

**To:**

BSE Limited
Corporate Relationship Department
PJ Towers,
Dalal Street,
Mumbai -400001
BSE SCRIP CODE: 543896

To:

The Manager
Listing Department
The National Stock Exchange of India Limited
“Exchange Plaza”, Bandra – Kurla Complex,
Bandra (EAST), Mumbai – 400051
NSE SYMBOL: AVALON

Sir(s)/Madam,**Sub: -**

- (i) Circulation of the Notice of the 26th Annual General Meeting and
- (ii) Circulation of the Annual Report for the Financial Year 2024-25 to the Shareholders of the Company

Ref: Disclosure under Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We wish to inform you that the Notice of the 26th Annual General Meeting (AGM) scheduled to be held on **Friday, September 26, 2025, at 02.30 pm (IST)** through Video Conferencing/Other Audio Visual Means (VC/OAVM) together with the Annual Report for the Financial Year 2024-25, is being dispatched today through electronic mode to all the members whose name appear in the Register of members/List of Beneficial Owners as on August 29, 2025.

The Notice and Annual Report for the Financial Year 2024-25 have been uploaded on the website of the Company, which is available at the below link:

1. Notice of AGM:
https://www.avalontec.com/investor/annual-report/Avalon_Tech_Notice.pdf
2. Annual Report:
https://www.avalontec.com/investor/annual-report/Avalon_Tech_AR_2024-25_Web_Upload.pdf

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose a copy of the Notice of AGM and the Annual Report for the Financial Year 2024-25 which is being dispatched to the shareholders of the Company.



The following are the events in connection with the AGM and e-voting:

Particulars	Details
Date and time of AGM	Friday, September 26, 2025, at 02.30 PM (IST)
Mode of AGM	Video Conferencing (“VC”) & Other Audio-Visual Means (“OAVM”)
Company Website	www.avalontec.com
Cut-off date for e-voting	September 19, 2025
E-voting start date and time	Tuesday, 23 September 2025 @ 09.00 AM (IST)
E-voting end date and time	Thursday, 25 September 2025 @ 05.00 PM (IST)
E-voting website of CDSL	www.evotingindia.com

We request you to kindly take the above on record as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours sincerely,
For **Avalon Technologies Limited**

Name of the Person: Ajay Shukla
Designation: Company Secretary & Compliance Officer
Membership Number: A36992
Date: September 03, 2025

Annual Report
2024-25

BROADENING HORIZONS ACCELERATING GROWTH

25
YEARS +

of Manufacturing
Excellence

BROADENING HORIZONS ACCELERATING GROWTH

Avalon Technologies is a well-established leader in the Electronics Manufacturing Services industry, recognised for its manufacturing excellence. We specialise in building complex products and serve a wide range of industries worldwide, offering solutions that span from individual product capabilities to complete system integration, with a strong focus on design-for-manufacturing and assembly for our customers.

FY2025 was a pivotal year in Avalon Technologies' journey of transformation and value creation. Our performance underscored the strength of our business model, disciplined execution, and strategic direction. Looking ahead, we are laying the foundation to capture the decadal growth opportunities emerging in the EMS sector, both in India and globally.

Our theme this year, **"Broadening Horizons. Accelerating Growth"**, reflects this journey.

Broadening Horizons represents the diversification of our customer base across multiple industries, the resilience from being well-spread geographically, and our integrated capabilities that enable us to deliver complex box-build solutions across varied end products, with plants adaptable to multiple product categories. Accelerating Growth conveys our ability to scale while maintaining an optimal balance between profitability and growth.

We continue to invest with focus – in people, customers, technology, and processes – while strengthening our senior leadership team and building depth

across the organisation. Over the last three years, our India: US revenue mix has shifted meaningfully to 43:57, reflecting the strong momentum from Indian customers alongside our continued global presence. This shift demonstrates Avalon's expanding footprint and the increasing role of India in our future growth.

Our fully integrated operations, diversified customer base, and end-to-end capabilities – from design handoff to final product – position us strongly to benefit from the structural tailwinds in the EMS sector. As we strengthen our presence in existing verticals and expand into new technology led ones, we are also preparing for geographic and capability expansion over the next 2–3 years.

Avalon is firmly on a growth trajectory built on trust, capability, and execution discipline. With a clear roadmap and a resilient foundation, we are broadening our horizons and accelerating toward our vision of being a globally respected, technology led electronics manufacturing partner – delivering integrated box-build solutions across industries worldwide.

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For more investor-related
information, please visit:

[https://www.avalontec.com/
investors/](https://www.avalontec.com/investors/)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kunhamed Bicha

Chairperson & Managing Director
DIN: 00819707



Mr. Bhaskar Srinivasan

Non-Executive Director
DIN: 02561215



Mr. Luquman Veedu Ediyanam

Non-Executive Director
DIN: 06493214

Mr. Chandar Pattabhiram

Independent Director
DIN: 09606151



Mr. Venkataramani Anantharamakrishnan

Independent Director
DIN: 00277816



Mr. Byas Unnikrishnan Nambisan

Independent Director
DIN: 01342141



Ms. Nandita Abraham

Independent Director
DIN: 01006030



Mr. Anees Ahmed

Independent Director
DIN: 00225648



SENIOR MANAGEMENT

Mr. Shriram Vijayaraghavan

Chief Operating Officer



Mr. Suresh Veerappan

Chief Financial Officer

Mr. Venky Venkatesh

Chief Sales Officer

Key Managerial Personnel:

1. Mr. Kunhamed Bicha – Managing Director
2. Mr. Suresh Veerappan – Chief Financial Officer
3. Mr. Ajay Shukla – Company Secretary

Registered Office

Avalon Technologies Limited
B-7 First Main Road, MEPZ-SEZ,
Tambaram, Chennai – 600045
CIN: L30007TN1999PLC043479
E-mail: investorsrelations@avalontec.com
Website: www.avalontec.com

Statutory Auditor

M/s. Varma & Varma, Chartered Accountants

Secretarial Auditor

M/s Alagar & Associates LLP
(Formerly known as M. Alagar & Associates),
Company Secretaries

Registrar and Share Transfer Agent






MUFG Intime India Pvt. Ltd

(Formerly known as Link Intime India Pvt. Ltd),
C-101, 247 Park, 1st Floor,
LBS Marg, Vikhroli (West),
Mumbai, Maharashtra – 400083
E-mail: mumbai@in.mpms.mufg.com

Bankers

Standard Chartered Bank
HDFC Bank
Indian Bank
Bank of India

 Chairperson  Member

-  AC – Audit Committee
-  NRC – Nomination & Remuneration Committee
-  SRC – Stakeholders Relationship Committee
-  CSR – Corporate Social Responsibility Committee
-  RMC – Risk Management Committee

FY2025 HIGHLIGHTS & MILESTONES

₹ **1,761** Cr*

Order book

₹ **1,123** Cr**

Long-term contracts

29%

YoY increase in order book

₹ **1,098** Cr

Revenue

43%

Revenue from Indian customers

57%

Revenue from US customers

87%

Manufacturing in India

49%

Box-build revenue

35.8%

Gross margin

10.5%

EBITDA margin

₹ **44** Cr

Cashflow from operations

7.5 times

Asset turn - capex light model

15[#]

Manufacturing units

575k+

Sq ft Manufacturing facility area

Note: Numbers are presented for fiscal year 2024-25

* Order book executable over average period of 14 months

**Long-term contracts executable over 15 months to 3 years

#Includes 1 new plant under construction as of March 31, 2025

Recorded revenue of ₹ 1,098.1 Cr, growing at 26.6% YoY, driven by strong, diversified growth across multiple industries and various geographies.

Net Working Capital improved by 37 days to 124 days as of March 31, 2025.

Strategic business wins were secured across both established and emerging sectors.

A new export-focussed manufacturing plant was completed in Chennai.

Phase-II of the brownfield expansion in Chennai is underway and expected to be completed by H2 FY2026 to meet growing domestic demand.

Industrial vertical, our largest segment, continues steady growth with strong demand and order pipeline.

Mobility vertical, primarily rail & aerospace, is delivering the fastest growth with an expanding customer and product base.

Clean Energy vertical is gaining momentum with progress in energy storage system solutions.

Communication vertical shows a promising outlook with our track record in manufacturing 5G boards.

Expanded into new high-technology verticals; one example is our partnership with a global semiconductor equipment company for complex subsystem manufacturing.

Strategic manufacturing partner for C-DAC under the 'RUDRA' High-Performance Computing programme.

Strategic partnership with Zepco Technologies to strengthen offerings in motors, drives, controllers, and power solutions for drones, EVs, and defence.

MESSAGE FROM THE CMD



Dear Shareholders,

I am pleased to present the Annual Report of Avalon Technologies for the financial year ended March 31, 2025. FY2025 has been a pivotal year in our journey – marked by revenue growth, enhanced profitability, strengthened customer relationships, and significant progress in capacity expansion. These achievements reflect our ability to navigate an evolving global environment while building on opportunities.

With Avalon completing its 25 years milestone earlier this year, it is not only a time to reflect on our journey but also to look ahead. Over these years, India has evolved into a well-established global manufacturing hub. With this shift, the outlook for the Electronics Manufacturing Services (EMS) industry, and for Avalon in particular, is very encouraging. We believe the road ahead holds even greater opportunities.

Avalon stands on a strong foundation to capitalise on the vast potential emerging across our end markets. With a healthy order book, expanding capacities, and a culture rooted in operational discipline, we are well-positioned to deliver sustained growth and long-term value for our shareholders.

Having completed over two years since our public listing, I take this opportunity to express my sincere gratitude for your continued support and trust. Your confidence in our vision and strategy has been instrumental in enabling us to strengthen our capabilities and broaden our horizons in India and beyond.

PERFORMANCE HIGHLIGHTS OF FY2025

FY2025 marked a significant step forward for Avalon Technologies, with revenue growing 26.6% year-on-year to reach ₹ 1,098 Cr. This growth was broad-based across verticals and geographies, supported by contributions from new programme ramp-ups and deeper engagement with existing customers. The scale-up in operations reflects both the resilience of our business model and the strength of our execution.

Net working capital days reduced from 161 in FY2024 to 124 in FY2025, ahead of our stated targets. This improvement was driven by disciplined inventory management, tighter control over receivables, and stronger supply chain coordination.

EMS INDUSTRY MOMENTUM

The global EMS industry continues to grow at a healthy pace, supported by rising electronics adoption across multiple sectors. This momentum is driven by structural trends such as increasing demand for smart and connected devices, rapid innovation cycles requiring faster time-to-market, and growing product complexity that encourages outsourcing to specialised manufacturing partners.

Additionally, industries such as infrastructure, industrial automation, rail, aerospace, communications, and renewable energy are embedding more electronics into their products – creating widespread electrification opportunities across verticals and significantly expanding the addressable EMS market.

Geopolitical developments and supply chain realignments are also prompting global brands to diversify manufacturing footprints, leading to greater opportunities for regions like India. Cost competitiveness, skilled engineering talent, fast-growing domestic market opportunities, strong design talent and improving infrastructure are making India an attractive manufacturing destination, particularly for high-value and high-complexity products.

Our own journey over the past 25 years mirrors this evolution. From building capabilities step by step, Avalon today stands aligned with India's rise as a global hub for electronics manufacturing. This backdrop provides us with both a strong base and an exciting runway for the future.

“

Avalon today stands aligned with India's rise as a global hub for electronics manufacturing. This backdrop provides us with both a strong base and an exciting runway for the future.

At the same time, India's policy push towards import substitution is strengthening local manufacturing while fast-growing domestic consumption expands the market opportunity. Together, these factors reinforce the long-term growth potential of the EMS sector in India.

Avalon continues to invest ahead of demand in capacity, technology, and talent to ensure we remain well-positioned to capture opportunities at scale.

MOMENTUM ACROSS OUR GROWTH ENGINES

With the scale of opportunities before us, Avalon is poised to capture these opportunities and translate this momentum into sustained growth and long-term value creation. Our growth approach is built on a balanced mix of steady core revenues, new programme ramp-ups and a healthy pipeline of prospects.

“

Our portfolio is built around complex, long-life-cycle products, where customer relationships are deep and enduring. Once qualified, customers tend to remain with their chosen partner, and our ability to offer both India and U.S. production further strengthens this trust.

Existing Business – Multi-year programmes anchored by strong customer relationships continue to provide recurring revenues. These engagements serve mission-critical applications and reflect the high entry barriers we have built over time.

New Business Wins – Expanded capacity and customer focus drove steady wins across verticals, many of which are moving into production now. Our dual-shore model and new Chennai export facility supported these transitions. These programmes strengthen our market position and extend our reach.

Pipeline Opportunities – Several prospects are in advanced stages across industries and geographies, aligned with our strategic priorities, and have the potential to meaningfully expand our revenue base in the years ahead.

Together, these growth engines provide Avalon with a resilient foundation and strong momentum to scale further and create long-term value for all stakeholders.

OUR DUAL SHORE MANUFACTURING

Central to our ability to serve a diverse customer base is our dual-shore manufacturing model, which combines the strengths of our Indian and U.S. operations. This model offers customers the flexibility to produce locally in the U.S. to address regional trade considerations or leverage our cost advantages in India for competitive manufacturing.

Our portfolio is built around complex, long-life-cycle products, where customer relationships are deep and enduring. Once qualified, customers tend to remain with their chosen partner, and our ability to offer both India and U.S. production further strengthens this trust.

In FY2025, we enhanced this model with the commissioning of a new export-focussed facility in Chennai. Construction has also begun on two additional facilities – one to serve growing domestic demand and the other focussed on exports. Our U.S. operations continue to serve marquee customers in highly regulated sectors, while our Indian facilities leverage scale and cost benefits. This integrated footprint positions Avalon to adapt to changing dynamics and capture opportunities across the EMS landscape.

“

Avalon is at an important inflection point. Our focus will remain on expanding participation in growth sectors, delivering advanced solutions for complex manufacturing needs, and building on the trust of our customers and partners.

As tariff-related discussions between the US and India continue, we are closely monitoring developments. In a dynamic environment, it is important to remain agile and take a measured approach before making any strategic adjustments.

KEY CUSTOMER WINS

FY2025 saw steady progress across new programmes, with several advancing from design and prototyping into production. We secured projects in global auto components, home electrification, rail, industrial, infrastructure, clean energy, and communications.

Adding to this momentum, we also entered the semiconductor equipment manufacturing space through a partnership with a leading global player to produce highly complex, Industry 4.0-compliant box builds. This aligns with our strength in complex box-build solutions, which contributed 49% of revenue in FY2025. With prototyping underway and production expected to ramp over the next 4–5 quarters, this marks a strategic entry into a high-potential segment that can become a strong growth driver over the medium term.

Some of the projects currently in development include backup power systems, power transmission systems, aerospace cabin subsystems, locomotive engine subsystems, energy storage systems, and power electronics. Many of these are expected to ramp up during FY2026 and contribute meaningfully to growth.

We are also progressing on railway Kavach systems, currently under prototyping and final stages of approval, which are expected to enter commercial production next year. These developments support our continued efforts to deepen customer engagement and expand our presence across critical and high-potential end markets.

These wins reflect our ability to deepen relationships with existing customers, expand into new accounts, and participate in high-potential end markets, strengthening the foundation for sustained growth.

CONCLUSION NOTE

FY2025 has been a year of steady and meaningful progress for Avalon. We have strengthened our capabilities, expanded capacity, and deepened customer relationships across markets. These developments, supported by disciplined execution, have reinforced the resilience of our business model and positioned us well for the opportunities ahead.

As we mark our 25th year, Avalon is at an important inflection point. Our focus will remain on expanding participation in growth sectors, delivering advanced solutions for complex manufacturing needs, and building on the trust of our customers and partners. With a strong order book, a diversified portfolio, and a dedicated team, Avalon is well placed to deliver sustainable growth and long-term value creation.

On behalf of the Board and the leadership team, I would like to thank our customers, partners, employees, and shareholders for their continued support. Your confidence in Avalon inspires us to aim higher and to deliver consistently.

Warm regards,

KUNHAMED BICHA

Chairman & Managing Director

MESSAGE FROM THE CFO



“

Resilient balance sheet, scalable operations, and strong customer trust, Avalon is well-positioned to capture the vast decadal opportunities ahead.

Dear Shareholders,

Delivering Profitable Growth with Discipline

FY2025 marked an important milestone in Avalon Technologies' journey. As we complete 25 years since inception, we find ourselves operating in a dynamic industry landscape — India is now increasingly being recognised globally as a reliable destination for electronics manufacturing services (EMS). This shift has created opportunities for Avalon, enabling us to leverage our capabilities, diversified presence, and trusted customer relationships to capitalise on the industry's structural growth.

Strong Financial Performance

We delivered revenue of ₹ 1,098 Cr, a 26.6% year-on-year growth, exceeding our guidance and driven by broad-based demand across geographies and verticals. This was supported by rising electronification across industries, a booming domestic market, and Avalon's positioning among top-tier global customers. From Q2 to Q4 FY2025, as customers began restocking, we recorded a 42% year-on-year revenue growth with an EBITDA margin of 11.8% — highlighting the strength of our model and operational execution.

Alongside top-line expansion, we remained focussed on improving profitability, operational efficiency, and cash flows, while maintaining a healthy balance sheet. Strategic investments in capacity, automation, and capabilities were made ahead of demand, ensuring readiness for the next phase of growth. Our rigorous working capital discipline further strengthened liquidity and financial flexibility, positioning Avalon well to capture the opportunities ahead.

Financial Highlights (Consolidated FY2025):

- Revenue: ₹ 1,098 Cr (+26.6% YoY), exceeding guidance
- Gross Margin: 35.8% — above guidance, among industry-leading levels
- EBITDA: ₹ 115 Cr (+83.7% YoY), EBITDA margin 10.5%; India operations delivered 14.2%
- PAT: ₹ 63 Cr (+126.7% YoY), PAT margin 5.7%; India PAT margin at 9.5%
- RoCE: Improved from 10% to 15.7%, reflecting better asset utilisation and programme ramp-ups
- Net Working Capital Days: Improved 37 days YoY to 124 days

- Net Debt: Reduced to ₹ 7 Cr; liquid cash & investments at ₹ 134.7 Cr
- CAPEX: ₹ 57.8 Cr in FY2025, maintaining a capex-light model with asset turns of 7.5x
- Cash Flow & Liquidity: Operating cash flow (post working capital adjustments) stood at ₹ 25 Cr; liquid cash and investments closed at ₹ 102 Cr as of March 31, 2025, supported by ready access to working capital lines
- Geographic Mix: India contributed ₹ 477 Cr (43%) and the U.S. contributed ₹ 621 Cr (57%)

Operational Highlights

FY2025 was a year of strengthening plants, partnerships, and people for the next phase. We commissioned a new export-focussed facility in Chennai and initiated Phase II brownfield expansion, on track for completion by H2 FY2026 to meet growing domestic demand. We deepened capabilities through our collaboration with Zepco Technologies, entering emerging domains like motors, drives, controllers, and power solutions for drones, EVs, and defence. Leadership depth was further strengthened, enabling Avalon to execute complex, high-value programs across sectors. With working capital efficiency improving – net working capital days reduced by 37 days to 124 days, supported by lower inventories at 86 days – Avalon exits FY2025 with a stronger operational foundation.

Strategic Positioning & Industry Tailwinds

Avalon is strategically positioned at the intersection of complexity, scale, and opportunity:

- Growing electrification across transportation, aerospace, clean energy, semiconductor equipment, digital infrastructure, and communications – each unlocking significant long-term growth opportunities.
- A booming domestic market combined with India's emergence as a global EMS hub, supported by cost advantages, design talent, and policy-driven import substitution.
- A dual-shore manufacturing model combining cost-efficient India operations with U.S. localisation, enabling customer flexibility while mitigating tariff and supply chain risks.

Navigating Global Dynamics

With countries renegotiating tariff frameworks and policy decisions shaping global supply chains, we approach FY2026 with measured optimism.

Our recent business wins over the last 4–6 quarters, predominantly based in India and Southeast Asia, provide greater visibility into near-term growth. While the structural EMS growth story remains intact and accelerating, we continue to closely monitor geopolitical developments and remain prepared to adapt.

Outlook

As we enter FY2026, we are expanding the top line while strengthening the bottom line. A stronger second half is expected as large programmes ramp – up across auto, industrial, clean energy, and rail.

Our focus remains on:

- Sustaining profitable growth with discipline.
- Deepening customer engagement and expanding wallet share.
- Building capabilities in high-complexity, emerging verticals.
- Maintaining financial agility to fund growth while preserving flexibility.
- Warm regards,

With a resilient balance sheet, scalable operations, and strong customer trust, Avalon is well-positioned to capture the vast decadal opportunities ahead and deliver long-term value creation for all stakeholders.

Warm regards,

SURESH VEERAPPAN

Chief Financial Officer

AVALON AT A GLANCE

Avalon Technologies is one of India's leading fully integrated electronic manufacturing services (EMS) companies, providing end-to-end offerings across the entire business value chain. With a global delivery footprint, we support industry leaders across diverse sectors with capabilities ranging from design and analysis to volume production.

Our strength lies not just in being quality-conscious, but in building mission-critical, high-mix, and complex products that demand engineering depth and precision. On-time delivery of these solutions is supported by our expanding network of supplier partners and integrated operations. This combination positions Avalon as a trusted partner for advanced manufacturing needs in the EMS landscape.

Over the years, Avalon has emerged as a trusted partner for global customers seeking manufacturing excellence benchmarked to the highest standards.

OUR CORPORATE STRUCTURE



Our Offerings

Avalon Technologies offers a comprehensive range of services with a strong focus on precision-engineered and build-to-print solutions. As a one-stop shop, we provide PCB Design & Assembly, New Product Development, complete Box-Build solutions, and logistics support.

Deliver excellence in electronics manufacturing with proven leadership in high-mix, flexible-volume production, serving a diverse range of industry verticals with system integration solutions.

FROM INCEPTION TO SCALE

Avalon's 25-year journey has been marked by consistent growth and capability expansion. From its early foundation, the company has steadily built competencies in complex manufacturing and established a strong track record of execution. Each milestone has strengthened Avalon's position as a trusted EMS partner, reflecting its ability to scale with customer needs while maintaining operational discipline and reliability.

Avalon is investing in two new plants, advanced box-build capabilities, strategic partnerships like Zepco, and talent — to capture the decadal growth opportunities ahead.

2024

Listed our shares at the Indian Stock Exchanges (NSE and BSE).

2016

Chosen as the Indian manufacturing partner for a leading Japanese manufacturer of advanced signalling solutions.

2003

Earned our first certification – ISO 9000.

2000

Successfully established our Electronics Manufacturing Services company in 1999 within the Madras Export Processing Zone, Special Economic Zone (MEPZ-SEZ) in Chennai, by demonstrating our significant export potential and manufacturing expertise in a thriving software sector.

1997**2025**

Strategic customer wins with a well diversified business portfolio, driving expansion across new sectors and geographies.

2023

Enhanced our Box-build capabilities.

2013

Successfully designed a complex board consisting of approximately 10,000 components for a top Indian multinational in the IT sector.

2002

Within three months of establishing the company, completed our first export, earning significant recognition in MEPZ.

1999

Journey commenced with a vision of establishing world-class electronics manufacturing in India.

ONE-STOP SHOP

Our emergence as a one-stop solution for our customers has powered our sustained growth and value creation journey over the years, positioning us a leading player in India's EMS space.





OUR GROWTH AND EXPANSION OVER THE YEARS



CAPABILITIES

MANUFACTURING FACILITIES

THE BEGINNING



PCB Assembly

3,000 sq.ft facility in MEPZ, Chennai

EVOLUTION TO PRESENT



1999–2005: PCB Assembly

2006–2010: **Metals**, Cables assembly and wiring harness

2011–Present: Plastics, Magnetics, System integration

2005–Inagurated a facility for cables division

2008–Inagurated a facility for pCBA division

2009–Acquired design capabilities

2011–Opened facility in Bengaluru, Karnataka

2025–Inagurated exported focussed facility in MEPZ

Current manufacturing footprint

Spans 575k sq.ft design & manufacturing facilities

ONGOING DEVELOPMENT



Strengthening expertise in complex box-build solutions for emerging and mission-critical applications such as automatic train protection systems, semi-conductor equipment, locomotive engine subsystems, energy storage systems, servers, etc.

New manufacturing facility for meeting domestic demand is under construction.



REGIONS CATERED

Major business from USA

Currently serving

India, US, Europe, Japan

INDUSTRIES SERVED

Power, Communication

Power & Industrial,
communication, mobility, clean
energy, medical, defence and
others

TEAM SIZE

9-10 employees

2,500+

1. Actively working towards increasing wallet share with existing customers.
2. Focussed on diversifying acquiring new customers across geography and segments.
3. Further strengthening our presence in domestic markets.

1. Expanding in emerging sectors such as semi-conductor equipment manufacturing.
2. Solidifying our presence across established verticals including industrial, power, rail, aerospace, and communication.

Strategic recruitments at leadership and managerial level are being made to drive our company forward.

