

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Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Note : 23 Finance costs		
A) Interest Expense		
Interest on Term Loan	26.55	59.38
Interest on OD	3.28	5.17
B) Other Charges		
L C Interest and Discounting Charges	37.57	17.37
Bank Charges	18.28	9.33
	85.68	**91.25**
Note : 24 Other Expenses		
A) Direct Expenses		
Labour Charges	168.95	121.79
Installation and Commissioning charges	20.90	30.74
Warranty Expenses	41.81	122.97
Power and Electricity	4.85	4.86
Liquidated Damage Charges	2.49	8.09
B) Selling & Distribution Expenses		
Marketing Consultancy and Exhibition Charges	66.51	96.95
Clearing, Forwarding and Freight	91.87	44.42
Sales Promotion Expenses	14.42	34.61
C) Administrative & Other Expenses		
Legal and Professional Charges	16.25	40.20
Travelling Expenses	65.47	86.36
Security Service Charges	24.54	23.66
Insurance Expenses	44.26	37.60
Rental Expenses	61.83	59.34
Rates and Taxes	9.23	8.90
Repairs and Maintenance	2.68	6.44
Office Maintenance	8.79	12.45
Communication Expenses	11.88	7.13
Printing and Stationary	3.62	2.91
Corporate Social Responsibility Contribution	12.78	4.95
Bad debts written off	3.76	3.58
Payment to auditor's as		
Statutory Audit fee	7.00	7.00
Tax Audit fee	1.50	1.50
Other Matters	1.50	1.50
Miscellaneous expenses*	25.96	32.93
	712.83	**800.87**

**Under this head, there is no expenditure which is in excess of 1% of revenue from operations or Rs. 10 lakhs, whichever is higher*

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25. Additional Information to the financial Statements

1. Related Party Transactions:

List of Related Parties:

Particulars	**Names of related parties**	**Nature of Relationship**
Directors and Key Managerial Personnel	Anantharamaiah Panish	Managing Director
	K N Sreenath	Executive Director[1]
	Gururaj Dambal	Whole Time Director
	S Vinod Kumar	Whole Time Director
	Amrutha Naveen	Company Secretary & Compliance Officer[2]
	Ravi Kumar S	Chief Financial Officer[1]
	Nama Sreeramaiah Kishore	Independent Director[3]
	Shital Darak Mandhana	Independent Director[3]
	Sheela Arvind	Independent Director[3]
	C R Nerajaa	Company Secretary & Compliance Officer[4]
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

(1) Mr. K N Sreenath resigned from the position of Chief Financial Officer with effect from August 29, 2025. Subsequently, Mr. Ravi Kumar S was appointed as Chief Financial Officer of the Company with effect from September 1, 2025.

(2) Mrs. Amrutha Naveen was appointed as Company secretary & Compliance Officer on August 29,2025 and has resigned from the position of Company Secretary & Compliance Officer with effect from March 31, 2026.

(3) Mr. Nama Sreeramaiah Kishore, Mrs. Shital Darak Mandhana and Mrs. Sheela Arvind were appointed as Independent Directors of the Company with effect from August 4, 2025.

(4) Ms C R Nerajaa was appointed as Company Secretary & Compliance Officer with effect from April 10, 2026.

a. The details of transactions for the years ended March 31, 2026 and March 31, 2025 are as follows:

(I)	**Transactions with Directors/KMP**	**31-03-2026**	**31-03-2025**
Anantharamaiah Panish	Director Remuneration	88.54	61.20
K N Sreenath	Director Remuneration	62.86	38.16
Gururaj Dambal	Director Remuneration	74.62	47.28
S Vinod Kumar	Director Remuneration	63.46	38.76
Amrutha Naveen	Salary	4.05	-
Ravi kumar S	Salary	8.18	-
Anantharamaiah Panish	Performance Incentives	-	38.75
K N Sreenath	Performance Incentives	-	38.75
Gururaj Dambal	Performance Incentives	-	38.75
S Vinod Kumar	Performance Incentives	-	38.75
Anantharamaiah Panish	Recovery of Issue Expenses of IPO	22.66	-
K N Sreenath	Recovery of Issue Expenses of IPO	22.66	-
Gururaj Dambal	Recovery of Issue Expenses of IPO	22.66	-
S Vinod Kumar	Recovery of Issue Expenses of IPO	21.15	-
Nama Sreeramaiah Kishore	Sitting Fees*	2.40	-
Shital Darak Mandhana	Sitting Fees*	2.40	-
Sheela Arvind	Sitting Fees*	2.40	-

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(II)	**Relatives of Director**		
Smita Dambal	Professional Fees	18.00	18.00
Nithya M	Consultancy Fees	18.00	18.00
G Usha	Consultancy Fees	18.00	18.00
Rama Subramanyam	Consultancy Fees	18.00	18.00
Ramabai Dambal	Consultancy Fees	6.00	6.00
TOTAL		**476.03**	**418.40**

* Sitting fees paid to the Directors have been considered as part of the IPO Issue expenses.

b. Balances outstanding of Related Parties for the years ended March 31, 2026 and March 31, 2025 are as follows:

(I) Directors and Key Managerial Personnel	**Nature of Transactions**	**31-03-2026**	**31-03-2025**
Ananthahramaiah Panish	Director Remuneration	2.82	2.43
K N Sreenath	Director Remuneration	2.42	2.17
Gururaj Dambal	Director Remuneration	2.79	2.63
S Vinod Kumar	Director Remuneration	2.47	1.64
Amrutha Naveen	Salary	0.50	-
Ravi kumar S	Salary	1.12	-
(II) Relatives of Directors and Key Managerial Personnel			
Smita Dambal	Professional Fees	1.35	1.35
Nithya M	Consultancy Fees	1.35	1.35
G Usha	Consultancy Fees	1.35	1.35
Rama Subramanyam	Consultancy Fees	1.35	1.35
Ramabai Dambal	Consultancy Fees	0.45	0.45
TOTAL		**17.96**	**14.72**

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.

Note: In connection with the Initial Public Offering (IPO) of equity shares of the Company, the issue comprised of both a fresh issue of shares by the Company and an Offer for Sale (OFS) by promoters of the Company

Apportionment of Expenses:

The total IPO expenses have been allocated between the Company and the promoters in proportion to the respective gross proceeds raised through the fresh issue and the offer for sale. Accordingly, the Company has recognized only its proportionate share of IPO-related expenses (i.e., 498.09 Lakhs) in its books of accounts.

These expenses have been adjusted against the Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013.

2. Auditor's Remuneration:

Particulars	**Year Ended 31st March**	
	2026	**2025**
Statutory Audit	7.00 /-	7.00 /-
Tax Audit	1.50 /-	1.50 /-
Other Services	1.50 /-	1.50 /-
TOTAL	**10.00 /-**	**10.00 /-**

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3. Contingent Liabilities and Commitments:

Particulars	Year Ended 31st March	
	2026	2025
Contingent Liabilities		
Outstanding guarantees and Counter Guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others:		
i. Bank Guarantees given for the same against the fixed deposit with Bank	481.42/-	485.33/-
ii. Letter of Credit	196.16/-	509.51/-
iii. TDS Defaults with respect to Delay filing fee, Short Deduction and Interest	1.64/-	1.68/-
Capital Commitments (Construction of Factory)	1,094.99/-	-

4. Employee Benefits: [AS-15]

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	Year Ended 31st March	
	2026	2025
Employers' Contribution to Provident Fund & Other funds	53.70/-	43.78/-

II. Defined Benefit plans

Gratuity

The Company provides for gratuity to its employees in India in accordance with the Payment of Gratuity Act, 1972. With effect from November 21, 2025, pursuant to the subsumption of the Payment of Gratuity Act, 1972 into the Code on Social Security, 2020, and the consequent change in the definition of 'salary' for gratuity computation, the revised plan rules have been considered and the impact thereof has been duly accounted for. 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	Year Ended 31st March	
		2026	2025
1	**Changes in present value of obligations**		
	Present value of obligation as at the beginning of the period	**95.37**	**106.18**
	Interest cost	6.10	7.43
	Current service cost	17.82	14.98
	Benefits paid	(1.89)	(3.20)
	Actuarial (Gain) / Loss on obligations	(1.15)	(30.02)
	Present value of obligation as at the end of the period	**116.25**	**95.37**
2	**Change in the Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the start of the year	**65.42**	**52.47**
	Employer's Contribution	39.14	12.48
	Benefits paid	(1.89)	(3.20)
	Expected Return on Plan Assets	5.22	3.85
	Actuarial (Loss)/ Gain	0.52	(0.18)
	Fair Value of Plan Assets at the end of the year	**108.41**	**65.42**