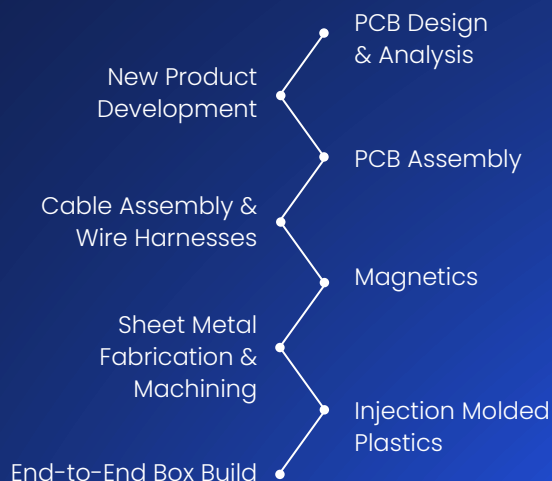
OUR DIFFERENTIATORS

We have successfully built a distinctive competitive edge, empowering us with an industry and market leadership in our niche business space.

OUR KEY DIFFERENTIATORS INCLUDE:

Vertical Integration

Avalon operates as a true one-stop shop, delivering end-to-end Box-Build solutions. Our capabilities span across PCB design, analysis and assembly, new product development, cable assembly and wire harnessing, sheet metal fabrication, injection-molded plastics, magnetics, testing, and logistics – ensuring seamless execution and faster time-to-market. In addition, we have strategic collaborations with partners for motors, motor controllers, and power electronics.



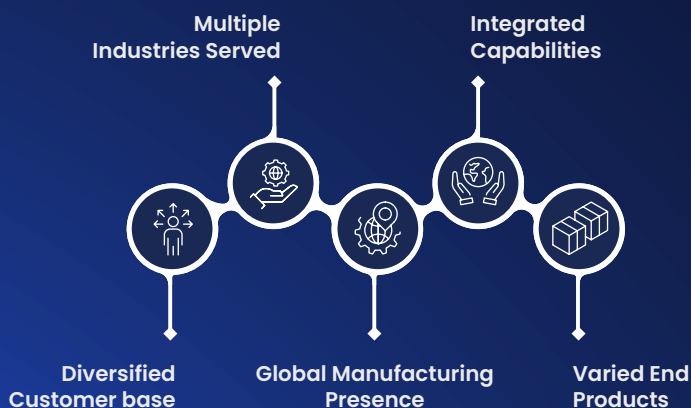
Hybrid Business Model

Avalon's dual-shore manufacturing presence across India and the U.S. offers customers the flexibility to localise production based on strategic needs – be it cost optimisation, proximity to end markets, or regulatory alignment. This model ensures agility, scalability, and faster response times while serving both global and domestic demand.



Strategic Diversification

Avalon maintains a well-balanced and resilient business portfolio through diversification across its customer base, industries served, geographic manufacturing footprint, technical capabilities, and a broad spectrum of end products. This strategic approach helps de-risk operations, support sustainable growth, and unlock emerging opportunities.



THE AVALON WAY – SMARTER, FASTER, BETTER

At Avalon, we have adopted a cohesive and constructive approach to powering our growth journey. This approach is embedded with attributes crafted to drive our efforts towards 'smarter, faster, and better' solutions.



DESIGN SMARTER

Concept-to-commercialisation, 99% first-time-right

At Avalon, our value proposition extends beyond manufacturing. We support customers with advanced PCBA design, analysis, and new product development capabilities, enabling a seamless transition from concept to commercialisation. Our engagement begins at the earliest stages of the product lifecycle through comprehensive design collaborations, positioning us as a trusted partner from product inception. With integrated capabilities across the value chain, we ensure smooth progression from prototype to full-scale production. Backed by a proven track record of 99% first-time-right designs, we help customers accelerate time-to-market while reducing rework and cost.



BUILD FASTER

Optimised processes, agility, precision, responsiveness

Speed and precision are core to our execution model. Optimised processes ensure timely delivery without compromising rigor or reliability. Our focus on agility and continuous improvement allows us to respond quickly to evolving customer needs while maintaining consistent quality. This balance of efficiency, responsiveness, and reliability positions Avalon as a trusted partner for complex manufacturing programmes.



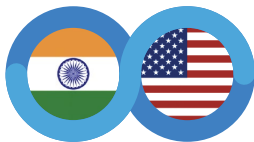
DELIVER BETTER

Logistics, supply chain efficiency, end-to-end dependability

Our integrated offerings extend beyond manufacturing to include in-house logistics and warehousing, ensuring a seamless experience for customers. By co-locating distribution centres with our manufacturing facilities, we enable supply chain efficiency, reduce lead times, and support just-in-time delivery. This integrated approach strengthens customer relationships and reinforces Avalon's role as a dependable partner for end-to-end solutions.

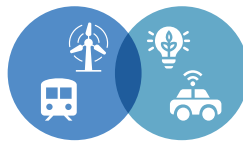
OUR GROWTH STRATEGY

Our business strategy is structured around a mix of high-potential geographies, advanced technologies, and profitable growth.



Blend of Geography (India + US)

- Catering to the world's fastest growing EMS markets – India & USA
- Harnessing India manufacturing and USA onboarding
- Leveraging India's and USA's manufacturing capabilities and business strength



Combination of Existing & new technologies

- Strengthening presence in key sectors – industrial, aero, rail, communication segments through collaboration, up-selling and cross-selling to boost wallet share
- Expanding into emerging advanced technology sectors – by partnering with industry pioneers



Balance of Profitability & growth

- Catering to profitable segments – Aerospace, complex & mission critical products, Box-Builds, etc.
- Winning new orders through integrated capabilities – from design to Box-Build

OUR GROWTH DRIVERS

Propelling Us Forward

Avalon's growth is powered by three strong growth drivers that provide resilience today and momentum for tomorrow. These growth drivers – anchored by steady recurring revenues, supported by new business ramp-ups, and strengthened by a robust pipeline – together create a balanced platform for sustained expansion and long-term value creation.

| Existing Business

01

- ◉ Driven by long product life cycles and deep customer relationships, delivering steady and recurring revenues.
- ◉ FY26 continues to reflect consistent performance across core accounts.
- ◉ Increasing wallet share with existing customers by strengthening engagement and expanding business with them.

| New Business

02

- ◉ Results of sustained efforts over the past two years are now translating into fresh orders across multiple verticals, moving into production.
- ◉ Strategic pursuits have led to onboarding of high-potential accounts aligned with long-term growth objectives.
- ◉ Execution focus remains on rapid ramp-up, delivery excellence, and converting wins into recurring annuity revenues over the coming quarters.

| Pipeline Opportunities

03

- ◉ A growing and diverse set of opportunities progressing toward finalisation, with encouraging potential in size and scope.
- ◉ Opportunities are part of a well-curated funnel and strongly aligned with Avalon's long-term business vision.

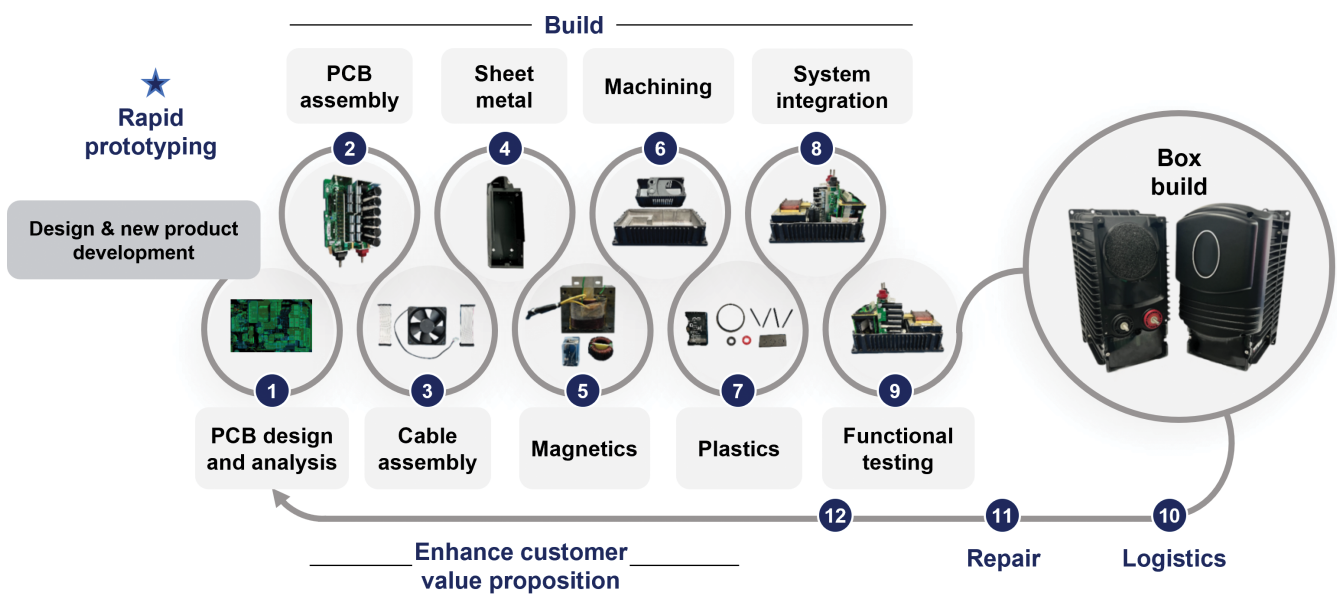


OUR CAPABILITIES & SOLUTIONS

FROM DESIGN TO DELIVERY: CAPABILITIES THAT SET US APART

Avalon's emphasis on delivering vertically integrated and diversified EMS solutions across multiple industries has strengthened its core competencies, particularly in the Box-Build segment. By offering a comprehensive suite of services encompassing design, prototyping, manufacturing, and supply chain management. Avalon positions itself as a one-stop shop for end-to-end solutions throughout the customer's product lifecycle. This focus has established Avalon as one of the leading EMS companies in India and has driven our ongoing journey toward greater horizons of growth and expansion.

OUR LIFECYCLE OFFERINGS



OUR INNOVATIVE SOLUTIONS

Design Services

We specialise in advanced PCB design, delivering intelligent layouts for highly complex boards. Our expertise covers precise layout engineering optimised for electrical performance, thermal efficiency, and signal integrity. Leveraging cutting-edge design tools and deep domain knowledge, we deliver high-impact solutions that address local technical challenges with a global design perspective.

Our approach includes comprehensive Signal, Power, Thermal, and EMI analysis, ensuring optimal electrical performance, thermal stability, and electromagnetic compliance across all operating conditions.

We follow a Design for Excellence (DFX) philosophy – covering Design for Assembly (DFA), Design for Fabrication (DFF), and Design for Test (DFT) – combined with a strong understanding of PCB fabrication, assembly, and mechanical design, enabling significant yield improvements. Every PCB is engineered to be reliable, durable, and cost-efficient, adhering to IPC and product-specific standards.

By engaging fabrication, component engineering, and assembly teams early in the design cycle, we accelerate time-to-market while maintaining the highest quality standards.

New Product Development (NPD)

Our NPD division provides end-to-end solutions for transforming complex designs into prototypes, utilising the latest technologies and supported by an expert team with a focus on cost and time efficiency.

*We offer prototype build services, with our NPD team serving as a bridge between the design and production teams to deliver prototypes for verification and testing at an accelerated pace.

*Our expertise in NPD lies in the areas of hardware design, PCB design and analysis, system testing, electromechanical integration, pre-certification support, production test development, and final certification support.

*Our strategy includes separate sourcing teams for NPD and production, where NPD Sourcing focusses on speed for prototype builds and Production Sourcing emphasises overall cost efficiency.



>40,000 layouts
per IPC standards

ISO 9001 & 27001
Certified

>99% First time
right designs

130 PCB design /
Analysis engineers

Versatile high
performance tools

1,65,000+

Library database count, comprising schematic symbols, PCB parts, Valor Parts Library (VPL), and 3D models

PRINTED CIRCUIT BOARD ASSEMBLY (PCBA)

Our end-to-end and efficient PCBA solutions range from product concept to design/prototype and commercial production designed to save time and money. Our capabilities empower us to develop complex double-sided PCB assembly up to 32 layers, and POP/BGA/QFN/Discrete packages up to 01005. Our expertise in DFM reviews and yield analysis equip us to assemble up to 56 BGAs in a single PCBA. We are also adept at handling complex high power PCBA, as well as Rigid and Rigid-Flex PCBAs. Use of both conformal coating and encapsulation help protect our PCBAs from environmental damage.

We adopt both ROHS and Conventional processes in the PCBA development and also offer end-to-end backward and forward manufacturing traceability. Our testing capabilities cover custom test programme design and implementation, flying-probe testing, in-circuit testing, and burn-in testing & thermal cycling test.

EHS – ISO 14001:2015
and **ISO 45001:2018**
certified;
ISMS 27001:2022
certified

IPC-A-610 certified
trainers and
specialists

IPC-7711/7721 certified
specialists

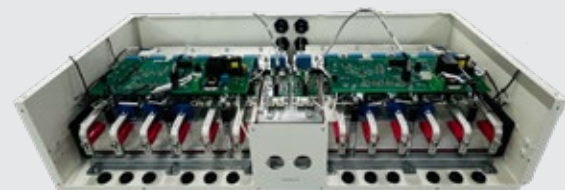
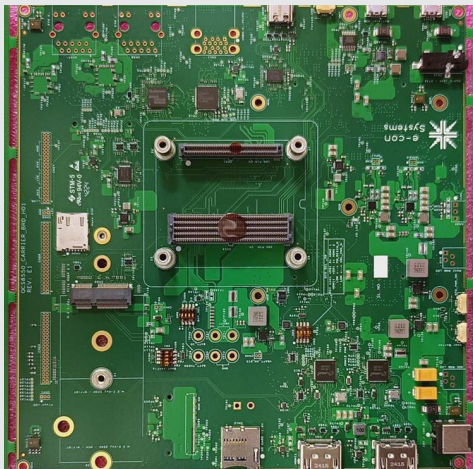
>99% yield

ISO 9001:2015 and
IATF 16949:2016, ESD
20.20 Certified

UL-ZPVI2 recognised

J-STD-001 certified
specialists

Clean room
Capability Class 1000/
ISO 6



SHEET METAL FABRICATION & MACHINING CAPABILITIES

Our sheet metal fabrication capabilities extend from simple to complex fabrication. We have developed extensive capabilities in Box-Build, as well as in reverse engineering. Our in-house tool design and development strength gives us a competitive advantage. Use of special process eco-system further complements our leadership edge.



We have also developed capabilities in producing high-precision machined components, encompassing complex machines fabrications and high precision machining. TIG and resistance spot welding is also part of our core competencies, which further include CMM with laser screening, Mechanical NPI, Tool room, VMM & tensile strength testing, and in-house Liner Equipment Calibration capability.

AS9100D
Certified

NADCAP Certified for
Welding & Brazing

EN 15085-2 (P,S)
certified for welding of
railway vehicles and
components

IT Setup for Data
Security / CAD Design

EHS – ISO 14001:2015
and ISO 45001:2018
certified; ISMS
27001:2022 certified

INJECTION MOLDED PLASTICS

Our capabilities in injection molding of parts include both over molding and insert molding. We have also developed competencies in assembly of plastic parts and accessories, ultrasonic welding, and secondary processes such as surface treatments. We are proficient in all types of plastics, including high-performance plastics, engineering plastics, and general/commercial plastics.

ISO 9001: 2015,
AS 9100D

EHS – ISO 14001:2015
and ISO 45001:2018
certified; ISMS 27001:2022
certified

>99% First time Right

Strong NPI &
engineering resources

Complex welded
seal proof assemblies
executed first time right



CABLES & WIRE HARNESSES

We have developed a strong edge in complex wiring looms/assemblies, terminal blocks and complete fan tray assembly. Our competencies extend to flat ribbon and RF cable assembly, as well as cable assemblies with over moulding, potting and other

advanced techniques. Our other capabilities include routing board harness, conduit assembly and harness braiding capability, electromechanical assembly and panel wiring, as well as cabinet/cubicle assembly and testing. We have also strategically developed strengths in ultrasonic welding, crimp cross section facilities, and extensive tool management.



ISO 9001:2015,
IATF 16949:2016 and
AS9100 D certified

UL ZPFW2, ZPFW8
recognised

IPC/WHMA-A-620
Certified trainers,
Specialists

APQP & PPAP
Process

FMEA

MAGNETICS

Our strength in this area encompasses a wide range of capabilities, spanning Linear Winding, Toroidal Winding, Varnishing, and Testing. Our Linear Winding offerings include copper foil winding across various shapes and thicknesses, and fine winding from 18 AWG to 38 AWG. In Toroidal Winding, we provide copper fine wire winding from 28 AWG to 38 AWG and pull winding with wire from 20 AWG to 9.5 AWG.

Our varnishing capabilities include a Vacuum Pressure Impregnation (VPI) varnish system and a semi-automatic dip varnish system. Automatic transformer analysers are used for testing the various electromagnetic components we manufacture, tailored to meet specific customer requirements.



ISO 9001:2015
Certified

EHS – ISO 14001:2015
and ISO 45001:2018
certified; ISMS 27001:2022
certified

UL OBJY2, OBJS2
recognised insulation
system

Fireproof temperature
controlled chemical
storage facility

Heavy duty
medium rise storage
rack facility

Design & NPI for
Magnetics

SYSTEM INTEGRATION

Product lifecycle and obsolescence management is a key facet of our capabilities in system integration. Our vertically integrated proposition comes from leveraging capabilities from various feeder plants – Design, Cables, Magnetics, Plastics and Metal. We also have competencies in electromechanical integration, including Box-Build and Rack assemblies.

>99% first time right complex box builds

EHS – ISO 14001:2015 and ISO 45001:2018 certified; ISMS 27001:2022 certified

In-house software development competency to build MES

ISO 9001:2015 and IATF 16949:2016 Certified

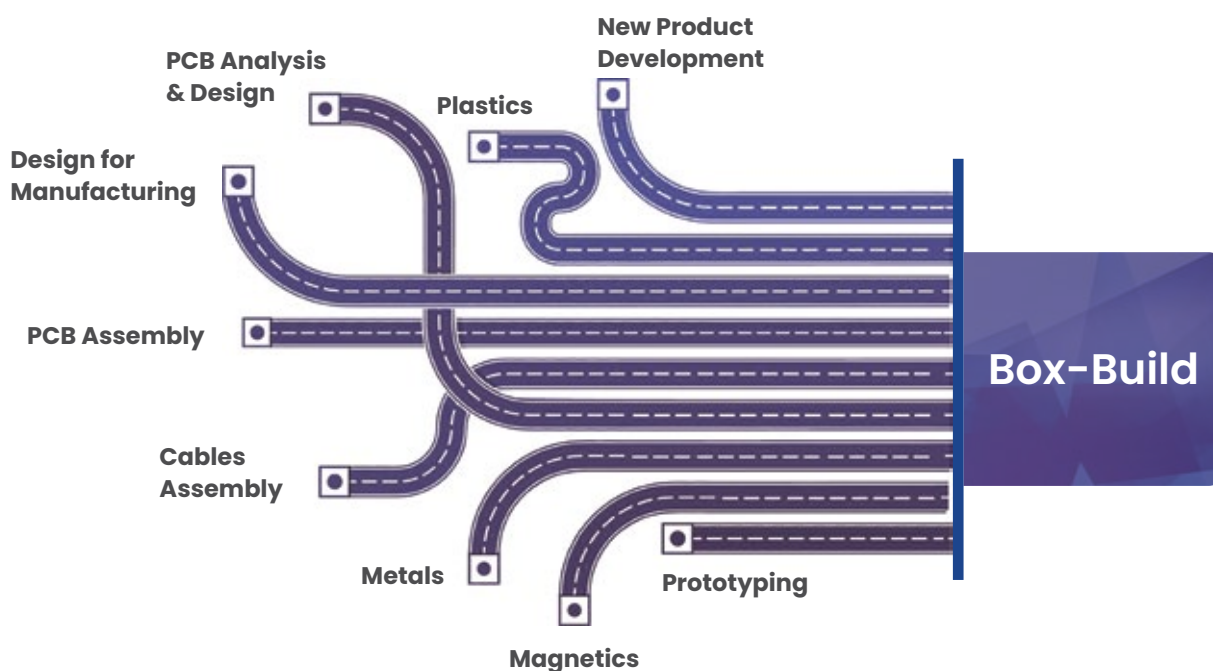
Digital end-to-end traceability

Our expert development and engineering team, with complex box-build and functional testing expertise, gives us an industry-leading edge. Our capabilities extend across reverse engineering, strategic surge handling methodology, and dual sourcing and indigenisation of raw materials. We maintain a dedicated space for customer-specific defect-free product manufacturing. Furthermore, we involve our strategic customers in the project from the design phase itself to facilitate better design for manufacturability.



CLIENT DELIVERY MODEL

Our client delivery model is strongly focussed on up-selling and cross-selling of solutions. In FY2025, 49% of our total revenue was generated by our Box-Build solutions.



MARKETS SERVED

Backed by over two decades of global presence and strong capabilities, we have established a broad footprint across diversified markets. Leveraging our NPD and design services, we have expanded into high-potential markets and segments and are well-equipped to drive sustained growth and value creation for our diverse and growing clientele.

RAILWAYS

- Electronic Interlocking system
- Anti-collision system (Kavach)
- Braking system
- Wheel slide protection systems
- Engine control systems
- Emergency braking systems
- Traction systems



AEROSPACE

- Seating system
- Cabin systems
- Smoke detectors
- Combustion liners
- Engine parts
- Wiper assemblies
- Lighting enclosure



AUTOMOTIVE

- GPS trackers for trucks
- Camera systems
- Electronic dashboard
- Actuation systems
- 2W controller systems
- Battery management systems
- Converters and controllers
- Motion control systems



INDUSTRIAL

- Instrumentation and analyser systems
- Harness for tankless water heater
- Control panel systems
- Industrial controllers
- Motor controllers
- Power generators
- Inverter module

**COMMUNICATION**

- Base Band Unit (BBU)
- Digital Antenna
- Control Panel System
- Fleet Management
- Vehicle Tracking System
- Telematic device control unit
- Inspection system
- High performance servers

**CLEAN ENERGY**

- Home electrification systems
- Charge controllers with display unit
- Row controllers and Zone controllers (used in solar trackers)
- Energy storage system
- Power drivers
- Power electrolyzers
- Converters & inverters
- Pump controllers
- Sensor & tracking systems

**MEDICAL & OTHERS**

- Clean air monitoring system
- Oxygen concentrators
- Testing equipment harness
- Micro-motor controllers
- Surveillance systems
- Alarm panel assemblies



OUR MANUFACTURING EXCELLENCE MAKE LOCAL. SERVE GLOBAL.

Avalon's manufacturing strength is built on a hybrid footprint of 15 world-class facilities across India and the United States. Avalon has a long-standing presence in the US, reflecting its commitment to serving customers with speed, proximity, and reliability. Guided by its Make Local. Serve Global. ethos, Avalon manufactures in India to serve both domestic and international markets, and in the US to cater directly to American customers. This dual-location capability enables Avalon to meet global demand with precision and consistency.

SAFETY CERTIFICATIONS



ISO 14001:2015
All plants



ISO 45001:2018
All plants



EN 15085-2
Metals



ANSI ESD 20.20 – 2021
PCBA & Box-Build



Nadcap
Accredited
Metals ATS



DNV-GL ISO
9001:2015
Sienna, Atlanta



ISO 9001:2015
Sienna, ECAD



ISO 13485: 2016
Sienna, Atlanta



ISO/IEC 27001:2022
All Plants

OUR GLOBAL MANUFACTURING PRESENCE

BENGALURU



ATLANTA



CHENNAI



~575K SQ. FT.
Design & manufacturing facilities

**BUFFER
CAPACITY**
To ramp-up production

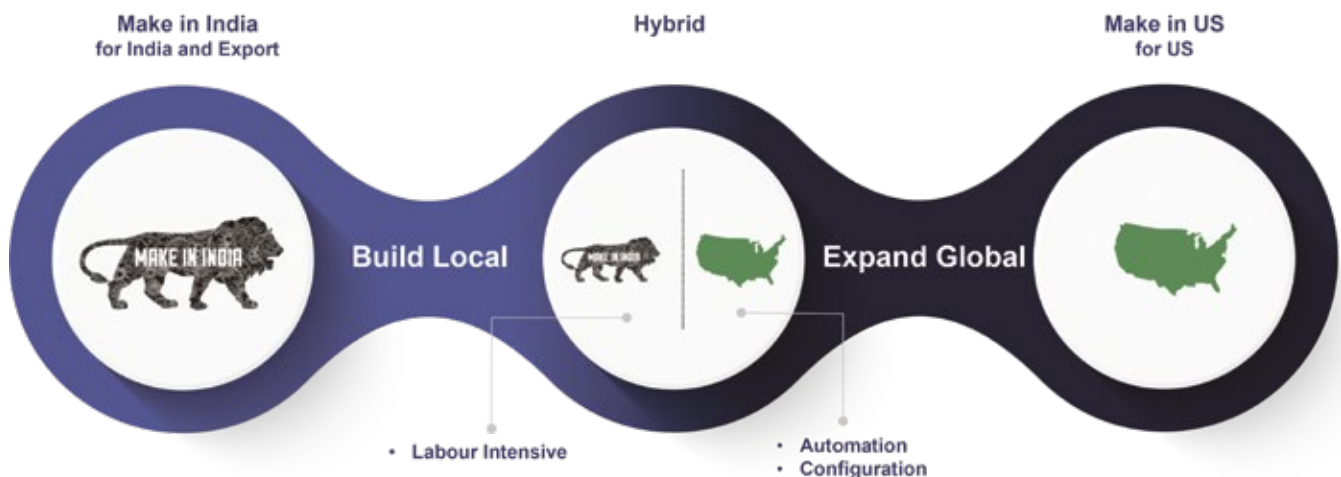
Notes: Numbers have been rounded-off. Manufacturing Facilities include the additional plants under construction.