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3	**Actuarial (Gain) / Loss recognised**		
	Actuarial (Gain) / loss for the period – Obligations	(1.15)	(30.02)
	Actuarial (Gain) / Loss for the period – Plan assets	(0.52)	0.18
	Total (Gain) / Loss for the period	(1.67)	(29.84)
	Actuarial (Gain) / Loss recognised in the period	(1.67)	(29.84)
	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	(116.25)	(95.37)
	Fair value of the plan assets at the end of period	108.41	65.42
	Surplus / (Deficit)	(7.84)	(29.95)
	Current liability	7.84	29.95
	Non-current liability	-	-
	Unrecognised past service cost	-	-
	Amount not recognised as asset (Para 59(b) limit)	-	-
	Net asset / (liability) recognised in balance sheet	7.84	29.95
5	**Expense recognised in the statement of profit and loss**		
	Current service cost	17.82	14.98
	Past service cost	-	-
	Interest cost	6.10	7.43
	Expected Return on Plan Assets	(5.22)	(3.85)
	Actuarial (Gain) / Loss recognised in the period	(1.67)	(29.84)
	Expenses/(Income) recognised in the statement of profit & loss at the end of period	17.03	(11.28)
6	**Reconciliation of net asset / (liability) recognised**		
	Net asset / (liability) recognised at the beginning of the period	(29.95)	(53.71)
	Benefits directly paid by Company	39.14	12.48
	(Expense)/Income recognised at the end of period	(17.03)	11.28
	Net asset / (liability) recognised at the end of the period	(7.84)	(29.95)
7	**Actuarial assumptions:**		
		Year Ended 31st March	
		2026	**2025**
	Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
	Discount rate (p.a)	6.8% p.a.	6.4% p.a.
	Salary escalation rate (p.a.)	10% p.a.	10% p.a.
	Expected rate of return on assets (p.a.)	6.4% p.a.	7% p.a.
	Retirement Age (in years)	60 years	60 years

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

The liability towards compensated absences (privilege leave) for the year ended 31 March 2026 and 31 March 2025 are based on actuarial valuation carried out by using projected accrual benefit method and closing liabilites recognised in the financial statements amounts to Rs. 32.34 Lakhs and Rs. 31.47 Lakhs in financial year ended 31 March 2026 and 31 March 2025 respectively.

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1 Summary of Results

The valuation results as at 31 March 2026 and 31 March 2025 are summarised in the tables below :

Particulars	Year Ended 31st March	
	2026	2025
Defined Benefit Obligation (DBO)	116.25	95.37
Fair value of plan Assets	(108.41)	(65.42)
Net Liability / (Asset) Recognised in the Balance Sheet	7.84	29.95
Current / Non-Current bifurcation		
Current Liability	7.84	29.95
Liability / (Asset) Recognised in the Balance Sheet	7.84	29.95

2 Plan Provisions

The benefits valued in this Report are summarized below:

Valuation Date	31-Mar-26
Sponsoring Employer	AVANA ELECTROSYSTEMS LIMITED
Type of Plan	Privilege Leave/ Long-term Compensated Absences
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

3 Actuarial assumptions:

	Year Ended 31st March	
	2026	2025
Mortality table	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Discount rate (p.a)	6.8% p.a.	6.4% p.a.
Salary escalation rate (p.a.)	10% p.a.	10% p.a.
Expected rate of return on assets (p.a.)	NA	NA
Retirement Age (in years)	60 years	60 years

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.

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.

Impact of Labour Codes :

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things, introduced changes including a uniform definition of wages and enhanced benefits relating to leave. Based on the evaluation carried out by the management there is no financial impact because of these changes

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4. Taxation

Provision for Current income tax liability of Rs. 426.01/- (PY: Rs. 325.70/-) has been made by the Company.