Map not to scale. For illustrative purposes only.

DUAL-SHORE MANUFACTURING ADVANTAGE

Avalon's manufacturing strength is anchored in its integrated operations across a dual footprint of facilities in India and the United States. This hybrid model spans production, warehousing, and logistics, ensuring quality control and reliability across the value chain. With advanced equipment and modern assembly lines, Avalon delivers consistency and efficiency in meeting complex manufacturing requirements.

The Chennai facilities are designed for larger box-build programmes, specialised metal processing, and expanded plastics manufacturing. Along with planned upgrades to existing sites, these additions will enhance Avalon's ability to serve growing demand in both export and domestic markets.



AVALON'S GLOBAL DELIVERY ADVANTAGE

We have developed extensive manufacturing capabilities across the two high-growth markets of the US and India. This equips us to cater seamlessly to customers globally.

- **Indian facilities** – focus on manual labour-intensive work, including component and sub-assembly level manufacturing.
- **US facilities** – powered by automation, backed by high-end processes, especially in end-product configuration and system integration.

We have dedicated assembly lines for sheet metal fabrication, machining, cable assembly, wire harnesses, magnetics, and plastics, enabling seamlessly and timely delivery of quality offerings.

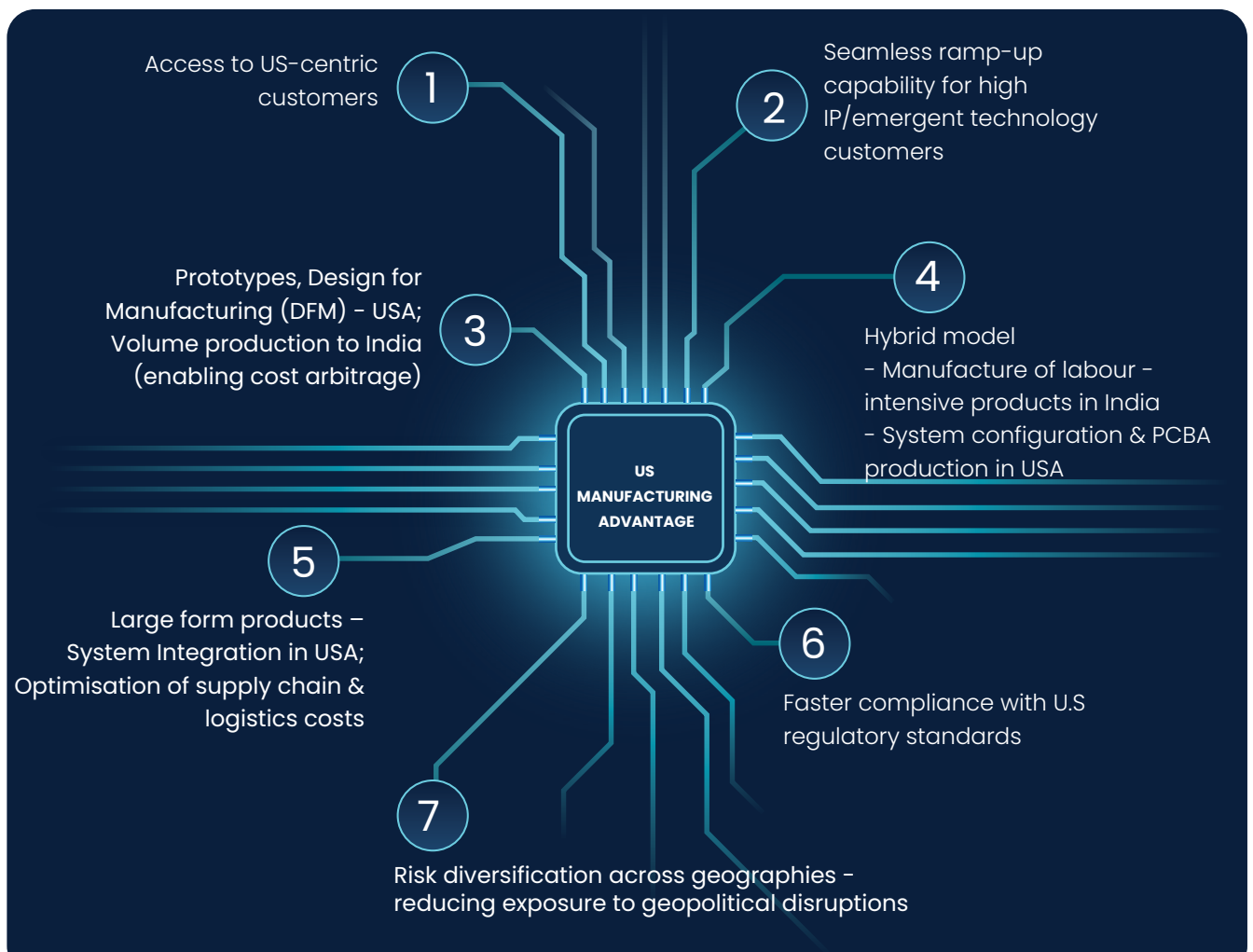
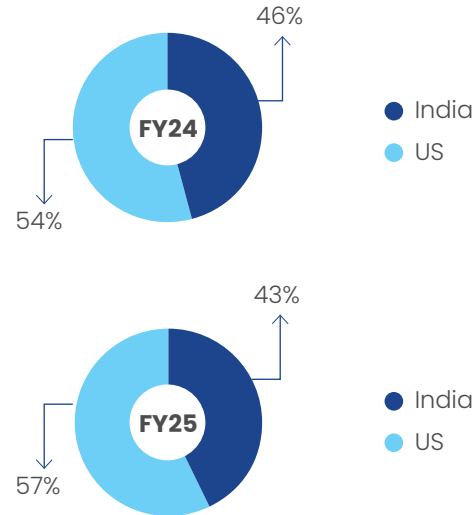
Our hybrid manufacturing model offers customers the choice to purchase from India or the US. It helps us benefit from 'Made in USA' or 'Made in India' incentives and benefits.

PROMOTING EFFICIENCIES

- The strategic location of our Chennai (India) facilities in a special economic zone, in close proximity to ports, gives us access to several government incentives, enabling greater cost efficiency.
- We deploy lean manufacturing practices, backed by automation, technological excellence and digitalisation, to boost operational efficiency.

Our team of experts, drawn from electrical and electronics, mechanical, aeronautical, plastics engineering, and mechatronics streams, drives innovation and cost-effectiveness in manufacturing. It helps in delivering quality solutions to customers across industries.

Revenue by Geography



NURTURING STAKEHOLDER RELATIONSHIPS

At Avalon, we have identified key stakeholders groups as central to our business strategy and focus. We continue to invest in value creation for our customers, employees, and investors. Our efforts are oriented towards nurturing strong, long-term relationships with these stakeholder groups.

ENRICHING CUSTOMER EXPERIENCE

Customer centricity is integral to our business strategy. We are committed to enriching customer experience through targeted initiatives in promoting excellence across our business value chain and our manufacturing capabilities. Our investments in

innovation and advanced technology allow us to effectively service the manufacturing needs of our customers. It is our continuous endeavour to drive incremental value addition in our service delivery framework.

OUR CUSTOMER VALUE



Customer Centricity

Prioritising serving our Customer's Manufacturing Needs



Integrity

Working for the Greater Good



Teamwork

Coming together as an Organisation for meeting our Customer's Vision



Excellence

Ensuring that we deliver only High Quality Products

We help customers accelerate their innovation – from concept to market, with exceptional speed and agile manufacturing. This enables them to capture market share and stay ahead of the competition.

We strive to deliver uncompromising product quality, minimising the risk for our customers and ensuring consistent performance in demanding applications.



FOUNDATIONS OF OUR CUSTOMER VALUE PROPOSITION



Product Quality and Reliability

We strive to produce high-quality dependable products through meticulous processes, advanced testing, and certifications.



Personalised NPD Service

We go beyond the standard RFQs, delve into specific requirements, and provide tailored solutions that align with customer needs and preferences.



Flexible Production Capabilities

We provide our customers the flexibility to scale production from rapid prototyping to high-volume manufacturing, thus empowering them to quickly adapt to changing market conditions and growth initiatives.



Dedicated Account Management

Our Programme Management team provides proactive real-time updates on order status and potential delays, and any changes to the production process.



After-Sales Support

To ensure customer satisfaction, we provide a range of services after a product is shipped. Activities like warranty management, repairs, maintenance and product refurbishing are part of our support services.



Human Capital

With people our most valuable assets, we continue to invest strategically in their growth and empowerment. We partner them in their development journey, ensuring their complete synergy with the organisational goals.

In FY2025, we scaled up the teams across verticals in alignment with the projected business growth and the expansion plans. Concurrently, we also strengthened various people practices to create a cohesive, highly engaged workforce across our various manufacturing facilities. We continued to promote initiatives in EHS to nurture a safe and inclusive workplace.

Fostering diversity

In FY2025, we maintained a diverse talent pool across white-collar and blue-collar roles. Our diversity ratio improved by 2% points over FY2024 and is currently at 19% .

Metrics	Male	Female
Headcount (As on 31.03.2025)	2,160	542
Diversity (%)	80%	20%

Investing in talent

As part of our talent acquisition strategy, we focus on both campus and off campus programmes for hiring of fresh engineering graduates across key functions. This approach enables us to build a strong talent pool across key functions such as Production, Supply Chain, Engineering and Programme Management. The young talents bring with them fresh perspectives and innovative thinking, enabling us to address complex challenges and drive operational excellence.



Promoting training & development

Continuous learning has been the foundation of innovation and excellence at Avalon. We use both internal and external training programmes to enhance employee capabilities. The programmes are designed to build essential skills and support the professional growth of our people. The focus is on technical upskilling of various employee groups,

enhancing leadership capabilities, and preparing our workforce for future growth opportunities and challenges.

12,000 hours

Overall manhours of training clocked in FY2025

Internal

- Comprehensive technical Induction programmes for new joiners (White & Blue collar), extensively covering various aspects of the Company's operations.
- Dedicated trainers deployed across product verticals to ensure that regular product, process updates and certifications, as per various industry standards, are rolled out.
- **Wisdom Wednesday** is a weekly knowledge-sharing session on the shop floor, covering various technical topics, aimed at fostering continuous learning combined with fun to help in knowledge retention.

External

- L&D team ties up various technical bodies and learning experts to customise learning interventions based on departmental needs.
- The programmes focus on competencies – both technical and behavioural, and help in strengthening the talent pool and future-proofing Avalon.

Ensuring EHS excellence

To foster a safe, inclusive, healthy and environmentally responsible workplace, we undertook various impactful Environment, Health & Safety (EHS) initiatives during the year. These enhance our emergency preparedness and employee well-being, while reinforcing our dedication to sustainability and safety culture.

In FY2025, we conducted training/appreciation sessions across all the units to prepare the organisations and the employees to combat various emergencies.

Key programmes included:

- Preparing employees and various emergency response teams for managing fire-related scenarios and other emergencies.
- National Safety Week, World Environment Day, and other similar events to reinforce our EHS commitment.
- Roll-out of bi-annual sessions to build awareness and understanding of POSH guidelines and develop gender sensitivity amongst the teams.

Promoting Wellness @ Work

Our efforts to promote employee wellness include Ergonomic Sessions as well as Occupational Health Centres (OHCs) set up at various Avalon facilities to undertake proactive health screenings and wellness initiatives throughout the year.



Life @ Avalon

Our people initiatives are aimed at providing our teams with an environment conducive to promoting innovation, collaboration, and camaraderie. We also celebrate successes and festivals/days across all units.



25TH FACTORY DAY CELEBRATION



SUPPLIER RELATIONSHIPS

Our supplier ecosystem plays a critical role in our ability to serve global customers with quality and agility. We believe in fostering long-term, collaborative relationships built on trust, transparency, and shared growth. By aligning with our suppliers on innovation, sustainability, and operational excellence, we ensure a robust supply chain that supports mutual success. Together, we remain committed to meeting evolving customer requirements while driving efficiency, reliability, and value creation across the value chain.

COMMITMENT TO INVESTORS

At Avalon, we are committed to delivering long-term value for our shareholders through a balanced strategy of growth, innovation, and operational excellence. Our focus on customer-centric solutions, diversification across high-growth industries, and investments in cutting-edge technologies ensure a resilient and sustainable business model. We strive to maintain transparency, strong governance, and disciplined financial management, reinforcing investor confidence and supporting our journey of consistent value creation.

CUSTOMER SUCCESS STORIES

SUCCESS STORY #1

Delivering Critical Locomotive Systems for Indian Railways

The Challenge

A global locomotive leader approached Avalon to manufacture sophisticated Cabinets for Indian Railways' locomotives. They required a partner with proven expertise in sheet metal fabrication, intricate wiring harness assemblies, and system-level integration, along with the ability to execute rapidly while meeting stringent quality standards.

Our Approach

Given the operational criticality and complexity, Avalon delivered the cabinets with uncompromising quality, adhering to international standards and meeting strict delivery timelines. A key achievement was the successful development and deployment of the prototype, showcasing our technical competence and execution agility.

The Impact

This project significantly strengthened Avalon's strategic partnership with the customer, expanding our scope in global rail infrastructure solutions. By delivering high-quality, field-ready products on time, Avalon reinforced its position as a trusted partner for mission-critical rail projects.

SUCCESS STORY #2

Delivering Integrated Manufacturing for Global Power Solutions Provider

The Challenge

A leading American company manufacturing flexible power generation solutions sought a vertically integrated manufacturing partner capable of producing PCBAs, cable harnesses, and sheet metal. They were in a critical ramp-up phase, where timely market access was essential to maintaining momentum and securing their competitive edge.

Our Approach

Avalon swiftly aligned its vertically integrated facilities to support the customer's production ramp-up. With PCBAs, cable harnesses, and sheet metal fabrication under one roof, we eliminated the need for external coordination. Our agile methodologies and customer-first mindset ensured flexibility and rapid adaptation without compromising speed or quality.

The Impact

Avalon's solution enabled the customer to simplify their supply chain and confidently scale operations during a crucial growth phase.

SUCCESS STORY #3

Driving Quality and Scale in Wiring Harness Production

The Challenge

A global leader in power generators required a partner to develop a high volume of complex wiring harnesses for a diverse range of products, including portable, residential, commercial, and industrial generators.

Our Approach

Avalon successfully prototyped and secured first-time approval for multiple intricate routing harnesses. We established new automated conveyor lines dedicated to high-volume wiring harness production, ensuring both quality and scalability.

The Impact

By providing a reliable, high-quality, and cost-effective product sourced from India, Avalon enabled the customer to achieve more competitive pricing, resulting in increased business wins.

SUCCESS STORY #4**Accelerating Aerospace ramp-up from Prototype to Production****The Challenge**

A major aerospace OEM approached Avalon to provide cable solutions for aircraft seating.

Our Approach

Our team successfully developed a prototype and secured customer approval on the first attempt. This enabled a rapid scale -up to full production in just four months, despite global supply chain constraints.

The Impact

Avalon's cost-effective, high-quality solution helped the customer ramp up their aerospace business while ensuring consistent performance.

SUCCESS STORY #5**Enabling Clean Room Integration for Advanced Vision Solutions****The Challenge**

A leading embedded vision camera solutions provider needed a partner capable of handling PCBA manufacturing, supply chain management, job work, and integration in a clean room environment to meet aggressive execution timelines.

Our Approach

Avalon enabled a new product introduction in a record 12 weeks from concept to production. The manufacturing process included precision testing of lenses and sensors in a clean room environment to meet the customer's quality requirements.

The Impact

The partnership allowed the customer to strengthen market responsiveness and accelerate deployment of their vision solutions.

SUCCESS STORY #6**Custom-Engineered Sealing Solution for Mission-Critical Connectivity****The Challenge**

A global leader in satellite broadband services and secure networking systems was looking for a local contract manufacturer capable of large-scale production and solving a persistent water ingress issue in their units.

Our Approach

Avalon developed a custom poured-in-place gasket solution that completely sealed the unit, effectively eliminating water ingress. This solution outperformed all off-the-shelf gasket options previously tried by the customer.

The Impact

Our ability to engineer a unique, effective solution enabled the customer to protect product performance, reduce failures, and grow their business significantly.

BOARD OF DIRECTORS



Kunhamed Bicha

Promoter, Chairman & Managing Director

- Recipient of "CII Connect 2017 Award for Entrepreneur of the Year (Manufacturing)".
- Bachelor's degree in Mechanical Engineering from PSG College and Master's degree in Science (Industrial Engineering) from Wichita State University.



Bhaskar Srinivasan

Promoter & Non-Executive Director

- MBA from Cochin University of Science & Technology; Master's degree in Science (Industrial Engineering) from Wichita State University.
- Prior experience with Applied Materials, Inc.



Luquman Veedu Ediyannam

Non-Executive Director

- Bachelor's degree in Technology from University of Calicut.
- Currently, the legal partner and MD at Dhafir Technologies, UAE.



**Venkataramani
Anantharamakrishnan**

Independent Director

- MBA from University of Chicago.
- Currently serves as the MD of IP Rings Ltd. (a part of Amalgamations group).



Chandar Pattabhiram
Independent Director

- Bachelor's degree in mechanical engineering from PSG College.
- Currently, serves as the Chief Go-to Market Officer for Workato.
- Prior experience with Coupa Software, Badgeville and Marketo.



Byas Unnikrishnan Nambisan
Independent Director

- Master's degree in Science (Industrial Administration) from Carnegie-Mellon University.
- Currently serves as the CEO & Director on the Board of Ezetap Mobile Solutions Pvt. Ltd.



Nandita Abraham
Independent Director

- Master's degree in Science from Philadelphia College of Textiles and Science, and a Diploma in Apparel Marketing and Merchandising from NIFT, New Delhi.
- Currently serves as the Dean in BITS School of Design, Mumbai.



Anees Ahmed
Independent Director

- Bachelor's in Computer Science Engineering, Bangalore Institute of Technology; Executive Program for Fast Growth CEOs, YEO & MIT.
- Founder of Mistral Solutions Pvt. Ltd, a leader in Indian defence electronics. He grew it to ₹ 4 Billion revenue with 600+ employees.
- Raised multiple rounds of global venture capital and successfully exited Mistral Solutions in 2022.

Footnote:

1. Awarded by Confederation of Indian Industry.

LEADERSHIP TEAM



**Shriram
Vijayaraghavan**
Chief Operating Officer

- Responsible for overall operations of Avalon Technologies Ltd. & its subsidiaries.
- Holds a BE (Mechanical) degree from SVCE (Anna University), an MS (Mechanical) from the University of Michigan Ann Arbor, and an MBA from the Kellogg School of Management.
- Prior experience: President at Wheels India, Vice President at Hertz Corporation (USA), Engagement Manager at McKinsey & Co (USA).
- Co-contributed to research at Caterpillar Inc and the University of Michigan.



Suresh Veerappan
Chief Financial Officer

- Responsible for the financial functions of our Company and Subsidiaries.
- He is a Chartered Accountant with a Global Executive MBA on Leadership and Strategy from ISB.
- He has more than 19 years of experience in Business Strategy, Investor Relations, Financial Modelling and Valuation, Working Capital Management, Audit & Stakeholder Management, Commercial Negotiations, M&A, Compliance and Governance.
- Prior Experience with Bank of America, State Bank of India and Grant Thornton.



Venky Venkatesh
Chief Sales Officer

- Responsible for Global Sales & Marketing functions of Avalon Technologies Ltd & its subsidiaries.
- Holds a Bachelor's degree in Mechanical Engineering from PSG College of Technology and a Master's in Industrial Management from Northern Illinois University.
- Prior experience in Fortune 500 companies like Accenture, PwC, IBM & Infosys.



Kesavan P
Executive Vice President,
Operations

- Several years of experience in Operations – PCB and Cables division.
- Attended first year of Diploma in Telecommunication course from MEI Polytechnic, Bengaluru.
- Prior experience: Quest Smartech Pvt. Ltd., Texmaxo Micro Indo Utama, Sun Fibre Optics Pvt. Ltd., MiniCircuits Ltd.

Footnote:

ISB = Indian School of Business;

B.Tech = Bachelors in Technology;

MS = Masters in Science;

MBA = Masters in Business Administration.


Savita R Ganjigatti

Senior Vice President,
Engineering³
Head of PCB Design and
Analysis team³

- Holds a Bachelor's in Engineering and Master's in Technology from Visvesvaraya Technology University, Belgaum.
- Prior experience: Karnataka Telecom Ltd., Alpha-Imager Pvt. Ltd.
- Member of TLPI of IPC Design, US.


Arjun Balakrishnan

Senior Vice President,
Business Development

- Responsible for Business Development.
- Holds an MS (engineering) from University of Texas, US and an MBA from Harvard University, Boston, US.
- Prior experience: Holm Industries, GE Power Controls India Ltd., Panasonic India Pvt. Ltd.


David White

Vice President, US
Operations

- Responsible for manufacturing operations in the US.
- Holds a bachelor's degree in Industrial and Systems Engineering from University of Florida.
- Prior experience: Axion Biosystems Inc, EnerSys Inc, Boston Whaler Boat Inc, Macon Electric Coil, Delta Electronics and ABB.


Naveen S Pillai

Vice President, Human
Resource

- Responsible for partnering with business leaders to align people strategies with organisational goals.
- Holds a Masters' degree in Personnel Management and Industrial Relations from Rajagiri College of Social Sciences, Cochin. Additionally, he has completed the Senior Business Leadership Program from IIM.
- Prior experience: TAFE, Idea Cellular, Malayala Manorama & Crayon Data Pte Ltd.

AWARDS

3M COMPETITION NATIONAL LEVEL



Platinum, Gold and Silver Award at the 18th CII National 3M Competition issued by Confederation of Indian Industry to the PCBA Division of Avalon

CII NATIONAL POKA YOKE COMPETITION



Gold Champions and Silver Stars awards at the CII National Poka Yoke Competition, held on January 18, 2025, were issued by the Confederation of Indian Industry to Avalon's PCBA, Cables & EMI Divisions.

DRAGER

Recognised for our contribution in developing critical cable solutions

TMEIC

Best Supplier Award – Excellence in Quality

EN 15085 CERTIFICATION FOR WELDING**3RD-EDITION-EMI-INTEGRATED****CHALLENGER TROPHY COMPETITION**

Jury Challenger Award at the Challenger Trophy Competition 2024, issued by the Confederation of Indian Industry (CII).

KAIZEN AWARDS IN 3M COMPETITIONS

Silver Awards at the 50th CII National Kaizen Competition under the Increasing Organisational Capacity category and Innovative Control Board Tester category.

Management Discussion and Analysis

ECONOMY OVERVIEW

Global Economy

The global economic landscape continued to shift in 2024, shaped by evolving geopolitical events, shifting trade patterns and adjustments in monetary policy. The global economic outlook has shown modest improvement in CY2024, with the world economy growing at around 3.3%. Monetary policy responses diverged across countries, with some central banks beginning to cut interest rates and others maintaining tight stances to control inflation. Trade dynamics also played a key role – some nations imposed tariffs to protect domestic industries, while others moved to reduce trade barriers. Amid these shifts, advanced economies recorded modest growth of 1.8% in 2024. The United States led among major advanced economies with a 2.8% expansion, while the euro area and Japan grew merely at 0.9% and 0.1%, respectively. Emerging market and developing economies (EMDEs) grew at a stronger pace of 4.3% in 2024. Within this region, India posted strong growth at 6.5%, while China grew by 5.0%. The ASEAN-5 economies, including Indonesia, Malaysia, the Philippines, Thailand and Vietnam also contributed positively, recording a collective growth of 4.6% in 2024.

World Economic Outlook (%)

	2024	2025P	2026P
World Output	3.3	2.8	3.0
Advanced Economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Euro Area	0.9	0.8	1.2
Japan	0.1	0.6	0.6
United Kingdom	1.1	1.1	1.4
Canada	1.5	1.4	1.6
Other Advanced Economies	2.2	1.8	2.0
Emerging Market and Developing Economies	4.3	3.7	3.9
Emerging and Developing Asia	5.3	4.5	4.6
India	6.5	6.2	6.3
China	5.0	4.0	4.0
ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)	4.6	4.0	3.9

P – Projected

Sources: IMF April 2025 report

Looking ahead, global growth is expected to ease to 2.8% in 2025, before edging up to 3.0% in 2026. Growth in advanced economies is projected to remain modest at 1.4% in 2025 and 1.5% in 2026, as consumer demand stays muted and businesses hold back on new investments amid ongoing economic uncertainty. Meanwhile, EMDEs are projected to maintain relatively stronger growth rates of 3.7% in 2025 and 3.9% in 2026, though at a slower pace than in previous years. Inflation is anticipated to continue its declining track globally, reaching 4.3% in 2025 and 3.6% in 2026. In advanced economies, inflation is expected to ease more quickly, returning to target levels around 2.2% by 2026. However, in many EMDEs, inflation is projected to remain above central bank targets, partly due to currency volatility and supply-side constraints.

Geopolitical tensions, including conflicts and trade disputes, continue to pose risks to economic stability, impacting supply chains. Recent tariff increases by the United States, particularly on imports from China and several other countries, have prompted retaliatory measures, raising the risk of trade disruptions, inflation and greater global economic fragmentation. In this environment, international cooperation and sustained dialogue will be essential to safeguard stability and promote shared growth. Despite these challenges, opportunities from technology and reform offer potential upside, making adaptability and diversification essential for policymakers and businesses navigating this delicate global environment.