5. Events occurring after the date of Balance Sheet:

There are no material events occurring after the date of balance sheet. Hence the same has not been taken into cognizance.

6. Activity in Foreign Currency:

Particulars	Year Ended 31st March	
	2026	2025
Foreign exchange earnings		
FOB Value of Exports	46.28	-
Foreign exchange expenditures		
Import (CIF Value)*	58.69	20.11

* Total value of all imported raw materials, spare parts and components consumed during the financial year is 1.02% (PY: 0.58%)of total consumption.

Unhedged Foreign Currency Exposure during the year

Particulars	Year Ended 31st March	
	2026	2025
Trade Payables	-	13.66
Trade Receivables (Currency: INR)*	19.86	-
Advance to Suppliers & Others (Currency: INR)*	2.80	

*Sundry debtors, sundry creditors, loans & advances balances are subject to confirmation.

7. Operating Lease:

The Company has entered into operating leases for office and assets. There are escalation clauses of 5% in lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. Gross Rental expenses from operating leases recognized in the Profit and Loss Account for the year ended March 31, 2026 is Rs. 61.83/- (PY: Rs. 59.34/-).

8. Disclosures under Section 22 of the 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.

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Particulars	Year Ended 31st March	
	2026	2025
Principal amount outstanding	365.29/-	266.62/-
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: The above is as per information and records maintained by the company and relied upon by the auditors.

9. 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.

10. Computation of Earnings Per Equity Share [EPS] as required by AS-20:

Particulars	Year Ended 31st March	
	2026	2025
Net Profit for the Year	1,172.28/-	847.08/-
Weighted average number of shares*	1,84,76,246/-	1,74,69,408/-
Earnings per Share – Basic *	6.34/-	4.85/-
Earnings per Share – Diluted *	6.34/-	4.85/-
Face value per equity share	10/-	10/-

Note: * 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 shares for every 1 (one) existing equity share. The bonus was approved by the shareholders on 04th August, 2025. Accordingly, in accordance with AS 20, the basic and diluted earnings per share for the years ended 31 March 2026 and 31 March 2025 have been restated.

*Further, the Company issued and allotted 51,76,000 fresh equity shares through an SME Initial Public Offer (IPO) on January 20, 2026. Accordingly, for the purpose of computing earnings per share, these shares have been included in the weighted average number of equity shares on a time-weighted (proportionate) basis from the date of allotment up to March 31, 2026, in accordance with AS 20.

* Diluted EPS equals basic EPS as there were no dilutive potential ordinary shares outstanding as at the respective Balance sheet dates.

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11. Warranty Provision:

Particulars	Year Ended 31st March	
	2026	2025
Opening Balance	431.99/-	309.02/-
Add: Additions During the year	41.81/-	228.47/-
Less: - Amount Paid/Material consumed during the year*	151.65/-	105.50/-
Closing Balance	**322.15/-**	**431.99/-**

* The amount or material consumed during the year is included in Purchases of Raw Materials and Consumables.

12. Installation & Commissioning Provision:

Particulars	Year Ended 31st March	
	2026	2025
Opening Balance	118.37/-	87.63/-
Add: Additions During the year	20.90/-	66.24/-
Less: - Amount Paid/Material consumed during the year	-	35.50/-
Closing Balance	**139.27/-**	**118.37/-**

13. Details of Crypto Currency or Virtual Currency:
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

14. Corporate Social Responsibility Expenditure :

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	Year Ended 31st March	
	2026	2025
Opening Balance	4.95/-	-
Add: Provision for the year	12.78/-	4.95/-
Less: Amount contributed during the year*	4.95/-	-
Closing Balance	**12.78/-**	**4.95/-**

***Nature of CSR Contribution**

The Company has contributed a sum of ₹ 4.95 lakhs to the Prime Minister's National Relief Fund (PMNRF), which qualifies as an eligible CSR activity under Schedule VII of the Companies Act, 2013.