US Economy

In 2024, the United States economy expanded by 2.8% compared to 2.9% growth in 2023, operating above its potential on the back of strong domestic demand, with private consumption growing at 2.8% which is well above its 2000 to 2019 historical average of 2.4%. Early in the year, growth was buoyed by easing inflation and robust job creation, particularly in services and construction. However, as the year progressed, momentum began to slow amid tighter financial conditions, policy normalisation and global trade frictions. Business investment weakened and hiring started to decelerate in response to higher interest rates and shifting external demand.

Looking ahead, the economy is projected to grow by 1.8% in 2025 and 1.7% in 2026, indicating a phase of moderation after the considerable expansion in 2024. The anticipated slowdown reflects the cumulative effects of greater policy uncertainty, trade tensions, and a softer demand outlook, given slower-than-anticipated consumption growth.

Trade-related headwinds have intensified, with protectionist policies and higher tariffs contributing to a marked drop in imports and weakening both manufacturing and services output. Inflation concerns have resurfaced, with forecasts pointing to renewed upward pressure on consumer prices in the second half of 2025.

Despite these challenges, the labour market has shown underlying strength and financial markets continue to reflect cautious optimism, underpinned by expectations that economic fundamentals may still support stability in the near term.

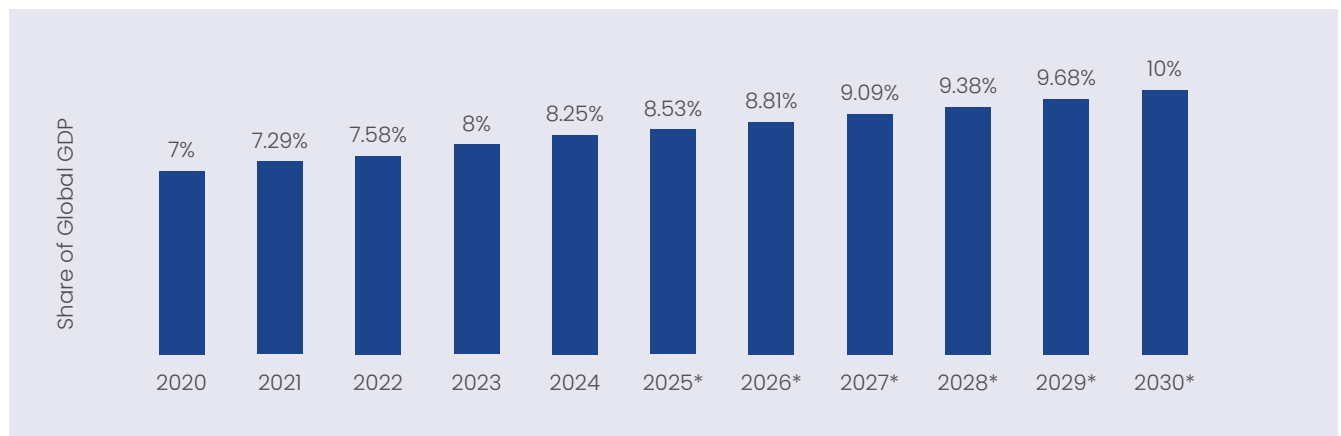
Indian Economy

India's economy continues to grow at a steady and confident pace, standing out as the fastest growing major economy in the world. In 2024–25, real GDP growth was estimated at 6.5%. This performance comes at a time when the global economy faces uncertainty, making India's steady momentum all the more significant. It is also supported by continued government efforts to attract foreign investment, positioning India as a key destination for global capital. The consistent interest from international investors reflects confidence in India's long-term potential, even as other economies experience more subdued growth.

Private consumption and public expenditure registered huge gains during the year. On June 6, 2025, the Reserve Bank of India's Monetary Policy Committee (MPC) reduced the repo rate by 50 basis points to 5.50%, marking the third rate cut. The rate cut is intended to enhance liquidity and stimulate economic momentum. Nonetheless, the MPC maintained a neutral policy stance to retain flexibility in navigating future economic and financial developments. Consumer Price Index (CPI) inflation is expected to ease to 3.7% in 2025–26, down from 4.6% in 2024–25.

India's share of global GDP, measured in purchasing power parity (PPP) terms, reached 8.25% in 2024 and is projected to rise to 10% by 2030. This upward trend highlights the country's economic expansion, aided in part by the relatively low purchasing power of the rupee, which enhances its position in PPP-based rankings.

India's share of global gross domestic product (GDP)*



*Adjusted for Purchasing Power Parity (PPP) from 2020 to 2030

Household consumption is projected to remain robust, supported by the tax relief measures introduced in the Union Budget for FY2026. Fixed asset investment is also expected to rise, supported by improved capacity utilisation, healthier balance sheets of banks and corporations and the government's continued emphasis on capital expenditure. With a strong focus on self-reliance, adaptability and integration into global markets, India is well-positioned for sustained growth. The Reserve Bank of India projects GDP growth of 6.5% in FY2026, underpinned by initiatives like "Make in India," large-scale infrastructure investments and ongoing policy reforms to enhance competitiveness and support long-term development.

While India faces some external risks, such as weaker global demand and broader geopolitical uncertainties, its domestic fundamentals remain strong. Inflation is under control, employment trends are stable, and infrastructure investments are set to deliver long-term benefits. Political stability and economic reforms are further strengthening investor confidence, reinforcing India's growing role as a major player in the global economy

Exports

In FY2025, India's merchandise exports reached a cumulative value of USD 437.42 billion, reflecting a marginal growth of 0.08% compared to USD 437.07 billion recorded in FY2024. Nevertheless, the electronics sector emerged as a standout performer in India's merchandise exports, recording a growth of 32.47%. Exports of electronic goods rose from USD 29.12 billion in FY2024 to USD 38.58 billion, reflecting the sector's growing global competitiveness.

India's strategic focus on electronics as a key sector under the Production Linked Incentive (PLI) Scheme, "Make in India" programme and improved supply chain ecosystems also played a pivotal role. The impressive growth in electronics not only contributed significantly to the overall export performance but also underscored India's strengthening position in the global electronics value chain.

Source: [PIB](#) | [PIB](#) | [Statista](#) | [PIB](#)

INDUSTRY OVERVIEW

Global EMS Industry

The global Electronic Manufacturing Services (EMS) industry is poised for consistent growth over the next decade. The EMS market is expected to grow steadily, with a CAGR of 6.9% from 2025 to 2032. This upward trajectory is being shaped by the need for cost-effective production, rapid technological progress and increasingly sophisticated electronic components used across a range of industries.

Electronics Manufacturing Services (EMS) encompasses a broad spectrum of solutions provided by specialised firms to support Original Equipment Manufacturers (OEMs) throughout the entire lifecycle of electronic products. EMS providers collaborate closely with OEMs through contractual partnerships, supporting multiple stages of production. These partnerships often go beyond manufacturing to include services like design assistance, engineering support, product testing, quality and logistics. The integration of automation, smart factory technologies and digital tools is allowing EMS firms to enhance operational efficiency, maintain high-quality standards and expand capacity with greater agility. Strong demand from key sectors like consumer electronics, power, rail, aerospace, clean energy, automotive, telecommunications, and industrial equipment is creating significant growth opportunities for the EMS market. Despite the promising outlook, the industry is not without its challenges. Heavy reliance on a limited number of component suppliers could lead to supply chain vulnerabilities. Additionally, geopolitical uncertainties, trade restrictions and volatile raw material prices also pose operational risks. Concerns over intellectual property protection and data security are also expected to persist, especially while outsourcing to third-party manufacturers.

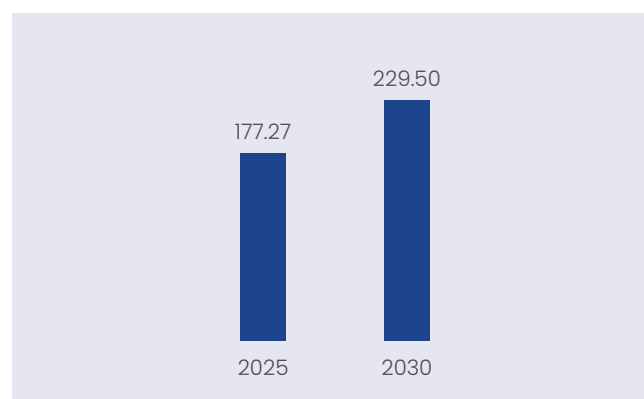
Advancements in connected mobility and smart energy systems are expected to create new pathways for diversification and long-term value creation.

Source: [Future Market Insights](#) | [Fortune Business Insights](#)

US EMS Industry

The North American EMS market is expected to witness healthy growth, with its size projected to increase from USD 177.27 billion in 2025 to USD 229.50 billion by 2030, at a CAGR of 5.3%. This upward trend is being supported by the rising cost of in-house manufacturing, the growing complexity of electronic systems and an increasing reliance on EMS providers for end-to-end product development and manufacturing solutions.

North America EMS Industry Market Size (in USD Billion)



Source: Mordor Intelligence

The United States is expected to continue to be one of the leading markets for electronic manufacturing services in the North American region. The primary factor behind this is the presence of many OEMs engaged in the research and design of electronic devices and components. The widespread adoption of advanced manufacturing practices such as smart factories, Industrial Internet of Things (IIoT) and Industry 4.0 technologies is transforming the EMS landscape. The deployment of 5G, IoT and (Long Range) LoRa networks has reinforced digital infrastructure, creating a favourable environment for EMS growth.

However, North American EMS firms must contend with high capital investment requirements and stringent regulatory compliance, particularly regarding environmental standards and the safe handling of hazardous materials such as lead dust. Adherence to safety norms adds operational complexity but also drives innovation in cleaner and more sustainable manufacturing practices.

Source: [Mordor Intelligence](#)

Indian EMS Industry

India's Electronic Manufacturing Services (EMS) industry is experiencing rapid growth, fuelled by strong domestic demand, proactive government policies and a growing preference for localised production. India Electronics Manufacturing Services (EMS) Market Application was estimated at USD 61.85 billion in 2024. During the forecast period between 2025 and 2031, the India Electronics Manufacturing Services (EMS) Market Application is projected to boom at a robust CAGR of 28% reaching a value of USD 348.17 billion by 2031. This growth is driven by increasing domestic demand for semiconductor components, governmental initiatives to bolster local manufacturing, and a growing focus on advanced technologies, including AI and IoT.

A prominent driver of market growth is rising disposable income among the expanding middle class households. The use of EMS is also expanding across a wide range of sectors. In rail, India's push for modernisation is expanding the electronics opportunity. The railway signalling systems market is valued at around USD 2 billion in 2025. Roll-out of Kavach 4.0 (ATP) is accelerating, with fresh allocations and deployments across priority corridors. These developments directly translate into opportunities for EMS providers, given that safety systems such as Kavach, advanced signalling, and engine control electronics all require high-reliability manufacturing partners. In the telecommunications industry, the demand for electronics is increasing due to rising mobile penetration and the gradual rollout of 5G technology. In the automotive sector, the transition towards connected mobility is accelerating the need

for intelligent electronic systems. Additionally, sectors such as industrial automation, medical electronics, and smart energy are gaining momentum, supported by the broader wave of digital transformation.

The semi-conductor manufacturing equipment market in India has become a critical driver of technological advancement and innovation, playing a pivotal role in the production of electronic components and integrated circuits (ICs). As India positions itself as a key player in technology and manufacturing, the semiconductor manufacturing equipment market is poised for significant growth. Apart from this, the continuous evolution of electronic devices, coupled with the country's emphasis on innovation and digitisation, reinforces the importance of advanced manufacturing equipment in shaping India's technological landscape.

India's EMS landscape is evolving at a rapid pace, characterised by technological innovation, enhanced manufacturing capabilities, and a focus on global competitiveness. With the adoption of sustainable practices and deeper integration of digital technologies, the country is well-positioned to emerge as a global hub for advanced electronics manufacturing.

Source: [Medium](#) | [Blue Weave Consulting](#) | [Imarc Group](#) | [6w Research](#)

Key Drivers shaping the Indian EMS Industry

- Government Support:** Strong government initiatives such as the Production Linked Incentive (PLI) schemes, Make in India for Defence, SPECS (Scheme for Promotion of Manufacturing of Electronic Components and Semi-Conductors) and Digital India are driving growth in the electronics manufacturing sector. These policies aim to increase local value addition, encourage component production and support innovation. The PLI schemes provide financial incentives to attract investments in key areas like electronics, while the Atmanirbhar Bharat initiative focusses on building self-reliance by promoting domestic manufacturing and reducing import dependence. Efforts under the Semiconductor Mission are also underway to develop a domestic semiconductor ecosystem, further strengthening India's overall electronics manufacturing landscape.
- Increase in Domestic Demand:** India's robust and expanding domestic demand for electronics, spanning industrial systems, consumer appliances and IT hardware has become a critical growth engine, with the electronics manufacturing output surging from around ₹ 5 Lakhs Cr in FY2020 to ₹ 9.52 Lakhs Cr in FY2024. This strong internal demand base not only supports economies of scale but also incentivises greater investment in

local value chains, reducing import dependence and enhancing India's global competitiveness in electronics manufacturing.

(Source: [Outlook Business](#))

- **Supply Chain Diversification and 'China+1' Strategy:** Amid geopolitical uncertainties and post-pandemic resilience strategies, India is increasingly seen as a reliable alternative to China for electronics manufacturing. Global OEMs are expanding their sourcing footprint by partnering with Indian EMS firms, leading India to capacity expansion, technology transfer and greater participation in global value chains. India's competitive advantage lies in its labour & talent arbitrage, low penetration with larger domestic market and supportive government policy, positioning it as a significant beneficiary of the "China+1" strategy.
- **Emerging High-Value Segments:** The rapid advancements in technologies such as Internet of Things (IoT), Artificial Intelligence (AI), 5G, and electric vehicles (EVs) are driving demand for innovative electronic products and solutions. EMS companies that can adapt to these technological trends and offer specialised manufacturing and engineering services are well-positioned to capitalise on emerging opportunities.
- **Rising Demand for Flexible, Low-Volume Manufacturing:** Indian EMS providers are seeing increased demand for flexible production capabilities, especially in segments like IoT devices, wearables and industrial electronics. As more OEMs focus on niche markets with customised products, Indian manufacturers are adapting by offering high-mix, low-volume solutions that provide agility and cost efficiency.
- **Surge in Domestic Data Centres and Digital Infrastructure:** India's growing digital economy and increasing demand for AI, cloud computing and hyperscale data centres are boosting the need for complex hardware systems. EMS companies are now supporting the manufacture of servers, power modules and high-performance computing components, strengthening their role in the country's evolving tech infrastructure. It supports India's broader goals around digitisation, artificial intelligence and regulatory initiatives like data protection laws, thereby strengthening the country's position as an emerging global hub for digital infrastructure.

- **Strategic Role in Defence and Aerospace Electronics:** Supported by the 'Make in India for Defence' initiative, Indian EMS providers are increasingly involved in developing electronics for drones, surveillance systems and other critical applications. Their partnerships with defence PSUs and private OEMs are helping improve local value addition and reduce reliance on imports.

OPPORTUNITIES

- **Emergence of India and the U.S. as Manufacturing Powerhouses:** India and the U.S. have emerged as major global manufacturing hubs, driven by shifting supply chains and strategic investments. India is attracting global companies with its cost-effective labour, government initiatives like Make in India 2.0 and growing infrastructure, especially in electronics. Meanwhile, the U.S. is revitalising its manufacturing sector through investments in semiconductors, clean energy and automation, supported by policies like the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act. Together, both nations are playing key roles in reshaping global manufacturing dynamics. This shift presents a significant opportunity for supply chain diversification, high-value job creation and deeper bilateral trade partnerships.
- **Trends in the Industrial Segment:** Industrial customers are increasingly seeking tailored solutions to address their unique operational requirements. In response, EMS providers are delivering customised manufacturing services, including specialised design and production processes. Additionally, there is a growing adoption of Internet of Things (IoT) technologies within industrial applications. This involves the development of smart sensors, connected equipment and automated systems aimed at boosting efficiency and enabling real-time data insights. The shift is largely driven by the demand for enhanced monitoring and control in industrial settings.
- **Growing Opportunities in the Automotive Industry:** The U.S. automotive sector is poised for continued transformation, with a strong emphasis on sustainability, innovation and responsiveness to evolving market dynamics. The adoption of cutting-edge technologies such as artificial intelligence, IoT and smart manufacturing is improving vehicle performance, safety and production efficiency - creating substantial opportunities for Electronics Manufacturing Services (EMS) companies.

- **Advancements in the Communication Sector:** The deployment of 5G networks has become a key area of focus for EMS providers within the communications industry. Companies are playing a growing role in manufacturing components and equipment essential for 5G infrastructure, such as base stations, antennas and network modules. This transition is driven by the rising demand for higher data speeds, reduced latency and enhanced connectivity.
- **Initiatives for Clean Energy:** In the US, clean energy storage systems, especially battery-based and long-duration setups present a compelling opportunity for Electronic Manufacturing Services (EMS) industries. Battery storage for renewable energy will open new doors and allow for clean energy to become even more reliable, accessible and readily available.
- **Progress in the Medical Industry:** India's medical device sector is emerging rapidly, currently standing as the fourth-largest market in Asia after Japan, China and South Korea. The industry is experiencing notable changes driven by the adoption of advanced specifications, growing focus on setting up innovation hubs for diagnostics and tighter regulatory frameworks. The digital transformation of medical devices continues to accelerate, as OEMs increasingly embed digital technologies into both their products and operational workflow.

Source: WRI | PIB

COMPANY OVERVIEW

Avalon Technologies Limited ("Avalon" or "the Company") is a leading Electronics Manufacturing Services (EMS) provider with over 25 years of experience in delivering comprehensive, vertically integrated

solutions. As a trusted one-stop partner for global OEMs, Avalon specialises in high-mix, flexible volume manufacturing with deep engineering capabilities for complex product requirements.

The Company serves diverse industries, including industrial automation, communications, healthcare, clean energy, mobility & defence. Avalon specialises in manufacturing complex products with a flexible manufacturing system and serves a wide range of industries worldwide, offering a suite of solutions from individual product capabilities to complete system integration with a special focus on design-for-manufacturing and assembly for their customers.

Avalon's hybrid delivery model caters to customers globally by leveraging their manufacturing capabilities in the high-growth markets of US and India. Its integrated global footprint enhances agility, responsiveness and proximity to customer markets.

Manufacturing Presence

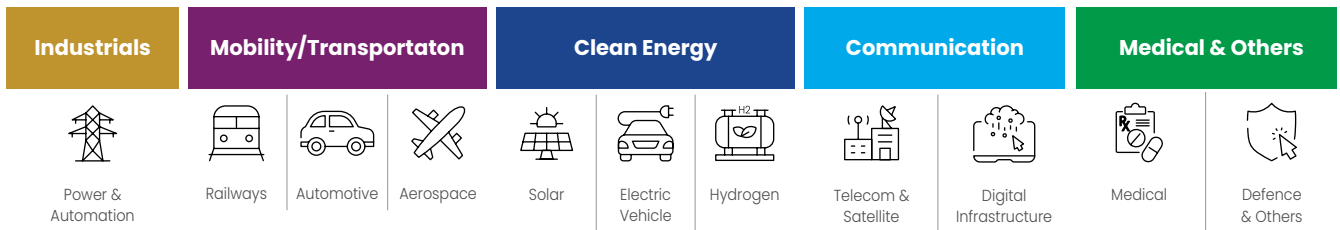
Avalon's manufacturing strength is anchored in its expansive infrastructure, comprising over 575k sq. ft. of design and production space. With 16 facilities and 65 production lines operating in two shifts, the Company maintains additional buffer capacity to support scale-ups.

Avalon stands out as an Indian EMS provider with fully operational manufacturing units in both India and the United States, reinforcing its commitment to localised manufacturing for global clients. Its facilities adhere to globally recognised quality standards including ISO 9001:2008, AS 9100C (aerospace and defence), ISO/TS 16949:2009 (automotive) and ISO 13485 (medical devices). Avalon follows a 'Build Local. Serve Global.' approach, with plants in India serving both the domestic market and exports, and facilities in the U.S. focussed on production for the U.S. market.

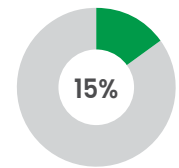
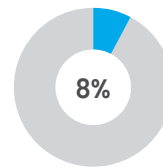
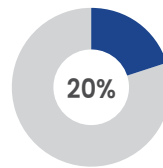
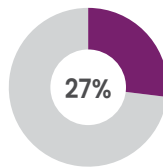
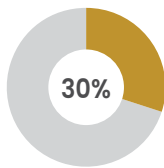


SEGMENT OVERVIEW AND PERFORMANCE

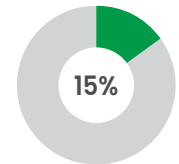
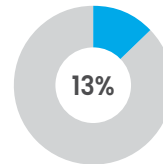
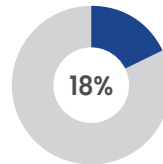
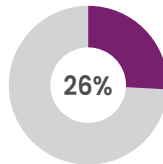
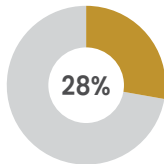
The Company's segment-wise revenue stood as depicted below:



Revenue FY2025



Revenue FY2024



The Industrials segment, which covers power and automation, remained the largest contributor to Avalon's revenue. The segment's share increased from 28% in FY2024 to 30% in FY2025, showcasing the Company's strong capabilities and focus in industrial automation and power solutions. The revenue from the Mobility / Transportation segment, comprising railways, automotive and aerospace, also saw a marginal increase from 26% in FY2024 to 27% in FY2025, indicating stable growth in the sector. The share of clean energy segment rose from 18% in FY2024 to 20% in FY2025. Avalon's revenue share from communications segment dropped from 13% in FY2024 to 8% in FY2025. The revenue contribution from the Medical & Others segment, covering medical technologies, defence and miscellaneous categories, remained unchanged at 15% for both FY2024 and FY2025. Avalon's consistent performance and diverse industry presence highlights Avalon's stable positioning in these markets.

MOBILITY

Avalon Technologies is leading progress in the mobility sector by developing the creation of durable and sustainable systems for the future. The Company works closely with partners in the air, rail and automotive industries to deliver solutions that align with the fast-changing demands of the sector.

It specialises in the production of intricate sheet metal structures, precision-machined parts and injection-molded plastic components, primarily for the aerospace industry. Avalon also specialises in complex sheet metal fabrications, machining, and injection-molded plastics. Certified to AS9100D standards and NADCAP accredited for fusion and resistance welding, Avalon supports a range of applications including aircraft seating, cargo systems, smoke detectors, and engine components. Initially focussed on producing complex engine parts, Avalon has since broadened its capabilities to include a diverse array of aerospace components. Their vertically integrated manufacturing capabilities ensure high precision, stringent quality control, faster turnaround times, and scalable production, making them a trusted partner in the aerospace sector.

Avalon collaborates with global OEMs and rail operators to advance railway infrastructure. As a manufacturer approved by the RDSO, it supports global rail transport manufacturers operating in India. Avalon's expertise in braking systems, interlocking systems, engine controls, and its deep knowledge of electronic control systems and telematics provide customers with a strong technological edge. Currently, Avalon is actively progressing on the railway Kavach systems, which are currently in the prototyping stage and nearing final approval. Commercial production is expected to

commence next year. These advancements reflect our commitment to deepening customer engagement and expanding our presence across critical and high-potential end markets.

Product offerings:

- **Aerospace:** Seating system, Cabin systems, Smoke detectors, Combustion liners, Engine parts, Wiper assemblies, Lighting enclosure
- **Railway:** Electronic Interlocking system, Anti-collision system (Kavach), Braking system, Wheel Slide Protection Systems, Engine control systems, Emergency braking systems, Traction systems
- **Automotive:** GPS trackers for trucks, Camera systems, electronic dashboard, actuation systems, 2W controller systems, battery management systems, converters and controllers, Motion control systems

INDUSTRIAL

Avalon's end-to-end design and manufacturing capabilities enable innovation in technologies such as power electronics and transformers. By combining deep domain expertise with strong capabilities in electronics, communication and technology, Avalon supports leading players across the power value chain including generation, transmission, distribution, storage and conditioning. This integrated approach helps customers develop advanced solutions for a more connected and intelligent energy ecosystem.

Product offerings:

The Company's main offerings in this segment include PCBAs, magnetics used in CNC machines, power cables, controllers for power pumps, control panels, piston assemblies, fuel dispenser systems and more.

COMMUNICATION

Avalon supports 5G network equipment manufacturers with end-to-end solutions, from concept development to full-scale production. Its vertically integrated manufacturing capabilities cover components such as antenna boxes, remote radio heads (RRH) and baseband units (BBU), catering to the evolving needs of the 5G sector. Additionally, Avalon collaborates with industry leaders and innovators by leveraging its proficiency in telemetry and geolocation technologies, along with integrated manufacturing, to deliver satellite-enabled location-based solutions.

Product offerings:

- **Telecom, 5G:** Remote Radio Head (RRH), Antenna, Base Band Unit (BBU)
- **Satellite:** Base Station Antenna System, Digital Antenna, Control Panel System
- **Digital Infrastructure:** Fleet Management, Vehicle Tracking System, Vision System

CLEAN ENERGY

The Company is engaged in major product segments within the clean energy sector, such as Solar, Hydrogen and Electric Vehicles (EVs). Avalon is actively strengthening its presence in the clean energy sector, a rapidly growing segment within the EMS industry. Key drivers such as the increasing adoption of electric vehicles, supportive government schemes and incentives and the global transition toward carbon neutrality are accelerating demand in this space. Battery storage capacity in the U.S. nearly doubled in 2024, reaching close to 29 GW, and is projected to grow by another 47% in 2025. Avalon is well-positioned to cater to these emerging requirements. The robust expansion of the clean energy sector is creating additional demand for electronic products, which in turn is contributing to the growth of the EMS industry and reinforcing Avalon's market relevance.

Product offerings:

- **Solar:** Solar Trackers, Solar Inverters, Solar Chargers, Solar Pump Controllers, Energy Storage System.
- **Hydrogen:** DC Power Supply, AC/DC Converter, Inverter, Sub System for Electrolyser.
- **EVs:** Onboard Charging Unit, Converters, Motor Controllers, Electronic Dashboard, Management System, Sensor Boards.

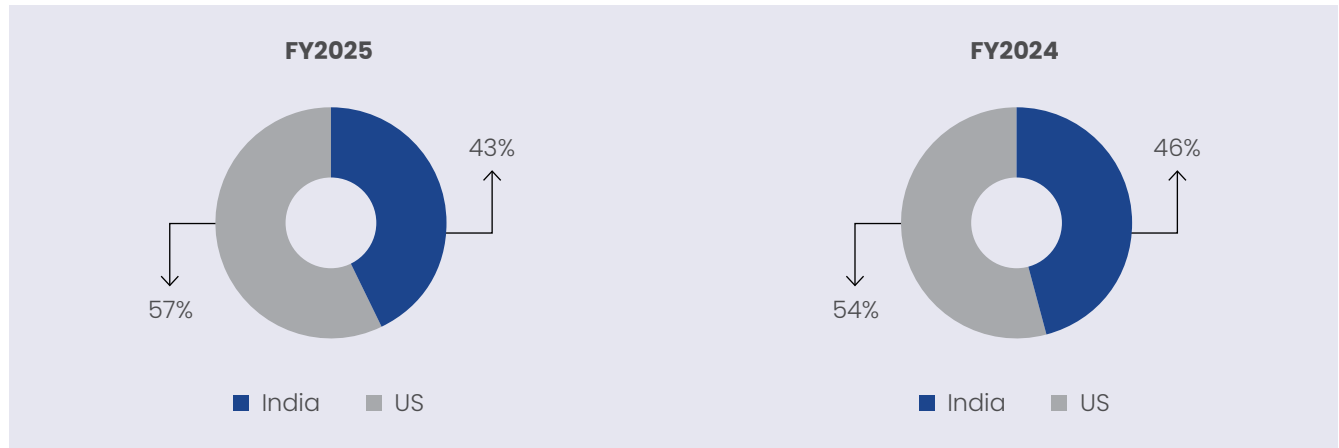
MEDICAL AND OTHERS

Avalon is well-positioned to handle the complexities of medical device prototyping through advanced technology, strict regulatory adherence and collaborative development. This approach ensures that every prototype delivers innovative medical solutions while maintaining the highest standards of patient safety and care. In this space, the Company provides products such as PCBAs for oxygen concentrators and blood analysers, as well as cables for flow meters. Additionally, Avalon is working with the Centre for Development of Advanced Computing (CDAC) to enhance its server offerings by integrating advanced technologies aimed at improving performance and scalability for its clients.

GEOGRAPHY MIX

In FY2025, Avalon's revenue from U.S. customers rose to 57%, compared to 54% in FY2024, showing stronger traction in international markets. The share from Indian customers was 43% during FY2025.

Revenue split based on Customer Geography



Business Highlights

- Revenue from operations grew by 26.6% year-on-year, increasing from ₹ 867.2 Cr in FY2024 to ₹ 1,098.1 Cr in FY2025.
- Net Working Capital improved by 37 days year-on-year, reducing from 161 days in FY2024 to 124 days in FY2025.
- Strategic business wins were secured across both established and emerging sectors.
- A new export-focussed manufacturing plant was completed in Chennai. Phase-II of the brownfield expansion in Chennai is underway and expected to be completed by H2 FY2026 to meet growing domestic demand.
- The Industrial vertical, our largest segment, is sustaining steady growth supported by robust demand and a healthy order pipeline.
- The Mobility vertical, driven mainly by rail and aerospace, is recording the fastest growth, backed by a widening customer base and product portfolio.
- The Clean Energy vertical is gathering pace with advancements in energy storage system solutions.
- The Communication vertical is also promising, reinforced by our proven expertise in manufacturing 5G boards.
- Avalon expanded into new high-technology verticals; one example is our partnership with a global semiconductor equipment company for complex subsystem manufacturing.

- Avalon became a strategic manufacturing partner for C-DAC under the 'RUDRA' High-Performance Computing programme.
- Avalon has entered into a strategic partnership with Zepco Technologies to strengthen offerings in motors, drives, controllers, and power solutions for drones, EVs, and defence.

BUSINESS OUTLOOK

Avalon Technologies delivered a strong performance in FY2025, marked by broad-based growth across sectors. The Company continues to witness robust demand from customers in both India and the US, reinforcing confidence in its strategy focussed on sustainable and profitable expansion. In FY2025, the Indian manufacturing operations, which serve both domestic and global clients, accounted for 87% of the Company's revenue. EBITDA margins improved to 10.5%, up from 7.2% in FY2024, while PAT margins rose to 5.7% from 3.2% in FY2024, reflecting efficiency and scale. Avalon's US business continues to remain a pivotal beachhead in attracting customers. Further, over 50% of US customers were successfully transitioned to Indian manufacturing, resulting in significant reductions in fixed costs.

Avalon's growth continues to be driven by three key pillars: the existing business, new business wins across verticals, and the growing pipeline business opportunities. Multi-year programmes anchored by strong customer relationships continue to provide recurring revenues in the existing business. Expanded capacity and customer focus have driven new business wins across verticals, many of which are now moving

into production, aided by our dual-shore model and the new Chennai export facility. Several prospects are also in advanced stages across industries and geographies, aligned with our strategic priorities, and hold the potential to meaningfully expand our revenue base in the years ahead. We have also grown our India business share with the increasing adoption of electronics in rail, aerospace, industrial, and power infrastructure.

India continues to benefit from strong industry tailwinds, and we are seeing sourcing decisions increasingly moving towards India's favour. Avalon's dual manufacturing presence in both US and India positions us well to navigate these shifts. On one hand, higher tariffs on imports from select countries are driving opportunities to India to emerge as a preferred manufacturing hub, resulting in an increased engagement from global customers aiming to

diversify their supply chains. At the same time, our US manufacturing facility offers strategic flexibility to support customers looking to localise production and meet regional requirements. We are cognizant of the policy uncertainty and its impact on US economy and will ensure continued agility and disciplined planning. The Company is closely tracking shifts in global trade dynamics, including tariffs and macroeconomic developments that could impact global manufacturing trends.

Avalon continues to strengthen its position through ongoing investments in capacity expansion & emerging technologies. It remains committed to scaling operations, deepening customer relationships and nurturing long-term partnerships. Looking ahead to FY2026, Avalon approaches the year with measured optimism. The order book stands at ₹ 1,761 Cr as on FY2025, up from ₹ 1,366 Cr at the end of FY2024, with an execution cycle of 12-14 months.

FINANCIAL OVERVIEW

Financial Performance

Some of the key financial highlights for the Fiscal Year 2024-25 are provided below:

(₹ in Cr)

Particulars	FY2025	FY2024	YoY Change
Revenue from Operations	1,098	867	26.6%
Gross Margin	393	315	24.7%
Gross Margin (%)	35.8%	36.3%	-55 bps
EBITDA	115	63	83.7%
EBITDA (%)	10.5%	7.2%	325 bps
Depreciation	29	23	24.8%
Finance Cost	17	16	1.8%
Profit before tax (PBT)	87	38	127.9%
Profit after tax (PAT)	63	28	126.7%
PAT (%)	5.7%	3.2%	252 bps

The Company delivered a strong financial performance in FY2025, driven by robust revenue growth and increased profitability. Revenue from operations grew by 26.6% to ₹ 1,098 Cr, up from ₹ 867 Cr in FY2024, mirroring continued business momentum. Gross profit increased by 24.7% to ₹ 393 Cr, though the gross margin eased slightly to 35.8% from 36.3%. The Company delivered strong operational performance with EBITDA rising sharply by 83.7% to ₹ 115 Cr. The EBITDA margin also improved by 325 basis

points to 10.5%, driven by improved cost control and gains from operating leverage.



Profit before tax was at ₹ 87 Cr, marking a 127.9% increase and profit after tax surged by 126.7% to ₹ 63 Cr. The PAT margin increased significantly to 5.7%, compared to 3.2% in the previous year. Overall, the Company showcased strong execution and financial resilience, setting a strong foundation for continued growth in the years ahead.





Financial Ratios


Particulars	FY2025	FY2024	Explanation
ROCE (%)	15.7	10.0	The significant improvement in the ratio was due to better utilisation of capital and enhanced profitability, driven by improved operating margins and efficient capital allocation.
Asset Turnover (x)	7.5x	8.3x	The slight decline in the ratio was due to a relatively higher capital investment during FY2025. However, the ratio remains strong, indicating efficient use of assets.
Net Debt to EBITDA (x)	0.1x	-0.3x	The ratio improved due to a healthy balance sheet and almost negligible debt level.
Inventory Days	86	118	Inventory days improved to 86 days in FY2025 compared to 118 days in FY2024 due to easing of supply chain issues and our conscious effort to optimise inventory.
Trade Receivables Days	84	79	Trade receivable days increased slightly to 84 days from 79 days in FY2024.
Trade Payables	46	36	The improvement in payable days reflects improved credit terms with suppliers.
Net Working Capital Days	124	161	The reduction in net working capital days highlights enhanced operational efficiency and better working capital cycle management, supported by lower inventory and improved supplier terms.

RISK MANAGEMENT

Avalon remains dedicated to proactive risk management through careful planning, strategic collaborations, diversification, forward-looking investments and a continuous emphasis on technology and innovation. Together, these measures strengthen the Company's ability to withstand uncertainties and support long-term growth in an ever-evolving market landscape. The key risks faced by the Company, along with the measures taken to mitigate them are outlined below.

Risk	Impact	Mitigation
 Macro-economic Risk	An economic slowdown, rising inflation and other macroeconomic conditions could potentially weaken demand for electronics and electronics manufacturing services (EMS), while also negatively affecting the Company's import and export activities.	Although global macroeconomic challenges present risks to the Indian EMS industry, India's economic momentum and easing inflation are likely to drive growth across various sectors. The ongoing push for digital transformation remains a key driver, creating substantial opportunities for EMS providers in India. Despite prevailing uncertainties, the Company maintains a positive growth outlook, supported by a robust customer base and conducive market dynamics. Avalon also prioritises consistent engagement with its customers to ensure a smooth and convenient collaboration experience.
 Regulatory Risk	Frequent changes or non-compliance with the statutory norms and regulations may impact the business potential, reputation and operations of the company. While certain regulatory benefits and incentives can positively influence our business, there is always a possibility that these may be delayed, blocked, or altered due to changes in the regulatory environment.	We are constantly ensuring that our products and factories meet and exceed established standards of quality, hygiene, work conditions and sustainability. Avalon maintains a diversified business portfolio across multiple products, markets, and revenue streams. This strategic diversification reduces dependence on any single regulatory benefit, helping to protect the company's reputation and ensure stable operations even if some incentives are disrupted.

Risk	Impact	Mitigation
 Raw Material Risk	<p>The availability, quality and cost of raw materials such as metals, electronics, polymers and specialised components play a critical role in Avalon's production processes. Price volatility due to supply chain disruptions, geopolitical conflicts, changes in trade policies, or supplier monopolies can directly impact cost structures. Delays or shortages in critical inputs may halt or slow production, leading to missed deadlines, contractual penalties and customer dissatisfaction.</p>	<p>To manage this risk, Avalon employs a strategic sourcing framework with multiple suppliers across geographies to reduce dependency on single vendors. The Company enters into long-term procurement contracts to lock in prices and ensure stable supply. Avalon also continuously explores opportunities to substitute high-risk materials with more stable alternatives without compromising quality or compliance standards.</p>
 Currency Fluctuations Risk	<p>Avalon's global presence and cross-border transactions, fluctuations in foreign exchange rates, especially USD, EUR and other key currencies can impact the Company's revenue realisation, cost of imports and profit margins. Volatile currency movements can distort financial planning, affect pricing strategies and create translation losses in consolidated financial statements. Unhedged exposures may result in significant forex losses in a volatile economic environment.</p>	<p>Avalon follows a comprehensive foreign exchange risk management approach that includes natural hedging through matching inflows and outflows in the same currency, forward contracts and other derivative instruments. The finance team works closely with business units to monitor exposure and align cash flows with currency movements. Multi-currency invoicing and pricing adjustments in long-term contracts help manage volatility.</p>
 Operational Risk	<p>Operational risks may arise from disruptions in manufacturing processes, supply chain inefficiencies, machinery breakdown, quality control lapses, IT system failures, or workforce-related issues. Such disruptions can lead to delayed deliveries, cost overruns, regulatory non-compliance and reputational damage, affecting overall productivity and profitability.</p>	<p>Avalon has developed a strong operational framework supported by clear standard operating procedures across all departments. The Company invests in advanced automation and emphasises workforce training and cross-functional skill development to maintain seamless business operations. Periodic audits and continuous improvement initiatives such as lean manufacturing and Six Sigma are regularly implemented to identify inefficiencies and enhance overall performance. These measures help the Company to maintain consistent productivity.</p>
 Customer Concentration Risk	<p>A significant portion of Avalon's revenue comes from a limited number of key clients. Heavy reliance on a few customers can expose the Company to revenue volatility, pricing pressures and potential loss of business in case of customer churn or contract discontinuation.</p>	<p>Avalon actively manages customer concentration risk by focussing on broadening its customer base across diverse industries. The Company focusses on building long-term client relationships by delivering integrated, value-added solutions tailored to their needs, thereby enhancing retention. Avalon also targets growth by exploring new customers in emerging and high-potential market segments and geographies. This approach helps reduce dependency on a few key clients and supports revenue stability.</p>

Risk	Impact	Mitigation
 <p>Geographic Concentration Risk</p>	<p>Avalon's business operations and revenue streams may be concentrated in certain regions. Adverse economic conditions, policy changes, trade restrictions, or geopolitical instability in these geographies can impact business continuity and growth prospects.</p>	<p>Avalon is committed to expanding its global presence through strategic market entries, and forging partnerships worldwide. This geographical diversification helps reduce reliance on any single region and spreads business risk.</p>

HUMAN RESOURCES

Avalon values its employees as its most important asset and credits them for much of its progress. The Company strives to maintain a workplace that is respectful, inclusive and supportive – where every individual is treated with fairness and dignity.

Avalon expanded its workforce across multiple verticals during FY2025 in line with projected business growth and strategic expansion plans. The Company not only scaled its team strength but also enhanced several people practices to nurture a cohesive and highly engaged workforce across its manufacturing facilities. Avalon maintained a strong focus on Environment, Health, and Safety (EHS), reinforcing its commitment to promoting a safe, inclusive, and progressive workplace. The Company sustained a diverse talent base across both white-collar and blue-collar roles, with the diversity ratio improving by 2 percentage points compared to FY2024, reaching 18%.

Commitment to Continuous Learning and Development

Avalon considers continuous learning as an important attribute of holistic organisational growth, with a strong emphasis on enhancing employee capabilities through structured internal and external training programmes.

Internal Programmes

- The Company designed technical induction programmes for new hires across both white-collar and blue-collar roles.
- Trainers from different verticals regularly delivered updates on products, processes, and certifications in line with industry standards.
- “Wisdom Wednesday” sessions were conducted weekly on the shop floor, promoting interactive knowledge-sharing in an engaging format.

External Programmes

- The Learning & Development (L&D) team partnered with technical bodies and external experts to deliver customised training interventions.
- These programmes addressed both technical and behavioural competencies, strengthening Avalon's talent pool.
- In total, Avalon delivered 12,000 man-hours of training during FY2025.

Strengthening Workplace Safety, Inclusion, and Well-being

- **Emergency Preparedness and Awareness**
 - The Company conducted training and appreciation sessions across all units to strengthen emergency response capabilities.
 - Initiatives included fire safety drills, mock emergency exercises, and preparedness workshops.
 - Avalon participated in National Safety Week and World Environment Day, underlining its commitment to safety and environmental responsibility.
- **Respect and Inclusion**
 - The Company organised bi-annual workshops to raise awareness of Prevention of Sexual Harassment (POSH) guidelines.
 - These sessions focussed on building gender sensitivity and fostering a safe, respectful, and inclusive workplace culture.
- **Wellness at Work**
 - Avalon placed special emphasis on ergonomics by conducting sessions on proper posture, workstation optimisation, and incorporating movement into daily routines.
 - Occupational Health Centres (OHCs) across facilities continued to deliver proactive health screenings and wellness programmes for employees throughout the year.

Nurturing Collaboration, Innovation, and Excellence

• **People-Centric Culture**

- o Avalon fosters an environment that encourages innovation, collaboration, and camaraderie among employees.
- o The Company promotes engagement through people-centric initiatives, celebrations of festivals, cultural events, and recognition of team successes across its units.

• **Rewards and Recognition: Celebrating Excellence**

- o Avalon places strong emphasis on recognising and celebrating employee achievements as an integral part of its culture.
- o The Company encourages individuals and teams to showcase their skills and innovations on national platforms.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has designed and instituted a robust internal control system that comprises well-defined organisation structure, roles and responsibilities, documented policies and procedures to reduce business risks through a framework of internal controls and processes. These controls are structured to offer reasonable assurance regarding the accuracy and reliability of financial and operational reporting, compliance with applicable laws and regulations, protection of assets from unauthorised access or loss, proper authorisation of transactions, adherence to corporate policies and efficient conduct of its operations. The Internal control framework covers the following key areas:

- Protection and proper use of Company assets
- Accuracy and legitimacy of business transactions
- Compliance with applicable laws, regulations and Company policies
- Control over capital and operating expenses as per approved budgets

During the year, the Company strengthened its Internal Financial Control Framework by integrating process-level assessments, improving the overall control environment. Internal controls are tested periodically on a sample basis to ensure their effectiveness. The Internal audit function operates independently

and follows established governance standards. To ensure efficient internal control systems and in compliance with the applicable regulations, M/s Grant Thornton was appointed as the internal auditor of the Company during FY2025, for performing internal audit of the Company. The internal audit framework is designed to assess the adequacy and effectiveness of internal control mechanisms and covers all key operational areas of the Company. It enables the Company to regularly review and monitor the effectiveness of internal controls, operational performance and risk management. This helps ensure that risks are well-managed and operations remain efficient and compliant.

The Audit Committee examines the reports submitted by the internal auditors and reviews their recommendations for improvement. Additionally, the committee engages with the Company's statutory auditors to understand their assessment of the adequacy of the internal control systems. The statutory auditors have also independently audited the internal financial controls over financial reporting as of March 31, 2025, and opined that adequate internal controls over financial reporting exist and such controls were operating effectively throughout the year.

CAUTIONARY STATEMENT

The Management Discussion and Analysis and any other contents of the Annual Report may contain certain statements describing the Company's objectives, goals, projections, estimates and expectations which may be 'forward-looking statements' within the meaning of applicable laws and regulations. Such statements are based on informed judgements and estimates. Actual results may differ substantially or materially from those either expressed or implied in the forward-looking statements depending on various risks and uncertainties including but limited to, political, technological, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations and policies, tax laws, raw material availability and prices, competitive pressures, Forex risks and other incidental factors. The Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements, whether as a result of any subsequent developments, new information, future events, or otherwise.

Dear Member,

You are cordially invited to attend the Twenty-Sixth (26th) Annual General Meeting ("**AGM**") of the members of Avalon Technologies Limited ("**the Company**") to be held on Friday, September 26, 2025, through Video Conference (VC)/ Other Audio-Visual Means (OAVM) at 02.30 P.M. IST to transact the business mentioned in the notice of Annual General Meeting.

As per Section 108 of the Companies Act, 2013 ("**the Act**"), read with the related rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice.

Yours Truly,

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Notice of the 26th Annual General Meeting

Notice is hereby given that the Twenty Sixth (26th) Annual General Meeting (AGM) of the members of Avalon Technologies Limited (formerly known as 'Avalon Technologies Private Limited') ("**the Company**") will be held on Friday, September 26, 2025, at 02.30 P.M. (IST) through Video Conference / Other Audio-Visual Means ("VC/OAVM") to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF FINANCIAL STATEMENTS:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company i.e., Balance Sheet of the Company as at 31st March, 2025 and Statement of Profit and Loss Account (incl. Comprehensive income), Statement of Cash Flows and Statement of Changes in Equity along with notes to accounts for the year ended on 31st March, 2025, together with the Reports of the Board of Directors ("**the Board**") and the Auditors thereon as presented in this Annual General Meeting, be and are hereby approved and adopted".

2. APPOINTMENT OF MR. LUQUMAN VEEDU EDIYANAM (DIN: 06493214) AS A NON-EXECUTIVE DIRECTOR, LIABLE TO RETIRE BY ROTATION.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sec. 152(6) of the Companies Act, 2013 including any statutory amendment for the time being and pursuant to Clause 110 of Articles of Association ("AOA") of the Company, Mr. Luquman Veedu Ediyanam (DIN: 06493214), Director, who retires by rotation and being eligible, offers himself for reappointment,

be and is hereby re-appointed as a Director of the Company, as liable to retire by rotation."

SPECIAL BUSINESS

3. APPOINTMENT OF SECRETARIAL AUDITOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 179 and 204 of the Companies Act, 2013 ('the Act'), read with the rules made thereunder, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the SEBI Listing Regulations') (including any statutory modification or re-enactment(s) thereof for the time being in force), and based on the approval and recommendation of the Board of Directors, the approval of the Members be and is hereby accorded for the appointment of Alagar & Associates LLP (Formerly known as M. Alagar & Associates), Company Secretaries (LLP Registration Number: L2025TN019200), as the Secretarial Auditor of the Company for a term of five consecutive financial years, commencing from the Financial Year 2025-26 till Financial Year 2029-30 on such remuneration as may be mutually agreed upon between the Board and the Auditors and to avail such other services, certificates or reports as may be permissible under applicable laws."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s)/ Authorized Representative(s) of the Company to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith, or incidental thereto."

by Order of the Board of Directors
For **Avalon Technologies Limited**
(Formerly known as 'Avalon Technologies Private Limited')

Place: Chennai

Date: August 05, 2025

Registered Office:

AVALON TECHNOLOGIES LIMITED

(Formerly known as 'Avalon Technologies Private Limited')

CIN: L30007TN1999PLC043479

B-7, First Main Road,

MEPZ-SEZ, Tambaram

Chennai – 600045

Sd/-

Ajay Shukla

Company Secretary & Compliance Officer

M. No: A36992

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business given in the Notice of the Annual General Meeting (AGM) forms a part of this AGM Notice.
 2. The Ministry of Corporate Affairs, vide its General Circulars No. 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard on 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and the latest being 09/2024 dated September 19, 2024 (hereinafter referred to as "**MCA Circulars**") has permitted the holding of the annual general meeting ("**AGM**") through Video Conferencing/Other Audio Visual Means (**VC/OAVM**), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("**the Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), applicable SEBI Circulars and the MCA Circulars, the AGM of the Company is being held through VC. The deemed venue of the **26th AGM** of the Company shall be the Registered Office of the Company.
 3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in compliance with the Circulars through VC, physical attendance of the members has been dispensed with. Accordingly, the facility for the appointment of proxies by members will not be available. Pursuant to the same, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
 5. In compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Circular No. SEBI/HC/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 ("**SEBI Circular**") Notice of the 26th AGM along with the Annual Report for the FY 2024-25 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email.
- Members holding shares in DEMAT mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, to receive copies of the Annual Report 2024-25 in electronic mode.
- In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2024-25, they may send request to the company via email at investorsrelations@avalontec.com mentioning DP ID and Client ID.
6. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
 7. Members of the Company under the category of Institutional Investors/Corporate Shareholders (i.e. other than individuals, HUFs, NRIs, etc.,) are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to alagar@alagarassociates.com with a copy marked to evoting@cdsl.co.in & investorsrelations@avalontec.com.
 8. The Certificate issued by the Secretarial Auditor pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Register of Directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act are available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e., **September 26, 2025**. Members seeking to inspect such documents can send an email to investorsrelations@avalontec.com
 9. Members whose shareholding is in electronic mode are requested to notify any change in name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number to their respective depository participant(s) (DPs).
 10. In compliance with Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and relevant Circulars, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members

to exercise their votes electronically through the electronic voting (e-voting) facility provided by the Central Depository Services Limited ("CDSL"). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, and for members who have not registered their email addresses is provided in the '**Instructions for e-voting**' section which forms part of this Notice.