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15. Summary of CC Statements Submitted to Bank of Quarterly returns compared with Books of account

FY 2025-26

Year	Particular of Security	Balance As per Bank	Balance As per Books	Difference	Difference %	Reasons
30-06-2025	Trade Receivables	1,591.86	1,490.29	101.57	6.82%	Not Material
30-09-2025	Trade Receivables	1,983.44	1,840.43	143.01	7.77%	
31-12-2025	Trade Receivables	2,312.37	2,263.67	48.70	2.15%	
31-03-2026	Trade Receivables	2,359.64	2,221.29	138.36	6.23%	

Year	Particular of Security	Balance As per Bank	Balance As per Books	Difference	Difference %	Reasons
30-06-2025	Inventory*	1,272.71	1,272.71	-	0.00%	Not Material
30-09-2025	Inventory*	1,325.26	1,325.26	(0.00)	0.00%	
31-12-2025	Inventory*	1,480.89	1,480.89	(0.00)	0.00%	
31-03-2026	Inventory*	1,289.34	1,289.34	(0.00)	0.00%	

FY 2024-25

Year	Particular of Security	Balance As per Bank	Balance As per Books	Difference	Difference %	Reasons
30-06-2024	Trade Receivables	1,228.91	1,194.17	34.75	2.91%	Not Material
30-09-2024	Trade Receivables	1,185.11	1,171.51	13.60	1.16%	
31-12-2024	Trade Receivables	1,324.59	1,282.56	42.03	3.28%	
31-03-2025	Trade Receivables	2,215.51	2,119.08	96.43	4.55%	

Year	Particular of Security	Balance As per Bank	Balance As per Books	Difference	Difference %	Reasons
30-06-2024	Inventory*	751.72	751.72	0.00	0.00%	Not Material
30-09-2024	Inventory*	791.93	791.93	0.00	0.00%	
31-12-2024	Inventory*	983.03	983.03	0.00	0.00%	
31-03-2025	Inventory*	1,075.33	1,140.33	(65.00)	-5.70%	

*** Inventory comprises only raw materials and work-in-progress; accordingly, a statement of finished goods is not submitted to the bank by the management of the Company**

16. Capital-Work-in Progress (CWIP) aging schedule

CWIP	Amount for the period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	more than 3 years	
Project In Progess					
2025-26	466.79	-	-	-	466.79
2024-25	-	-	-	-	-

17. Benami Transactions

There are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

18. Company Struck off

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

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

19. Undisclosed Income

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

20. Other Statutory Information

(i) Since the company does not have any subsidiary the provisions of section 2 clause 87 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules 2017 is not applicable to the company.

(ii) During the year no scheme of arrangements in relation to the company has been approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013. Accordingly aforesaid disclosure is not applicable since there was no such transactions.

(iii) The Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(iv) The Company does not have any continuing default in repayment of loans and interest as on the reporting date and company is not declared as "wilful defaulter" by any bank or financial Institution or other lender as on the reporting date.

(v) The Company does not have any Long Term Borrowings from promoters/group companies/ subsidiaries/ material associate companies/ related parties as per Accounting Standard-18.

(vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party with the understanding (whether recorded in writing or otherwise) that the Company shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The title deed of the immovable property are held in the name of company only.

21. Legal Proceedings

The Company is not subject to any legal proceedings or claims during its ordinary course of business. Hence, there are no material or adverse effect on the Company’s results.

22. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, where audit trail feature was enabled. Further, audit trail feature has not been tampered with in respect of other accounting software.

23. As per Rule 3 of Companies (Accounts) Rules, 2014, amended on August 5, 2022, relating to maintenance of electronic books of accounts and other relevant books and papers, the books of account and other relevant books and papers maintained in electronic mode are accessible in India at all times, however the backup of the books of accounts and other books and papers maintained in electronic mode has been maintained on servers physically located in India on daily basis.

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24. The following are Analytical Ratios for the year ended March 31, 2026 and March 31, 2025