11. The Board has appointed Alagar & Associates LLP (Formerly known as M. Alagar & Associates), Company Secretaries, (LLP Registration No: L2025TN019200), as the Scrutinizer ("**Scrutinizer**") for conducting the e-voting process in a fair and transparent manner.
12. The Scrutinizer will submit their report to the Chairman of the Company ("**the Chairman**") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast through remote e-voting and votes cast during the AGM), within two working days from the conclusion of the AGM. The result declared along with the Scrutinizer's Report shall be communicated to the stock exchanges, CDSL and RTA, and will also be displayed on the Company's website, www.avalontec.com.
13. Members holding shares in dematerialized form, as on cut-off date, i.e., **September 19, 2025**, may cast their votes electronically. The e-voting period commences **on Tuesday, September 23, 2025 (9:00 a.m. IST) and ends on Thursday, September 25, 2025 (5:00 p.m. IST)**. The e-voting module will be disabled by CDSL thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e., **September 19, 2025**. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
14. The facility for e-voting during the course of AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
15. Any person holding shares in dematerialized form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e., **September 19, 2025**, may obtain the login ID and password by sending a request to evoting@cdsl.co.in. 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. In case of individual shareholders holding securities in DEMAT mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e., **September 19, 2025**, they may follow steps mentioned in the Notice under 'Instructions for e-voting'.
16. Additional information, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards – 2 issued by the Institute of Company Secretaries of India, forms part of this Notice.
17. The Notice calling the 26th AGM along with the Annual Report for the year 2024-25 has been uploaded on the website of the Company at www.avalontec.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
18. The Members can join the AGM in the VC/OAVM mode 15 minutes before or after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on 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.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER: (CDSL)

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

NOTE:

- (i) The voting period begins **on Tuesday, September 23, 2025, at 9.00 a.m. and ends on Thursday, September 25, 2025, at 5.00 p.m.** During this period, shareholders of the Company, holding shares in dematerialized form, as on the cut-off date of **September 19, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the DEMAT account holders, by way of a single login credential, through their DEMAT accounts/ websites of Depositories/ Depository Participants.** DEMAT account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in DEMAT mode.

- (i) In terms of SEBI Circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in DEMAT mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in DEMAT mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 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.

Type of shareholders	Login Method
	<p>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 & My Easi New (Token) and then click on registration option.</p> <p>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.</p>
Individual Shareholders holding securities in DEMAT mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is 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</p> <p>3) 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4) 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in DEMAT mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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., CDSL and NSDL

Login type	Helpdesk details
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
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.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of non-individual shareholders in DEMAT mode.

- (i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For other than individual shareholders holding shares in Demat.

- | | |
|-----|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
|-----|---|

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (iv) Click on the Electronic Voting Sequence Number (“EVSN”) of Avalon Technologies Limited to vote on the resolutions proposed at the AGM.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, non-individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at alagar@alagarassociates.com or to the Company at the email address viz; investorsrelations@avalontec.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to e-vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least Seven (7) days prior to meeting **(on or before September 19, 2025)** mentioning their name, DEMAT account number/folio number, email id, mobile number at investorsrelations@avalontec.com. The shareholders who do not

wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting **(on or before September 19, 2025)** mentioning their name, DEMAT account number/folio number, email id, mobile number at investorsrelations@avalontec.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
2. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

by Order of the Board of Directors
For **Avalon Technologies Limited**
(Formerly known as 'Avalon Technologies Private Limited')

Place: Chennai
Date: August 05, 2025
Registered Office:

AVALON TECHNOLOGIES LIMITED

(Formerly known as 'Avalon Technologies Private Limited')

CIN: L30007TN1999PLC043479

B-7, First Main Road,
MEPZ-SEZ, Tambaram
Chennai - 600045

Sd/-
Ajay Shukla
Company Secretary & Compliance Officer
M. No: A36992

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Pursuant to the provisions of Section 102 of the Companies Act, 2013, Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India and the SEBI Listing Regulations, as amended, the following Explanatory Statement sets out all the material facts relating to the Special Business mentioned in this AGM Notice and should be taken as forming a part of this Notice.

ITEM NO. 3

Appointment of Secretarial Auditor of the Company

Pursuant to Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions of the Companies Act, 2013, every listed company is required to appoint a Secretarial Auditor. In accordance with the SEBI notification dated December 12, 2024, amending Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed company shall appoint a Peer Reviewed Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years with the approval of the shareholders in its Annual General Meeting with effect from 1st April 2025.

Alagar & Associates LLP (Formerly known as M. Alagar & Associates) is an eminent peer reviewed firm of Practicing Company Secretaries (LLP Registration Number: L2025TN019200) having experience of more than fifteen years in delivering professional services in the field of Corporate Laws, SEBI Regulations, and FEMA Regulations including carrying out Secretarial Audits. The firm is peer reviewed in terms of the guidelines issued by the ICSI and holds a valid peer review certificate (Peer Review Certificate No: 6814/2025). They have consented to act as Secretarial Auditors of the company and confirmed that their appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Proposed Fees:

The proposed remuneration to be paid to Alagar & Associates LLP (Formerly known as M. Alagar & Associates) for the Financial year ending March 31, 2026 is ₹2,50,000/- (Rupees Two Lakhs and Fifty Thousand only) plus fees for availing such other audit related services, certifications as allowed under applicable laws and regulations, applicable taxes and other incidental expenses, subject to other terms and conditions mutually agreed upon by the Board and the aforesaid firm.

Basis of Recommendation & Credentials:

Alagar & Associates LLP is a leading firm of Company Secretaries founded in 2009 and later converted into a Limited Liability Partnership. With over 15 years of experience, the firm has earned a strong reputation for delivering high-quality compliance, regulatory, and legal advisory services tailored to the diverse needs of its clientele. Headquartered in Chennai, and with offices in Coimbatore, Bengaluru, and Hyderabad, Alagar & Associates LLP is strategically positioned to offer prompt and accessible support across key business hubs in South India. The firm is backed by a dedicated team of over 30 professionals, including Company Secretaries and Legal Experts, who bring deep multidisciplinary knowledge to every client engagement.

Members shall note that Alagar & Associates LLP (Formerly known as M. Alagar & Associates) is eligible for appointment as the Secretarial Auditor to hold office for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30 on the basis of recommendation and approval of the Board of Directors, at their meeting held on May 06, 2025. The appointment is subject to the approval of the shareholders of the Company.

In light of the above, the Board recommends the approval of the Members for appointment of Secretarial Auditors and passing of the Ordinary Resolution set out at Item No. 3 of this Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ANNEXURE TO NOTICE

Item No. 2

Additional Information on Directors recommended For Reappointment as required under Regulation 36 of the Listing Regulations and applicable Secretarial Standards issued by the Institute of Company Secretaries of India

S. No	Details	Particulars
1.	Name of the Director	Mr. Luquman Veedu Ediyamam
2.	Age	61 years
3.	Qualification	He holds a bachelor's degree in technology from University of Calicut.
4.	Experience (Including a brief resume and expertise in specific functional areas)	He is the Non-executive Director of our Company. He has been associated with our Company since March 3, 2017. He has been the legal partner and the managing director at Dhafir Technologies LLC, United Arab Emirates since its establishment in 1970.
5.	Terms and Conditions of Re-appointment	Pursuant to Section 152 of the Companies Act, 2013, Mr. Luquman Veedu Ediyamam is liable to retire by rotation, and being eligible, offers himself reappointment.
6.	Date of First Appointment on the Board	March 03, 2017
7.	Remuneration last drawn	Nil from Avalon Technologies Limited.
8.	Shareholding in the Company (Including Beneficial Ownership, if any.)	36,19,291 shares (as on March 31, 2025)
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Except Mr. Kunhamed Bicha, there is no inter-se relationship with other Directors and Key Managerial Personnel of the Company.
10.	Number of Meetings of the Board attended during the year	1 out of 6 meetings
11.	Directorships of other Boards, including Listed Entities	Mr. Luquman Veedu Ediyamam is also director in the below mentioned companies (subsidiaries of Avalon Technologies Limited): 1. Avalon Technology and Services Private Limited - India 2. ABV Electronics INC (DBA SIENNA CORP) - USA
12.	Membership/ Chairmanship of Committees of other Boards, including Listed Entities	Nil
13..	Listed Entities from which the person has resigned in the past three years	Nil

Directors' Report

Dear Members,

The Board of Directors are pleased to present the report on the business and operations of Avalon Technologies Limited ("the Company" or "Avalon"), along with the Audited Financial Statements for the financial year ended March 31, 2025. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

(₹ In Millions)

Description	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations	6,317.79	4,416.82	10,981.28	8,671.68
Other Income	269.65	192.42	171.06	148.06
Total Income	6,587.44	4,609.24	11,152.34	8,819.74
Cost of Raw Materials consumed	4,832.64	3,270.43	7,187.85	5,522.77
Change in Inventory	1.09	69.76	(133.17)	0.55
Employee Benefit Expense	636.64	487.86	1985.51	1,849.87
Finance Cost	28.00	25.94	167.04	164.01
Depreciation & Amortization	64.11	51.98	285.69	228.98
Other Expenses	353.46	270.68	792.29	673.01
Total Expenses	5,915.94	4,176.65	10,285.21	8,439.19
Profit Before Tax & Exceptional Items	671.50	432.59	867.13	380.55
Exceptional Items	0.00	0.00	0.00	0.00
Profit before Tax	671.50	432.59	867.13	380.55
Tax Expenses	165.80	107.73	232.74	100.7
Profit after Tax	505.70	324.86	634.39	279.85
Other Comprehensive Income	(1.09)	0.91	(17.12)	(12.63)
Total Comprehensive Income	504.61	325.77	617.27	267.22
Earnings Per Share				
Basic (In ₹)	7.67	4.98	9.62	4.29
Diluted (In ₹)	7.56	4.87	9.48	4.19

State of Affairs and Financial Overview

During the Financial Year 2024-25, the Company recorded a 43.04% year-on-year increase in standalone revenue from operations, reaching ₹ 6,317.79 million. The consolidated revenue also witnessed a growth of 26.63%, amounting to ₹ 10,981.28 million, as compared to the previous financial year.

During the Financial Year 2024-25, the Company's standalone profit after tax grew 55.67% to ₹ 505.70 million. The consolidated profit after tax for the same period stood at ₹ 634.39 million, marking a substantial increase of 126.69% compared to the previous year.

A financial overview is also provided in the Management Discussion and Analysis, forming a part of this Annual Report.

2. DIVIDEND:

Considering the growth and investment prospects of your Company, the Board of Directors have not recommended any dividend for the Financial Year ended March 31, 2025.

3. TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to General Reserve.

4. CHANGE IN NATURE OF BUSINESS, IF ANY

During the Financial Year, there was no change in the nature of business of the Company.

5. SHARE CAPITAL

The paid-up share capital of the Company as on March 31, 2025, is ₹ 13,23,14,232 consisting of 6,61,57,116 equity shares at ₹ 2 each.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments provided by the Company under Section 186 of the Companies Act, 2013 ("the Act") has been set out in the Notes to the Standalone Financial Statements of the Company, forming a part of this Annual Report.

7. PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013. As such, no amount of principal or interest was outstanding as of the Balance Sheet date.

8. SUBSIDIARIES

The Company has three subsidiaries, including two wholly owned subsidiaries, which are provided below:

- a) Avalon Technology and Services Private Limited – Wholly-Owned & Material Subsidiary
- b) Sienna ECAD Technologies Private Limited – Subsidiary
- c) ABV Electronics Inc. (DBA Sienna Corporation) – Foreign Wholly-Owned & Material Subsidiary.

Pursuant to Section 129(3) of the Act, 2013, a statement containing the salient features of the Financial Statements of subsidiaries in the prescribed Form AOC-1 is appended as **Annexure - I** to this Report. Further, we confirm that during the Financial Year, no entities ceased to be a subsidiary, associate of the Company.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the Financial Year, all the Related Party Transactions entered into by the Company were during the ordinary course of business on an arm's length basis and there were no contracts, arrangements or transactions entered during Financial Year 2024-25 that fall under the scope of Section 188(1) of the Companies Act, 2013. As required under the Act, the prescribed Form AOC-2 is appended as **Annexure - II** to the Board's report.

10. MANAGEMENT'S DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the **Management's Discussion and Analysis Report** is disclosed separately in this Annual Report.

11. RISK MANAGEMENT FRAMEWORK

Your Company continuously evaluates and monitors the various internal and external risks surrounding its business environment and seeks to mitigate and minimise any challenges or adverse impact on its business objectives. Systematic and proactive management of risk factors aid the decision-making process of the Company. Risk management is implemented by the Executive Management of the Company and monitored by the Board of Directors. Your company constituted a Risk Management Committee on June 29, 2024.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The main objective of the CSR Initiatives of the Company is to ensure environmental sustainability, supporting education and protection and development of flora and fauna. The Company's CSR Policy is available on our website at www.avalontec.com.

The details of the constitution, meetings and terms of reference of the committees forms a part of the Corporate Governance Report. The brief outline of the initiatives undertaken by the Company on CSR Activities during the reporting period is enclosed as **Annexure - III**.

14. HUMAN RESOURCES MANAGEMENT

Our employees are our most important assets. We are committed to hiring and retaining the best talent. In order to achieve the same, we focus on promoting a collaborative and transparent organization culture and also rewarding the meritorious performance.

Pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each director to the median employee's remuneration and such other details are provided as **Annexure – IV** to this Report.

15. SHARE BASED COMPENSATION

Your Company has an Employee Stock Option plan in force i.e., Avalon – Employee Stock Option Plan – 2022 (“ESOP Plan”). Under the ESOP Plan, your Company granted share-based benefits to eligible employees of the Company as well as its subsidiaries, companies with a view to attract and retain the best talent and to promote increased participation by them in the growth of the Company.

Avalon – Employee Stock Option Plan – 2022

On July 07, 2022, pursuant to approval by way of Special Resolution by the shareholders in the AGM, the Board has been authorized to introduce, offer, issue, and provide share-based incentives to eligible employees of the Company and its subsidiaries under the Avalon – Employee Stock Option Plan – 2022.

The maximum number of shares under this plan shall not exceed 30,00,000 (Thirty Lakhs Shares) equity shares. The ESOPs granted under the ESOP Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (the Nomination and Remuneration Committee). Each of these performance parameters will be distinct for the purposes of calculation of the quantity of shares to vest based on performance. These instruments will generally vest between a minimum of one and a maximum of seven years from the grant date.

Pursuant to the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (“SEBI SBEB Regulations”), the certificate issued by the Secretarial Auditor of the Company confirming that the Plan has been implemented in accordance with the said Regulations, is enclosed herewith as **Annexure – V**.

During the financial year 2024–25:

- The Nomination and Remuneration Committee of the Company granted 1,73,571 Employee Stock Options to eligible employees of the Company and its subsidiaries.
- The Company allotted 4,44,424 equity shares to the employees who exercised their Employee Stock Options.

Pursuant to Regulation 12(1) of the SEBI (SBEB) Regulations, 2021, the shareholders of the Company ratified the Avalon Employee Stock Option Plan – 2022, by passing a special resolution at the 24th Annual General Meeting held on September 25, 2023. Further, the shareholders of the Company approved the ratification and extension of Avalon Employee Stock Option Plan – 2022 to the benefits of employees of subsidiaries and group companies of the Company by passing a special resolution by way of Postal Ballot on November 29, 2024.

Further, the details required as per Regulation 14 read with Part F of Schedule I of the SEBI SBEB Regulations are provided as an **Annexure – V** to this Report.

16. CORPORATE GOVERNANCE

The Corporate Governance practice of our Company is a true reflection of the values and morale of the Company. Avalon is committed to implement the best practices of Corporate Governance and to manage the affairs of the Company with integrity, transparency and accountability as the driving forces. We believe that this practice will continue to contribute to the growing success of the Company and enhancing our relationship with the stakeholders. We focus on maximizing shareholder value legally, ethically and sustainably.

The Corporate Governance Report for the Financial Year ended March 31, 2025 as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations forms a part of this Annual Report.

17. BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will bring a balance in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills including expertise in financial, business, leadership, information technology, sales and marketing and Environmental, Social and Governance (ESG), risk management and cybersecurity and other domains, which will ensure that Avalon retains its competitive advantage.

18. NUMBER OF MEETINGS OF THE BOARD

The Board met six (6) times during the financial year. The meeting details are provided in the corporate governance report that forms part of this Annual Report. The maximum interval

between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

19. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As of March 31, 2025, the Board has eight members, consisting of one Executive Director, two Non-Executive and Non-Independent Directors and five Non-Executive – Independent Directors. One of the Independent Directors of the Board is a Woman Director.

The details of Board and committee composition, tenure of directors, areas of expertise, terms of reference and details of Key Managerial Personnel are available in the Corporate Governance Report that forms a part of this Annual Report.

Changes in Directors during the Financial Year:

- **Mr. Sareday Seshu Kumar (DIN: 01646703)** was re-appointed as a Non-Executive Director under Non – Independent Category by the shareholders in the Annual General Meeting held on September 25, 2024.
- The continuation of **Mr. Luquman Veedu Ediyanam (DIN: 06493214)** as Non-Executive Director under Non-Independent Category was approved by the shareholders at the Annual General Meeting held on September 25, 2024.
- **Mr. Anees Ahmed (DIN: 00225648)** was appointed as Additional Director under Independent Category by the Board of Directors at their meeting held on October 24, 2024. His appointment was approved by the shareholders of the Company on November 29, 2024 by way of Postal Ballot.
- **Mr. Sareday Seshu Kumar (DIN: 01646703)** resigned from the position of Non-Executive Director under Non – Independent Category on December 17, 2024.

Changes in Key Managerial Personnel during the Financial Year:

- **Mr. RM Subramanian** submitted his resignation from the position of Chief Financial Officer on September 20, 2024.
- **Mr. Suresh Veerappan** was appointed as the Chief Financial Officer by the Board of Directors of the Company at their meeting held on September 27, 2024 with effect from November 08, 2024.

- **Mr. Rajesh V** resigned from the position of Company Secretary and Compliance Officer with effect from November 29, 2024.
- **Mr. Ajay Shukla** was appointed as the Company Secretary and Compliance Officer by the Board of Directors of the Company at their meeting held on February 05, 2025, with effect from the date.

20. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 read with Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations, that they met the criteria of independence laid down in Section 149(6), Code for Independent Directors of the Companies Act, 2013 and of the Listing Regulations.

In the opinion of the Board, all the Independent Directors of the Company possess the requisite integrity, expertise, experience to perform their duties effectively.

21. BOARD EVALUATION

During the reporting period, your Company had evaluated the performance of the Board including performance of its committees, Independent Directors, Chairperson of the Board and other Directors.

22. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

During the reporting period, the Independent Directors attended sessions to familiarize themselves with the business operations.

The familiarization programme is available on our website www.avalontec.com

23. COMMITTEES OF THE BOARD

As on March 31, 2025, the Board had five statutory committees: the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and Risk Management Committee.

All committees comprise combination of Independent Directors and Non – Independent Directors in compliance with the Listing Regulations and the provisions of the Companies Act 2013. During the year, all recommendations made by the committees were approved by the Board.

A detailed note on the composition of the Board and its committees is provided in the Corporate

Governance Report, which forms part of this Annual Report.

24. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted adequate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error-reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

25. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has in place, a policy for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management and a defined appointment and remuneration criteria which has been approved by the Board.

Attributes such as ethical standards of integrity, qualification and expertise are investigated during the time of appointment. The Nomination and Remuneration Committee ensures that the relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

The criteria of making payments to non-executive directors are provided in the Nomination and Remuneration Policy provided on the website at <https://www.avalontec.com/>

26. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

During the financial year, no application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

There were no instances where your Company required valuation to be done at the time of one time settlement or while taking loan from the Banks or Financial Institutions.

27. REPORTING OF FRAUDS BY AUDITORS

During the financial year, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or

employees, the details of which would need to be mentioned in the Board's report.

28. ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return for the financial year 2023-24 in the prescribed format is available at company's website at <https://www.avalontec.com/investors>.

29. SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India ("ICSI").

30. LISTING ON STOCK EXCHANGES

The Company's equity shares are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

31. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the provisions of the Companies Act, 2013 and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Further as per Section 134 (3) (c), we, the Directors confirm that:

- (a) In preparation of the annual accounts for the Financial Year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures.
- (b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period.
- (c) we have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) we have prepared the annual accounts on a going concern basis.

- (e) we have laid down internal financial controls, which are adequate and are operating effectively.
- (f) we have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

32. AUDIT REPORTS AND AUDITORS

AUDIT REPORTS

The Statutory Auditors' Report for Financial Year 2024-2025 does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the Financial Statements in this Annual Report.

The Secretarial Auditors' Report for Financial Year 2024-2025 does not contain any qualification, reservation, or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure - VI** to the Board's report, which forms part of this Annual Report.

AUDITORS

Statutory Auditor

M/s. Varma & Varma, Chartered Accountants (Firm registration number 004532S) ("Varma & Varma") was appointed as the Statutory Auditors of the Company on May 05, 2022, to hold office for the term of five consecutive years from the conclusion of the 23rd AGM of the Company till the conclusion of the 28th AGM to be held in 2027, as required under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Secretarial Auditor

Alagar & Associates LLP (Formerly known as M. Alagar & Associates) Company Secretaries, were appointed as the Secretarial Auditor of the Company for the Financial Year 2024-25 and the Secretarial Audit Report provided by them in Form MR-3 has been provided as **Annexure - VI** to this Report, forming a part of the Annual Report.

It is proposed to appoint Alagar & Associates LLP (Formerly known as M. Alagar & Associates) Company Secretaries, (LLP Registration Number: L2025TN019200) as Secretarial Auditor of the Company for a period of five consecutive financial years, from Financial Year 2025-2026, subject to the approval of shareholders at the ensuing Annual General Meeting as required under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors have approved their appointment as per Section 179 read with Section 204 of the Companies Act, 2013.

33. COST RECORDS AND COST AUDIT

Your Company is located and operating from MEPZ, which is a Special Economic Zone and therefore as per Rule 4(3)(ii) of the Companies (Cost Records and Audit) Rules 2014, cost audit is not applicable. However, your Company is maintaining the prescribed Cost Records as stipulated under the applicable Rules.

34. DETAILS OF IMPLEMENTATION OF VIGIL MECHANISM

The Company has established a Vigil Mechanism and also formulated a Whistle Blower Policy as per the provisions of Section 177(9) of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations. The Policy also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters including ethical, legal and moral standards of the Company.

35. DISCLOSURE PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH ACT")

The Company has formulated a Policy for the prevention of Sexual Harassment of Women at Workplace. The main objective of the Policy is to provide a work environment that is safe and free from sexual or gender-based harassment. The said Policy is also available at the website of the Company at <https://www.avalontec.com/investors/>. All employees of Avalon and its group companies are governed by this policy, with appropriate adjustments, to accommodate local, legal or contractual requirements.

The Company has constituted an Internal Complaints Committee ("Committee"), including an external member, in compliance with the provisions of the POSH Act. During the financial year, no complaints were received by the Committee.

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review is as under:

- (a) Number of complaints of sexual harassment received in the year: NIL
- (b) Number of complaints disposed off during the year: NIL
- (c) Number of cases pending for more than ninety days: NIL

36. MATERNITY BENEFITS

The Company extends all statutory maternity benefits in compliance with the Maternity Benefit Act, 1961 which includes medical benefits, and other related facilities to ensure the health and well-being of its female employees.

37. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars, as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure - VII** to the Board's report, which forms part of this Annual Report.

38. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, your Company is providing the prescribed disclosures on Environment, Social and Governance ("ESG") parameters as part of the Business Responsibility and Sustainability Report

("BRSR"), which forms a part of the Annual Report. The BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct and a report under each principle is provided.

39. ACKNOWLEDGMENTS

Your Directors would like to convey their gratitude to all the clients, vendors, investors, bankers and the employees of our Company. We place on record our appreciation for the contribution and tremendous effort made by our employees at all levels. Our consistent growth was made possible by their hard work, cooperation, and support.

We thank the governments of various countries where we have our operations. We thank the Government of India, particularly the Ministry of Labour and Employment, the Ministry of New and Renewable Energy, the Ministry of Communications, the Ministry of Electronics and Information Technology (Dept of IT), the Ministry of Commerce and Industry, the Ministry of Finance, the Ministry of Corporate Affairs, the Central Board of Direct Taxes, the Central Board of Indirect Taxes and Customs, GST authorities, the Reserve Bank of India, Securities and Exchange Board of India (SEBI), various departments under the state governments, the Special Economic Zones (SEZs) – Chennai, and other government agencies for their support, and look forward to their continued support in the future.

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED
 (Formerly Known as 'Avalon Technologies Private Limited')

Place: Chennai
 Date: August 05, 2025

sd/-
Kunhamed Bicha
 Chairman and Managing Director
 DIN: 00819707

ANNEXURE – 1

AOC – 1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES / JOINT VENTURES

(Pursuant to first proviso to Sub – Section 129 of the Companies Act 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

(Values in ₹ Mn.)															
Sl. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period of subsidiary	Reporting currency and Exchange rate as on the last date of the relevant Financial year for foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Extent of Shareholding (%)
1	Avalon Technology and Services Private Limited	25-09-2019	2024-25	INR	1.30	1156.32	2809.59	1651.97	-	2629.72	178.48	38.29	140.19	0.00	100%
2	Sienna ECAD Technology Private Ltd	19-03-2021	2024-25	INR	35.18	(8.88)	174.35	148.05	-	261.06	22.36	5.49	16.87	0.00	99.99%
3	ABV Electronics (DBA) SIENNA Corporation	31-01-2022	2024-25	INR Closing Rate: 85.5814 Average Rate: 84.5542	0.05	(1645.06)	2431.77	4076.78	17.77	5605.30	16.00	23.16	(7.16)	0.00	100%

1. Names of subsidiaries which are yet to commence operations – Nil

2. Names of subsidiaries which have been liquidated or sold during the year – Nil

Part B: Associates & Joint Ventures

Not applicable as there are no Associates Companies/Joint Ventures of the Company as on March 31, 2025.

For Avalon Technologies Limited

(Formerly Known as 'Avalon Technologies Private Limited')

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Suresh Veerappan

Chief Financial Officer

Sd/-

Ajay Shukla

Company Secretary

M. No: A36992

Date: May 06, 2025

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.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2025, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2025.

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED
(Formerly Known as 'Avalon Technologies Private Limited')

Place: Chennai
Date: August 05, 2025

Sd/-
Kunhamed Bicha
Chairman and Managing Director
DIN: 00819707

ANNEXURE-III

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the company:

We believe that to become one of the most respected companies in the minds of the society, creating and delivering superior value to all our customers, associates, shareholders, employees and society at large is necessary. Therefore our Company is committed in implementing their CSR initiatives which focus on holistic development of communities and create social, environmental and economic value to the society.

To pursue these objectives, we will continue to:

1. Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and downtrodden.
2. Ensuring environmental sustainability.
3. Rural development projects.

In order to achieve this, the Company also collaborates with likeminded bodies like voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.

2. Composition of CSR Committee:

Members of the CSR Committee as on March 31, 2025 is provided below:

Sl. No	Name of the Directors	Designation	Executive/Non-Executive	No. of Meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Nandita Abraham	Chairperson	Non – Executive Non-Independent Director	1	1
2.	Bhaskar Srinivasan	Member	Non – Executive Non-Independent Director	1	1
3.	Anees Ahmed	Member	Independent Director	1	1

3. The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

<https://www.avalontec.com/>

4. The details 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, if applicable:

Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the succeeding financial year, if any (in ₹)
1	2024-25	Nil	1,16,182

6. CSR Obligation for the Financial Year (in ₹)

a.	Average Net Profit of the Company as per Section 135(5):	39,69,64,401
b.	Two percent of Average Net Profit of the Company as per Section 135(5):	79,39,288
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	0
d.	Amount required to be set off for the financial year	0
d.	Total CSR obligation for the Financial Year (a+b-c)	79,39,288

7. a. CSR Amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (In ₹)				
	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 (In ₹)	Date of Transfer	Name of the Fund	Amount (In ₹)	Date of Transfer
₹ 80,55,470	-	-	-	-	-

b. Details of CSR amount spent against ongoing projects for the financial year: Not applicable as the Company does not have any Ongoing projects during the financial year.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
S. 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	Amount spent in the current financial year	Mode of Implementation – Direct	Mode of Implementation – Through agency
Not Applicable									

c. Details of CSR amount spent other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. 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		Amount spent in the current financial year (In ₹)	Mode of Implementation – Direct	Mode of Implementation – Through agency	
				State	District			Name	CSR Reg No.
1.	Promotion of development to the local areas	(i) Rural development projects	Yes	Tamil Nadu	Chengalpattu	10,00,000	Indirect	MEPZMA	CSR00008983
2.	Funding Education	(ii) Promotion of Educational Activities	No	Karnataka	Bengaluru	5,00,000	Indirect	Links Educational and Charitable Trust	CSR00016279
						18,75,000		Children's Love Castles Trust	CSR00003465
3.	Promotion of Women Healthcare	Promoting gender equality, empowering women,	No	Karnataka	Bengaluru	6,12,500	Indirect	Action Foundation for Social Services	CSR00007485
4.	Promotion of Environmental Activities	(iii) Protection of Flora and Fauna	Yes	Tamil Nadu	Chengalpattu	21,47,970	Direct	-	-
5.	Promotion of Healthcare	Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care"	Yes	Tamil Nadu	Chennai	4,20,000	Indirect	Schizophrenia Research Foundation	CSR00000884
6.			No	Kerala	Palakkad	15,00,000	Indirect	Ottapalam Welfare Trust	CSR00039669
Total						80,55,470			

d. Amount spent on Administrative Overheads: Not Applicable

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the financial year: ₹ 80,55,470

g. Excess amount for set-off, if any: 1,16,182

Sl. No.	Particulars	Amount (in ₹)
1.	Two percent of average net-profits of the Company as per Section 135(5)	79,39,288
2.	Total amount spent for the Financial Year	80,55,470
3.	Amount carried forward from previous financial year	0
4.	Excess amount spent for the Financial Year (3+2-1)	1,16,182
5.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	0
6.	Amount available for set off in succeeding financial years (4-5)	1,16,182

8. a. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

b. Details of CSR amount spent in the financial years for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S.No	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of the reporting Financial Year (in ₹)	Status of the Project – Completed/ Ongoing
Not Applicable								

7. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

9. Specify the reason(s) if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

For and on behalf of the Board

Avalon Technologies Limited

(Formerly known as 'Avalon Technologies Private Limited')

Sd/-

Nandita Abraham

Chairperson of CSR Committee

DIN: 01006030

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Place: Chennai
Date: August 05, 2025

**DETAILS OF REMUNERATION PAID TO DIRECTORS,
KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

(Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

(i) 1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

S. no	Director Name	Ratio to Median Remuneration	% Increase /(Decrease) in remuneration in the financial year
Executive Directors :			
1.	Kunhamed Bicha**	130.18	(14%)
Non- Executive Directors:			
1.	Bhaskar Srinivasan *	41.60	(71%)
2.	Saradey Seshu Kumar	-	-
3.	Luguman Veedu Ediyannam	-	-
Independent Directors :-			
1.	Venkataramani Anantharamakrishnan^	5.49	25%
2.	Byas Unnikrishnan Nambisan^	7.68	27%
3.	Nandita Abraham^	5.49	0%
4.	Chandar Pattabhiram^	4.39	(11%)
5.	Anees Ahmed^	2.19	Nil
Key Managerial Personnel			
1.	R. M. Subramanian (Upto 7 th Nov 2024)	41.15	(30%)
2.	Suresh V R (W.e.f. 8 th Nov 2024)	16.01	Nil
3.	Dr. Rajesh. V (Upto 29 th Nov 2024)	8.12	(33%)
4.	Ajay Shukla (W.e.f. 5 th Feb 2025)	2.08	Nil

* Remuneration drawn from Sienna corporation (Subsidiary of ATL)

** Remuneration includes salary drawn from Sienna Corporation (Subsidiary of ATL).

^ Remuneration paid as sitting fees for the meetings attended up to 31.3.2025

- Percentage decrease in the median remuneration of employees in the financial year is (15.40%).
- Number of permanent employees on the rolls of company as on March 31, 2024, is 1275.
- The average decrease in the salary of employees other than Managerial Personnel is (8.05%) and the average decrease in the managerial remuneration is (13.61%).
- Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.

(ii) The names of the top ten employees in terms of remuneration drawn

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at investorsrelations@avalontec.com

For and behalf of the Board of Directors of
Avalon Technologies Limited
 (Formerly Known as 'Avalon Technologies Private Limited')

sd/-

Kunhamed Bicha

Chairman and Managing Director

DIN: 00819707

Place: Chennai

Date: August 05, 2025

ANNEXURE – V

DISCLOSURES BY THE BOARD OF DIRECTORS ON ESOP

(Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI
(Share Based Employee Benefits And Sweat Equity) Regulations, 2021)

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

Members may refer to the disclosures provided in the Audited Financial Statements for the Financial Year 2024-25.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard (Ind AS) 33 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

The diluted Earnings Per Share calculated after considering the effect of potential equity shares arising on account of exercise of options is ₹ 7.56 per share.

C. Details relating to ESOS:

S. No	Particulars	Details
1.	Name of the Employee Stock Option Scheme	Avalon – Employee Stock Option Plan 2022
2.	Date of shareholders' approval	July 07, 2022.
3.	Total number of options approved under ESOS	30,00,000 Options (thirty lakh options)
4.	Vesting requirements	The Options granted shall vest so long as the Employee continues to be in employment of the Company. The Vesting Dates in respect of the Options granted under the Scheme may vary from employee or any class thereof and/or in respect of the number or percentage of options granted to an employee, subject to compliance with the minimum vesting period of one year.
5.	Exercise price or pricing formula	₹ 20/- per Option is the Exercise Price for Series Round I. ₹ 500/- per Option is the Exercise Price for Round II. ₹ 759/- per Option is the Exercise Price for Round III. The Exercise Price shall be decided by the Board/ Committee as is allowed under the Companies Act / SEBI SBEB&SE Regulations and other applicable laws. The Exercise Price shall be such price determined by the Board/Committee, which shall be at a discount of up to a maximum of 20% to the latest available closing price prior to the date of grant, at the Stock Exchange where the highest volume of shares are traded. In any case, it will not be lower than the face value of the equity shares of the Company on the date of such grant.
6.	Maximum term of options granted	Three years from the date of vesting.
7.	Source of shares	Primary
8.	Variation in terms of options	None
9.	Method used for Accounting of ESOP (Intrinsic or Fair Value)	Fair Value

S. No	Particulars	Details
10.	The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	The Employee compensation cost for ESOP has been recognized based the fair value. Hence, this disclosure shall not be applicable.
11.	The impact of this difference on profits and on EPS of the company	

D. Option movement during the year

S. No	Particulars	Details
1.	Number of options outstanding at the beginning of the period	13,19,447
2.	Number of options granted during the year	1,73,571
3.	Number of options forfeited / lapsed during the year	79,680
4.	Number of options vested during the year	7,00,560
5.	Number of options exercised during the year	4,44,424
6.	Number of shares arising as a result of exercise of options	4,44,424
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the company.	₹ 88,88,480
8.	Loan repaid by the Trust during the year from exercise price received.	Not Applicable
9.	Number of options outstanding at the end of the year.	9,68,914
10.	Number of options exercisable at the end of the year.	4,24,120

E. Weighted Average Price Details

Weighted-average fair values of options:

The weighted-average fair value of Options granted under ROUND I – Series A is ₹ 3.70.

The weighted-average fair value of Options granted under ROUND I – Series B is ₹ 4.66.

The weighted-average fair value of Options granted under ROUND II is ₹ 210.65.

The weighted-average fair value of Options granted under ROUND III is ₹ 426.84.

The exercise price for the grants ROUND I – (Series A & B) made during the year was ₹ 20/- and weighted average exercise price of option was ₹20/-.

The exercise price for the grants ROUND II made during the year was ₹ 500/- and weighted average exercise price of option was ₹500/-.

The exercise price for the grants ROUND III made during the year was ₹ 759/- and weighted average exercise price of option was ₹759/-.

G. Employee wise details of options granted as per ESOP Plan 2022 during the year

a) Senior Management Personnel

S. No	Name of the Employee	Designation	Name of Entity	No. of Options granted	Exercise Price per Option (In ₹)
1.	Shriram Vijayaraghavan	Chief Operating Officer	Avalon Technologies Ltd	65,476	500/-
2.	Suresh Veerappan	Chief Financial Officer	Avalon Technologies Ltd	33,095	500/- & 759/-

b) Employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year

S. No	Name of the Employee	Designation	Entity	No. of Options granted	Exercise Price per Option (In ₹)
1.	Shriram Vijayaraghavan	Chief Operating Officer	Avalon Technologies Ltd	65,476	500/-
2.	Suresh Veerappan	Chief Financial Officer	Avalon Technologies Ltd	33,095	500/- & 759/-
3.	Venky Venkatesh	Chief Sales Officer	ABV Electronics Inc	65,000	759/-
4.	Shannon King	Director – Business Development	ABV Electronics Inc	10,000	759/-

c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

During the year, none of the employees were granted options equal to or exceeding 1% of the issued capital of the company at the time of grant.

H. Method and significant assumptions used during the year to estimate the fair value of options

Valuation has been done under Black-Scholes Model to obtain the fair value of Options.

S. No	Particulars	ROUND I
1.	Risk-free Interest Rate	The Yield of Government of India 3-years Bond and 4-year Bond as on the date of Grant.
2.	Expected Volatility	Volatility of the Company is worked out on the basis of movement of stock price of comparable companies for last 46 weeks before the date of grant.
3.	Expected Option Life	2.5 to 5.5 years
4.	Expected Dividend Yield	Dividend yield has been taken as 0% since the company has not declared any dividend since its incorporation.

S. No	Particulars	ROUND II
1.	Risk-free Interest Rate	The Yield of Government of India 3-years Bond, 4-year Bond, 5-year Bond and 6-year Bond as on the date of Grant.
2.	Expected Volatility	Volatility of the Company is worked out on the basis of movement of stock price of comparable companies for last 52 weeks before the date of grant.
3.	Expected Option Life	2.0 to 6.0 years
4.	Expected Dividend Yield	Dividend yield has been taken as 0% since the company has not declared any dividend since its incorporation.

S. No	Particulars	ROUND III
1.	Risk-free Interest Rate	The Yield of Government of India 3-years Bond, 4-year Bond, 5-year Bond and 6-year Bond as on the date of Grant.
2.	Expected Volatility	Volatility of the Company is worked out on the basis of movement of stock price of comparable companies for last 52 weeks before the date of grant.
3.	Expected Option Life	1.17 to 5.17 years
4.	Expected Dividend Yield	Dividend yield has been taken as 0% since the company has not declared any dividend since its incorporation.

- I. **Weighted-average values of share price, exercise price ROUND I – ₹20/-.**
- II. **Weighted-average values of share price, exercise price ROUND II – ₹500/-.**
- III. **Weighted-average values of share price, exercise price ROUND III– ₹759/-.**

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED
(Formerly Known as 'Avalon Technologies Private Limited')

Place: Chennai
Date: August 05, 2025

Sd/-
Kunhamed Bicha
Chairman and Managing Director
DIN: 00819707

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members

Avalon Technologies Limited

B-7 First Main Road, MEPZ-SEZ,
Tambaram, Chennai,
Tamil Nadu – 600045

We, Alagar & Associates LLP, (Formerly known as M. Alagar & Associates) Company Secretaries in Practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on August 08, 2024, by the Board of Directors of **Avalon Technologies Limited** (hereinafter referred to as “**the Company**”), having CIN: L30007TN1999PLC043479 and having its Registered Office at B-7 First Main Road, MEPZ-SEZ, Tambaram, Chennai, Tamil Nadu – 600045. This certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as “the Regulations”), for the year ended March 31, 2025.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented “**Avalon – Employees Stock Option Plan 2022**” viz Employee Stock Option Scheme in accordance with the Regulations and the Special Resolution(s) passed by the members at the General Meeting (s) of the Company held on July 07, 2022.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Scheme received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Minutes of the meeting of Nomination and Remuneration Committee;
5. Shareholders resolution passed at the General Meeting held on July 07, 2022;
6. Shareholders resolution passed at the Annual General Meeting held on September 25, 2023 w.r.t Ratification of ESOP Scheme and resolution passed through Postal Ballot on November 29, 2024 w.r.t Ratification of Extension of ESOP Scheme to subsidiaries and group companies.
7. Shareholders resolution passed at General Meetings w.r.t variation in the scheme (if any); Not applicable
8. Shareholders resolution passed at General Meeting w.r.t Approval for Implementing the scheme(s) through a trust(s); Not applicable
9. Trust Deed; Not Applicable
10. Details of trades in the securities of the company executed by the trust through which the scheme is implemented; Not applicable
11. Bank Statements towards application money received under the scheme;
12. Relevant Accounting Standards as prescribed by the Central Government;
13. Detailed terms and conditions of the scheme as approved by the Board;
14. Disclosure by the Board of Directors;
15. Valuation Reports; Not Applicable
16. Exercise Price / Pricing formula;
17. Statement filed with recognized Stock Exchange(s) in accordance With Regulation 10 of these Regulations;
18. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
19. Other relevant document/ filing/ records as sought and made available to us and the explanations provided by the Company.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, We certify that the Company has implemented the Avalon – Employees Stock Option Plan 2022 in accordance with the applicable provisions

of the Regulations and Resolution(s) passed by the Shareholders of the Company.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For Alagar & Associates LLP
(Formerly known as M. Alagar & Associates)
Company Secretaries
LLP Registration No: L2025TN019200
Peer Review Certificate No: 6814/2025

Place: Chennai
Date: August 05, 2025

M. Alagar
Designated Partner
FCS No: 7488
COP No. 8196
UDIN: F007488G000988963

ANNEXURE – VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Avalon Technologies LimitedB-7 FIRST MAIN ROAD,
MEPZ-SEZ, Tambaram,
Chennai-600045.

We have conducted the Secretarial Audit in compliance of applicable statutory provisions and the adherence to good corporate practices by **Avalon Technologies Limited** herein after called (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2025 (“**Audit Period**”) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by “**the Company**” for the Financial Year ended March 31, 2025, according to the provisions of:

- i. The Companies Act, 2013 (‘Act’) and the rules made thereunder, as amended from time to time including applicable Secretarial Standards issued by the Institute of Company Secretaries of India (‘ICSI’) and as mandated by the Companies Act, 2013.
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder, as amended from time to time;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
- iv. 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, as amended from time to time;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’), as amended from time to time:-
 - (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; **(Not applicable for the Company for the Audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable for the Company for the Audit period)**
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(There were no events requiring compliance during the audit period)** and
 - (j) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(There were no events requiring compliance during the audit period)**
- vi. We report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis,

the Company has complied with the following Labour and Industrial Laws specifically applicable to the Company, as listed below, as amended from time to time;

- a) The Factories Act, 1948
- b) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- c) The Employees' State Insurance Act, 1948
- d) The Minimum Wages Act, 1948
- e) The Payment of Wages Act, 1936
- f) The Payment of Bonus Act, 1965
- g) Maternity Benefit Act, 1961
- h) The Equal Remuneration Act, 1976
- i) The Payment of Gratuity Act, 1972
- j) The Industrial Employment (Standing Order) Act, 1946
- k) The Employees Compensation Act, 1923
- l) The Contract Labour (Regulation and Abolition) Act, 1970
- m) The Tamil Nadu Payment of Subsistence Allowance Rules, 1981
- n) The Tamil Nadu Labour Welfare Fund Rules, 1973
- o) The Environment (Protection) Act, 1986
- p) The Water (Prevention & Control of Pollution) Act, 1974
- q) The Air (Prevention & Control of Pollution) Act, 1981
- r) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- s) E-Waste Management Rules, 2016
- t) The Special Economic Zones (Customs Procedures) Regulations, 2003
- u) The Special Economic Zones Act, 2005
- v) T. N. Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981 and its rules

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, 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.

As per the minutes, the decisions at the Board Meetings were taken unanimously and there was no instance of dissent by any director during the period under review.

We 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.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- i. During the financial year 2024-2025, the Company has allotted 4,44,424 Equity shares having face value of ₹2 each at an exercise price of ₹20 each at various dates to the Employees of the Company and its Subsidiary Companies pursuant to Avalon ESOP Scheme.

For M/s. Alagar & Associates
 (Formerly known as M. Alagar & Associates)
 Practising Company Secretaries
 Peer Review Certificate No: 6186/2024

Sd/-

M. Alagar

Managing Partner

FCS No: 7488

COP No: 8196

UDIN: F007488G000283379

Place: Chennai

Date: May 06, 2025

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

ANNEXURE - A

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Avalon Technologies Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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.

For M/s. Alagar & Associates
(Formerly known as M. Alagar & Associates)
Practising Company Secretaries
Peer Review Certificate No: 6186/2024

Sd/-

M. Alagar

Managing Partner

FCS No: 7488

COP No: 8196

UDIN: F007488G000283379

Place: Chennai
Date: May 06, 2025

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2025
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Avalon Technology and Services Private Limited
Plot No. A-6 & A-7,
Phase- 2, MEPZ-SEZ,
Tambaram,
Chennai – 600 045.

We have conducted the Secretarial Audit in compliance of applicable statutory provisions and the adherence to good corporate practices by **AVALON TECHNOLOGY AND SERVICES PRIVATE LIMITED** herein after called (“**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2025 (“**Audit Period**”) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by “the Company” for the Financial Year ended March 31, 2025 according to the provisions of:

- i. The Companies Act, 2013 (‘Act’) and the rules made thereunder, as amended from time to time including applicable Secretarial Standards issued by the Institute of Company Secretaries of India (‘ICSI’) and as mandated by the Companies Act, 2013.
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder, as amended from time to time; **Not Applicable**;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder, as amended from time to time;
- iv. 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, as amended from time to time; Not Applicable;
- v. Since the company is an unlisted deemed public company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’), as amended from time to time are Not Applicable;
 - (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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and
 - (j) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

During the period under review, the Company has complied with the provisions of the Act,

Rules, Regulations, Guidelines and Standards, etc., mentioned above.

We further report that the Board of Directors of the Company is duly constituted. There are no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, 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 decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.

We 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.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable.

For Alagar & Associates LLP
(Formerly known as M. Alagar & Associates)
Company Secretaries
Firm Registration No: L2025TN019200
Peer Review Certificate No:6814/2025

Sd/-

M Alagar

Designated Partner

FCS No: 7488 / COP No: 8196

UDIN: F007488G000978744

Place: Chennai
Date: August 04, 2025

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
AVALON TECHNOLOGY AND SERVICES PRIVATE LIMITED

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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.

For Alagar & Associates LLP
(Formerly known as M. Alagar & Associates)
Company Secretaries
Firm Registration No: L2025TN019200
Peer Review Certificate No:6814/2025

Sd/-

M Alagar

Place: Chennai
Date: August 04, 2025

Designated Partner
FCS No: 7488 / COP No: 8196
UDIN: F007488G000978744

ANNEXURE – VII

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**A. CONSERVATION OF ENERGY**

The Company is fully committed in conservation of energy during the course of Operations.

(i) the steps taken or impact on conservation of energy:

Energy conservation is a critical focus area for our Company, aiming to reduce operational costs and minimize their environmental footprint. We are committed to implementing initiatives aimed at improving energy conservation and sustainability. These include switching to renewable energy sources, optimizing equipment efficiency, and enhancing maintenance practices. Regular maintenance schedules are implemented to ensure optimal performance of equipment, which can reduce operational costs by up to 15% over time. Furthermore, energy-intensive equipment, including air compressors, has been upgraded by installing VFDs.

(ii) the steps taken by the company for utilising alternate sources of energy;

Conservation measures which has been implemented by the Company are:

- The company is currently in the process of implementing programs to adopt alternative sources of energy beyond solar power.
- All electrical motors have been converted from IE2 to IE3 or permanent magnet types.
- Common lights are connected to Green power (Solar).
- All CFL lights are converted to energy-saving LEDs.
- Upgrading to energy-intensive equipment (AHU Controlled by VFD).

(iii) the capital investment on energy conservation equipment; –

Nil during the Financial Year

B. TECHNOLOGY ABSORPTION**(i) the efforts made towards technology absorption;**

- Wearable Worker Monitoring: A wearable device designed to monitor workers in hazardous environments has been validated. This device detects early signs of heat stress, fatigue, and other physiological indicators, improving worker safety.
- Mobility Sector Contributions: Manufacturing control board assemblies for Platform Screen Doors (PSDs) and Train Collision Avoidance Systems (TCAS) has begun.
- Semiconductor Fabrication Support: Assemblies used in the semiconductor fabrication industry have been introduced for the manufacturing and servicing of semiconductor processing equipment.
- Green Energy Innovation: Assemblies for Linear generators which match power output with building demand, seamlessly integrating with onsite solar and energy storage solutions, thereby facilitating the adoption of renewable energy.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- A high-end, advanced wave soldering system has been implemented which results in better performance, greater reliability, and cost savings. It also increases the ability to produce intricate PCB assemblies with higher quality, greater efficiency, and increased throughput.

- The process for assembling Package-on-Package (PoP) components and the final PCBA with PoP now utilizes a single reflow cycle resulting in reduced manufacturing time and costs, improves reliability, decreases defects, and enhances thermal management.
- Enhanced Reflow Oven has been installed which allows for precise temperature control, reduces thermal stress on components, and produces higher quality solder joints with fewer defects.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)– Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO-

		(₹ in Millions)	
S. No	Particulars	As on March 31, 2025	As on March 31, 2024
1.	Foreign Exchange Earnings	4,137.99	3,257.18
2.	Foreign Exchange Outgo	3,482.70	3,471.05

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED
 (Formerly Known as 'Avalon Technologies Private Limited')

Place: Chennai
 Date: August 05, 2025

Sd/-
Kunhamed Bicha
 Chairman and Managing Director
 DIN: 00819707

Corporate Governance Report

OUR CORPORATE GOVERNANCE PHILOSOPHY:

Corporate governance is the foundation of our organization, creating value across our systems and business operations. We believe it is a key factor in the sustained success of our Company. Corporate Governance, at its core, refers to the act of responsible management. In a corporate context, it defines how companies are governed and for what purpose. It involves a set of practices and procedures aimed at ensuring that the company is managed effectively to achieve its mission and strategic goals. Corporate governance is not only about maximizing shareholder wealth within established guidelines and constraints, but also about upholding a commitment to ethical values and responsible business conduct. It serves as a window for external stakeholders, providing insights into how the organization is structured and managed—covering aspects such as corporate culture, policies, regulatory compliance, and stakeholder engagement.

Timely and accurate disclosure of information related to financial performance, ownership, and significant company developments is a vital element of corporate governance. By adopting and consistently practicing robust governance principles, we enhance our corporate reputation, attract top talent, and build long-term stakeholder trust. Our Company has always adhered to the principles of good corporate governance, promoting fairness, transparency, and ethical conduct. We are committed to fostering a culture of responsible decision-making that effectively balances the interests of shareholders, employees, customers, partners, and the broader community. We believe this will be a key factor in promoting long-term sustainability and strengthening trust in our leadership and operations.