S. No.	Particular	Numerator	Denominator	As at	
				31-03-2026	31-03-2025
1	Current Ratio (No of Times)	Current assets	Current liabilities	3.34	2.10
2	Debt Equity Ratio (No of Times)	Total debt (including current maturities of long term borrowings)	Shareholder's Equity	0.01	0.26
3	Debt Service Coverage Ratio (No of Times)	Earnings available for debt service	Debt Service	15.46	1.39
4	Return On Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	28.99%	29.73%
5	Inventory Turnover Ratio (No of Times)	Cost of goods sold	Average Inventory	2.68	2.41
6	Trade Receivable Turnover Ratio (No of Times)	Revenue from Operations	Average Trade Receivables	3.86	3.41
7	Trade Payable Turnover Ratio (No of Times)	Total Purchases	Average Payables	2.55	4.35
8	Net Capital Turnover Ratio (No of Times)	Revenue from Operations	Working capital = current assets – current liabilities	1.61	2.62
9	Net Profit Ratio (%)	Net Profit	Revenue from Operations	13.98%	13.78%
10	Return On Capital Employed (%)*	Earning before interest and Tax	Capital employed = Net worth + Total debt - Intangible Assets	27.98%	57.52%
11	Return On Investment (%)*	Net Profit after Tax	Shareholder's Funds	19.84%	38.86%

*The financial ratios for FY 2026 and FY 2025, including **Return on Capital Employed** and **Return on Investment**, are not strictly comparable. This is because the Company successfully completed its **Initial Public Offer (IPO)** in January 2026, resulting in a substantial infusion of equity capital. The enlarged capital base post-IPO has materially impacted the computation of capital employed and shareholders' funds.

Sr. No.	Ratio	31-03-2026	31-03-2025	Variance
1	Current Ratio (No of Times)	3.34	2.10	59.15%
2	Debt Equity Ratio (No of Times)	0.01	0.26	-95.06%
3	Debt Service Coverage Ratio (No of Times)	15.46	1.39	1008.98%
4	Return On Equity Ratio (%)	28.99%	29.73%	-2.50%
5	Inventory Turnover Ratio (No of Times)	2.68	2.41	11.32%
6	Trade Receivable Turnover Ratio (No of Times)	3.86	3.41	13.21%
7	Trade Payable Turnover Ratio (No of Times)	2.55	4.35	-41.37%
8	Net Capital Turnover Ratio (No of Times)	1.61	2.62	-38.54%
9	Net Profit Ratio (%)	13.98%	13.78%	1.47%
10	Return On Capital Employed (%)	27.98%	57.52%	-51.36%
11	Return On Investment (%)	19.84%	38.86%	-48.94%

NOTE: Reasons for variance are provided only for ratios where the variance exceeds 25%

1. **Current Ratio –** Increased due to improvement in liquidity position and repayment of unsecured working capital loans during the year.
2. **Debt Equity Ratio –** Decreased primarily due to repayment of borrowings and increase in shareholders' funds consequent to the fresh issue of shares pursuant to the IPO.
3. **Debt Service Coverage Ratio** – Increased due to reduction in debt obligations and improvement in profitability.
4. **Trade Payable Turnover Ratio** – Decreased due to increase in average trade payables in line with business operations.
5. **Net Capital Turnover Ratio** – Decreased due to higher increase in working capital compared to turnover growth.
6. **Return on Capital Employed (ROCE) –** Decreased due to increase in capital employed during the year.
7. **Return on Investment (ROI) –** Decreased due to increase in share holder's Fund during the year.

25. Previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year figures. The impact of such reclassification/regrouping is not material to the financial statement

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

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

Sd/-
N.Amarnath
Partner
Membership No:510064
ICAI UDIN: 26510064NTCNWX1388

Sd/-
Anantharamaiah Panish
Managing Director
DIN: 00288112

Sd/-
K N Sreenath
Executive Director
DIN: 03099421

Sd/-
Gururaj Dambal
Whole Time Director
DIN: 03099402

Place: Bengaluru
Date: 21-05-2026

Sd/-
S Vinod Kumar
Whole Time Director
DIN: 03115822

Sd/-
Ravi Kumar S
Chief Financial Officer
M.No: 239041

Sd/-
C R Nerajaa
Company Secretary
ACS No. A66661

If undelivered please return to:
CIN: U31400KA2010PLC054508*
Registered Office: No.08, Plot No.35, 1st Main Road,
2nd Phase, Peenya Industrial Area,
Bangalore – 560 058
Tel No +9180 41233386 **E-mail id:** cs@avanaelectrosystems.com
Website: www.avanaelectrosystems.com

*The Corporate Identification Number (CIN) of the Company is presently being updated from “U” to “L”, and the said change is currently under process with the Registrar of Companies.