BOARD OF DIRECTORS

A. Role of the Board:

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. Further, the Board is also responsible for:

- Exercising appropriate control to ensure that the Company is managed efficiently to

fulfil stakeholders' aspirations and societal expectations.

- Monitoring the effectiveness of the Company's governance practices and making changes as necessary.
- Providing strategic guidance to the Company and ensuring effective monitoring of the Management.
- Exercising independent judgment on corporate affairs.
- Assigning a sufficient number of non-executive members of the Board to tasks where there is a potential for conflict of interest, to exercise independent judgment.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

B. Composition of the Board

The Company recognizes and embraces the importance of a diverse Board in its success. Avalon has a diverse Board with rich industry experience, geographical background, age, ethnicity, race, gender, knowledge and skills which aids us in sustaining our competitive advantage. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 149 and Section 152 of the Companies Act, 2013 ("the Act").

As on March 31, 2025, the Board comprises of eight members, consisting of one Executive Director i.e., Managing Director, two Non – Executive Directors and five Independent Directors including one Woman Director. For details of appointment and resignation during the Financial Year, please refer the Board's Report which forms a part of this Annual Report. The details of the Board of Directors as on March 31, 2025, is as follows:

Sl. No	DIN	Name of the Director	Referred as	Category	Type	No of Directorship in other entities including this listed entity (Refer Regulation 17A & 26 of Listing Regulations) *	No of Independent Directorship in listed entities including this listed entity (Refer Regulation 17A(i) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(i) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(i) of Listing Regulations)
1	00819707	Kunhamed Bicha	KB	Promoter, Executive, Chairperson, Managing Director	Non – Independent	1	0	2	0
2	02561215	Bhaskar Srinivasan	BS	Promoter, Non – Executive	Non – Independent	1	0	1	1
3	06493214	Luquman Veedu Ediyannam	LQ	Non – Executive	Non – Independent	1	0	0	0
4	00277816	Venkataramani Anantharamakrishnan	RAM	Non – Executive	Independent	8	3	3	0
5	09606151	Chandar Pattabhiram	CP	Non – Executive	Independent	1	1	0	0
6	01342141	Byas Unnikrishnan Nambisan	BN	Non – Executive	Independent	1	1	1	1
7	01006030	Nandita Abraham	NA	Non – Executive	Independent	1	1	1	0
8	00225648	Anees Ahmed	AA	Non – Executive	Independent	1	1	0	0

*Excludes private limited companies, foreign companies and section 8 companies.

C. Information of Directors appointed in the Board of other Listed Companies

Sl. No	DIN	Name of the Director	No. of Directorship in other listed companies	Name of other listed entities which they are a director	Category of Directorship
1	00277816	Venkataramani Anantharamakrishnan	3	IP Rings Limited	Executive, Managing Director
				LMW Limited	Non-Executive, Independent Director
				Shanthi Gears Limited	Non-Executive, Independent Director

D. Attendance of directors in the Board Meetings held during the Financial Year 2024-25

Six Board Meetings were held during the Financial Year 2024-25. The Annual General Meeting (“AGM”) was held on September 25, 2024.

BM – Attendance			2024					2025	Held during the tenure	Attended	Attendance at the 25th AGM held on September 25, 2024
Sl. No	DIN	Name of the Director/Date of the BMs	16-05-2024	08-08-2024	27-09-2024	24-10-2024	06-11-2024	05-02-2025			
1	00819707	KB	✓	✓	✓	✓	✓	✓	6	6	Yes
2	02561215	BS^	✓	✓	L	✓	L	✓	6	4	Yes^
3	06493214	LQ	L	L	L	L	L	✓	6	1	Yes
4	01646703	SSK*	✓	✓	✓	L	✓	NA	5	4	Yes
5	00277816	RAM	✓	✓	L	L	✓	✓	6	4	No

BM – Attendance			2024				2025		Held during the tenure	Attended	Attendance at the 25th AGM held on September 25, 2024
Sl. No	DIN	Name of the Director/Date of the BMs	16-05-2024	08-08-2024	27-09-2024	24-10-2024	06-11-2024	05-02-2025			
6	09606151	CP	L	✓	L	✓	✓	✓	6	4	No
7	01342141	BN [^]	✓	✓	✓	✓	✓	✓	6	6	Yes [^]
8	01006030	NA	✓	✓	L	✓	✓	✓	6	5	Yes
9	00225648	AA*			NA		✓	✓	2	2	NA
Total Directors Present			6	7	3	5	6	8			

Key:

* – SSK was a Non-Executive Director of the Company till December 17, 2024

– AA was appointed as the Independent Director of the Company with effect from October 24, 2024.

[^] – BN is the Chairperson of the Audit Committee of the Company.

– BS is the Chairperson of the Stakeholders Relationship Committee of the Company.

✓ – Present; L – Absent

The Company is managed by the Board of Directors, and the day – to – day affairs are managed by the Managing Director of the Company.

The Key Managerial Personnel of the Company as on March 31, 2025, are as follows.

Sl. No	Name of the Personnel	Designation
1.	Mr. Kunhamed Bicha	Managing Director
2.	Mr. Suresh Veerappan w.e.f 08-11-2024	Chief Financial Officer
3.	Mr. Ajay Shukla w.e.f 05-02-2025	Company Secretary

E. FAMILIARIZATION PROGRAM:

The details of familiarization program conducted to the Independent directors for the reporting period (FY 2024-25) is available at the following link: <https://www.avalontec.com/investors/>

F. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

There are no inter-se relationships between the Directors of the Company as per the applicable provisions of Companies Act, 2013 & SEBI Listing Regulations.

G. NUMBER OF SHARES HELD BY DIRECTORS (both Executive and Non – Executive)

Sl. No	Name of the Director	No. of shares held as on March 31, 2025
1.	Kunhamed Bicha	1,44,26,212
2.	Bhaskar Srinivasan	95,60,355
3.	Luquman Veedu Ediyannam	36,19,291

H. CHART OR A MATRIX SETTING OUT THE SKILLS/ EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

Effective Governance is established by implementing a competent framework and robust directorship that can be utilized by the Board to identify skill gaps and ensure the skills of the current directors are being properly utilized. Building the right board requires an understanding of director competencies, which involves consideration of the directors' experience, skills, attributes and capabilities. Director competencies encompass two areas:

- Technical competencies and
- Behavioural competencies

Technical competencies are a director's technical skills and experience such as accounting or legal skills, industry knowledge, experience in strategic planning and corporate governance.

Behavioural competencies are a director's capabilities and personal attributes and include, for example, linkages to the "ownership"; an ability to positively influence people and situations; an ability to assimilate and synthesize complex information; time availability; honesty and integrity; and high ethical standards.

Thus, the Board of Directors of your Company has identified the following list of core skills/expertise/competencies required for each Director(s) in the context of its business(es) and sector(s) for it to function effectively and those available with the board.

- (1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- (2) Monitoring the effectiveness of governance practices and making changes as needed.
- (3) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (4) Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the company and its shareholders.
- (5) Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- (6) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (7) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (8) Overseeing the process of disclosure and communications.
- (9) Monitoring and reviewing board of director's evaluation framework.

The following matrix table is the skills/expertise/competencies identified by the board of directors as on March 31, 2025.

Sl. No.	Directors' skills	KB	BS	LQ	CP	RAM	BN	NA	AA
1	Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.	✓	✓	✓	✓	✓	✓	✓	✓
2	Monitoring the effectiveness of governance practices and making changes as needed.	✓	✓	-	✓	✓	✓	-	✓
3	Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.	✓	✓	-	✓	✓	✓	✓	✓
4	Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the company and its shareholders.	✓	-	-	✓	✓	✓	✓	✓
5	Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.	✓	✓	✓	✓	✓	✓	-	✓
6	Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.	✓	✓	-	✓	✓	✓	-	✓
7	Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place systems for risk management, financial and operational control, and compliance with the law and relevant standards.	✓	-	-	-	✓	✓	-	✓
8	Overseeing the process of disclosure and communications	✓	✓	-	✓	-	✓	-	✓
9	Monitoring and reviewing board of director's evaluation framework.	✓	✓	-	✓	✓	✓	✓	✓

I. INDEPENDENT DIRECTORS

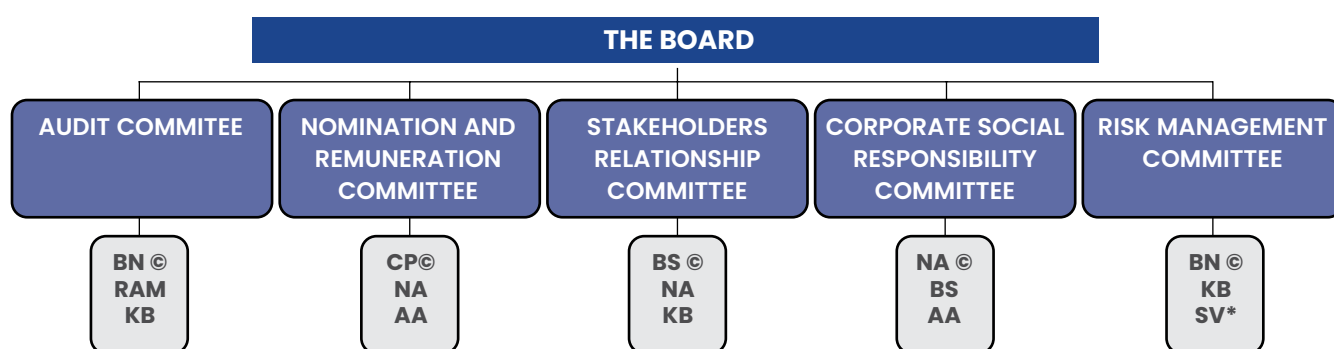
Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder.

Based on the disclosures received from all Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Companies Act, 2013, the SEBI Listing Regulations and are independent of the Management.

COMMITTEES OF THE BOARD

The Committees of the Board guide the Directors of the Board in the effective governance of the Company and have been constituted with designated roles and functions in specific areas, as mandated under the applicable Regulations. The Chairman of the Board, in consultation with the Company Secretary and the respective committee chairpersons, determines the frequency of the committee meetings. The recommendations of the committees are submitted to the Board for their approval, as required under the Act and the SEBI Listing Regulations. During the year, all recommendations of the committees were approved by the Board.

Composition of the Committees of the Company as on March 31, 2025 is provided below:



© Chairperson

*SV – Shriram Vijayaraghavan – Chief Operating Officer

A. AUDIT COMMITTEE

The Audit Committee was constituted by the Board at its meeting held on 19.07.2022, in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations

The Audit Committee of our Company has three directors as members.

- Two-thirds of the members of Audit Committee are Independent Directors.
- All members of Audit Committee are financially literate, and one member has accounting or related financial management expertise.

- The Chairperson of the Audit Committee is an Independent Director.
- The Company Secretary is the secretary to the Audit Committee.
- The audit committee at its discretion shall invite the Chief Financial Officer or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee:

Provided that occasionally the Audit Committee may meet without the presence of any executives of the company.

The composition of the Audit Committee as on March 31, 2025 is as follows:

S. No	DIN	Name of the Director	Designation	Chairperson/Member
1.	01342141	Byas Unnikrishnan Nambisan	Non-Executive – Independent Director	Chairperson
2.	00277816	Venkataramani Anantharamakrishnan	Non-Executive – Independent Director	Member
3.	00819707	Kunhamed Bicha	Managing Director	Member

The main objectives of the Audit Committee are as follows:

1. The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures;
2. Compliance with legal and regulatory requirements.
3. The Company's independent auditors' professional qualifications and independence;
4. The performance of the Company's independent auditors and internal auditors; and
5. Any acquisition and material investments made by the Company.

The Audit Committee met 5 times during the reporting period and the details are provided below:

Sl. No	DIN	Name of the Director/ Date of the ACMS	16-05- 2024	08-08- 2024	27-09- 2024	06-11- 2024	05-02- 2025	Held during the tenure	Attended	% of attendance
1	01342141	Byas Unnikrishnan Nambisan	✓	✓	✓	✓	✓	5	5	100%
2	00277816	Venkataramani Anantharamakrishnan	✓	✓	✓	✓	✓	5	5	100%
3	00819707	Kunhamed Bicha	✓	✓	✓	✓	✓	5	5	100%
Total Directors Present			3	3	3	3	3			
% of attendance			100%	100%	100%	100%	100%			

✓ – Present A – Absent

A BRIEF DESCRIPTION ON TERMS OF REFERENCE OF THE AUDIT COMMITTEE ARE AS FOLLOWS:

I. Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include, —

- i. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- v. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- vi. Examination of the financial statement and the auditors' report thereon before submission to the Board for approval.
- vii. Approval or any subsequent modification of transactions of the company with related parties.

- viii. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- xxi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxii. The Audit Committee shall mandatorily review:
 - Management Discussion and Analysis of Financial Condition and results of operations;
 - Management Letters / Letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal Audit Reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee.
 - Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32(7).

Omnibus Approvals by Audit Committee:

The Audit Committee may provide Omnibus Approval for Related Party Transactions proposed to be entered into by the Company pursuant to the provisions of Section 177 and 188 of the Companies Act, 2013 read with relevant rules and Regulation 23 of the SEBI Listing Regulations.

(1) The Audit Committee shall, in line with the Policy on Related Party Transactions, specify the criteria for making the omnibus approval which shall include the following, namely:

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year.
- (b) the maximum value per transaction which can be allowed.
- (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval.
- (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made as per the applicable Regulations.
- (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

(2) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -

- (a) repetitiveness of the transactions (in past or in future);
- (b) justification for the need of omnibus approval.

(3) The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified in the terms of reference or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

B. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee was constituted by the Board at its meeting held on 19.07.2022, in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations. The composition of the Nomination and Remuneration Committee, as on March 31, 2025, comprises of :

- (a) Three Independent Directors and
- (b) The Chairperson of the Nomination and Remuneration Committee is an Independent Director
- (c) The Company Secretary of the Company acts as the Secretary to the Committee.

The Nomination and Remuneration Committee (NRC) is responsible for the formulation of the Policy on Appointment and Remuneration of the Board of Directors and Senior Management of the Company. The NRC is also responsible for evaluating the balance of skills, knowledge, diversity and experience on the Board and preparation of selection criteria, identifying potential candidates and also the evaluation of the Board.

The composition of the Nomination and Remuneration Committee as on March 31, 2025 is as follows:

S. No	DIN	Name of the Director	Designation	Chairperson/ Member
1.	09606151	Chandar Pattabhiram	Non-Executive - Independent Director	Chairperson
2.	01006030	Nandita Abraham	Non-Executive - Independent Director	Member
3.	00225648	Anees Ahmed	Non-Executive - Independent Director	Member

A Brief Description of the Terms of Reference of the Nomination Remuneration Committee:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully.
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- (i) use the services of an external agencies, if required.
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.

- (d) Devising a policy on Board diversity.
- (e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the salient features of the remuneration policy and the evaluation criteria in its annual report;
- (f) Analysing, monitoring and reviewing various human resource and compensation matters;
- (g) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (h) Recommending the appointment and remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (j) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (l) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("**ESOP Scheme**")
 - (i) Determining the eligibility of employees to participate under the ESOP Scheme;
 - (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - (iii) Date of grant;
 - (iv) Determining the exercise price of the option under the ESOP Scheme;

- (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- (x) The grant, vest and exercise of option in case of employees who are on long leave;
- (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
- (xii) The procedure for cashless exercise of options;
- (xiii) Forfeiture/ cancellation of options granted;
- (xiv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (m) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (n) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
 - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by the Company and its employees, as applicable;
- (o) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee, by the Board of Directors from time to time;
- (p) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- (q) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Nomination and Remuneration Committee conducted the below meetings during the Financial Year 2024-25.

Sl. No	DIN	Name of the Director/Date of the NRCMs	08-08-2024	24-10-2024	05-02-2025	Held during the tenure	Attended	% of attendance
1	09606151	Chandar Pattabhiram	✓	✓	✓	3	3	100%
2	01006030	Nandita Abraham	✓	✓	✓	3	3	100%
3	01646703	Sareday Seshu Kumar*	✓	L	NA	2	1	50%
4	00225648	Anees Ahmed**	NA	NA	✓	1	1	100%
Total Directors Present			3	2	3			
% of attendance			100%	67%	100%			

* - Sareday Seshu Kumar ceased to be a member of the Committee with effect from December 17, 2024.

** - Anees Ahmed was appointed as a member of the Committee with effect from December 20, 2024.

Evaluation of the Board

During the Financial Year under review, as mandated by the Companies Act, 2013 and the SEBI Listing Regulations, 2015, your Company conducted an evaluation of the performance of the Board, Committees of the Board, Chairperson of the Board, the Independent Directors and the other Directors.

Performance Evaluation Criteria for Independent Directors:

The Independent Director shall be evaluated on the basis of the following criteria i.e., whether they:

- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person
- assist the company in implementing the best corporate governance practices;
- strive to attend all meetings of the Board of Directors and the Committees;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;

- strive to attend the general meetings of the company;
- keep themselves well informed about the company and the external environment in which it operates;
- do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders' interest.
- abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee ("SRC") was constituted by the Board at its meeting held on 19.07.2022. The SRC oversees various aspects relating to stakeholders' interest, investor grievances etc., with the following terms of reference:

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (g) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- (h) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (i) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- (j) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
- (k) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s); and
- (l) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The composition of the Committee as on March 31, 2025 is provided below:

S. No	DIN	Name of the Director	Designation	Chairperson/ Member
1.	02561215	Bhaskar Srinivasan	Non-Executive - Non Independent Director	Chairperson
2.	00819707	Kunhamed Bicha	Managing Director	Member
3.	01006030	Nandita Abraham	Non-Executive - Independent Director	Member

Mr. Bhaskar Srinivasan, Non-Executive Director is the Chairperson of the Stakeholders Relationship Committee.

Name and Designation of the Compliance Officer of the Company – Mr. Ajay Shukla, Company Secretary & Compliance Officer

Details of shareholder's complaints received/pending/not solved to the satisfaction of the shareholders during the Financial Year 2024-25 is provided below:

No. of Investor complaints pending at the beginning of the year	No. of Investor complaints received during the year	No. of Investor complaints disposed off during the year	No. of Investor complaints unresolved at the end of the year
0	1	1	0

There were no complaints not solved to the satisfaction of shareholders.

Details of SRC Meetings conducted during the reporting period is provided below:

Sl. No	DIN	Name of the Director/Date of the SRCMs	16-05-2024	05-02-2025	Held during the tenure	Attended	% of attendance
1	02561215	Bhaskar Srinivasan	✓	✓	2	2	100%
2	01342141	Byas Unnikrishnan Nambisan*	✓	NA	1	1	100%
3	00819707	Kunhamed Bicha	✓	✓	2	2	100%
4	01006030	Nandita Abraham**	NA	L	1	0	0%
Total Directors Present			3	2			
% of attendance			100%	67%			

* Byas Unnikrishnan Nambisan ceased to be a member of Stakeholders Relationship Committee with effect from June 29, 2024.

** Nandita Abraham was appointed as a member of Stakeholders Relationship Committee with effect from June 29, 2024.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee was constituted with the primary objective of formulating and recommending to the Board, the CSR projects which shall be undertaken by the Company. The Corporate Social Responsibility Committee was originally constituted on 14.03.2016 and was reconstituted on 19.07.2022 with the following terms of reference.

- To formulate and recommend to the board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- To identify corporate social responsibility policy partners and corporate social responsibility policy programmes.
- To recommend the amount of expenditure to be incurred for the corporate social responsibility activities, being at least two percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its corporate social responsibility and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- To formulate and recommend to the Board, an annual action plan in pursuance to the

corporate social responsibility policy, which shall include the following, namely:

- the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
- the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

- (g) To take note of the compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;
- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred or perform such responsibilities as may be required by the CSR Committee in terms of the provisions of Section 135 of the Companies Act; and
- (i) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The details of constitution of the Committee as on March 31, 2025 are provided below:

S. No	DIN	Name of the Director	Designation	Chairperson/ Member
1.	01006030	Nandita Abraham	Non-Executive – Independent Director	Chairperson
2.	02561215	Bhaskar Srinivasan	Non – Independent Director	Member
3.	00225648	Anees Ahmed	Non-Executive – Independent Director	Member

The Meeting details for the Financial Year 2024-25 are provided below:

Sl. No	DIN	Name of the Director/Date of the CSRs	05-02-2025	Held during the tenure	Attended	% of attendance
1	01006030	Nandita Abraham*	✓	1	1	100%
2	02561215	Bhaskar Srinivasan	✓	1	1	100%
3	00225648	Anees Ahmed**	✓	1	1	100%
Total Directors Present			3			
% of attendance			100%			

* Nandita Abraham was appointed as the Chairperson of the CSR Committee with effect from December 20, 2024 in the place of Sareday Seshu Kumar who resigned from the Company on December 17, 2024.

** Anees Ahmed was appointed as the member of the CSR Committee with effect from December 20, 2024.

E. RISK MANAGEMENT COMMITTEE

Our Company formed a part of the top 1000 Listed Companies based on Market Capitalization as on March 31, 2024. Therefore, in line with the provisions of Regulation 21 of the SEBI Listing Regulations, the company had constituted a Risk Management Committee during the Financial Year 2024-25 with the following terms of reference:

- (1) To formulate a detailed risk management policy which shall include:
- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The details of constitution of the Committee as on March 31, 2025 are provided below:

S. No	DIN	Name of the Director	Designation	Chairperson/ Member
1.	01342141	Byas Unnikrishnan Nambisan	Non-Executive - Independent Director	Chairperson
2.	00819707	Kunhamed Bicha	Managing Director	Member
3.	NA	Shriram Vijayaraghavan	Chief Operating Officer	Member

The Meeting details for the Financial Year 2024-25 are provided below:

Sl. No	DIN	Name of the Director/Date of the NRCMs	06-11-2024	05-02-2025	Held during the tenure	Attended	% of attendance
1	01342141	Byas Unnikrishnan Nambisan	✓	L	2	1	50%
2	00819707	Kunhamed Bicha	✓	✓	2	2	100%
3	NA	Shriram Vijayaraghavan	✓	✓	2	2	100%
Total Directors Present			3	2			
% of attendance			100%	67%			

DETAILS OF SENIOR MANAGEMENT OF THE COMPANY:

The Company has identified certain employees, who are members of the core management team, inter-alia, functional heads of the Company as on the date of publication of this Annual Report. Their details are provided below:

S. No	Name	Designation
1.	Mr. Shriram Vijayaraghavan	Chief Operating Officer
2.	Mr. Kesavan. P	Executive Vice President – Operations

REMUNERATION OF DIRECTORS:

In terms of Section 178 of the Act and corresponding provisions contained in the SEBI Listing Regulations, your Company has a structured Policy for Remuneration of the Directors, KMPs and Senior Management of the Company.

Some of the salient features of the Policy is provided below:

- Criteria for identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment, re-appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Undertake process of due diligence to determine the suitability of Directors, based

upon qualification, track record, integrity and other fit and proper criteria.

- Devising Policy on Board Diversity.
- Criteria for payment of remuneration to Directors, Key Managerial Personnel and Senior Management.

The Policy is available at the website of the Company at: <https://www.avalontec.com/investors/>

Payment of Remuneration to Non-Executive Directors

The Independent Non-Executive Directors may receive remuneration by way of sitting fees, reimbursement of expenses (travel and other related expenses incurred for attending the meetings) for attending meetings of Board or Committee thereof and Commission as a % of Profits. The amount of such fees or commission shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force. The Non-Executive Independent Directors are not entitled to any stock options of the Company.

Payment of Remuneration to Executive Directors

Compensation to Mr. Kunhamed Bicha, Managing Director, is paid as per the Agreement entered with him subject to the limits specified as per the provisions of the Companies Act, 2013.

Details of Remuneration paid by Avalon Technologies Limited to the Executive Director & Non-Executive Directors of the Company is provided below:

(In ₹ Millions)

Name of the Director	Salary	Variable Pay	Perquisites	Stock Options	Sitting Fees	Commission	Total
Executive Director				-			
Kunhamed Bicha [^]	23.73	-	-	-	-	-	23.73
Non-Executive Directors							
Bhaskar Srinivasan ^{^^}	7.58			-	-	-	7.58
Saradey Seshu Kumar [*]	-	-	-	-	-	-	-
Luquman Veedu Ediyannam	-	-	-	-	-	-	-
Independent Directors							
Chandar Pattabhiram	-	-	-	-	0.80		0.80
Byas Unnikrishnan Nambisan	-	-	-	-	1.40		1.40
Venkataramani Anantharamakrishnan	-	-	-	-	1.00		1.00
Nandita Abraham	-	-	-	-	1.00		1.00
Anees Ahmed	-	-	-	-	0.40		0.40

[^] - Remuneration drawn from Avalon Technologies Ltd and ABV Electronics Inc., USA

^{^^} - Remuneration drawn from ABV Electronics Inc., USA

^{*} - Saradey Seshu Kumar ceased to be a Director w.e.f. December 17, 2024.

Other information relating to remuneration:

- **Details of performance linked criteria:** Nil
- **Service Contracts:** The Company had entered into an agreement with Mr. Kunhamed Bicha for his service as a Managing Director of the Company for a period of five years.
- There is no severance fees for any of the Directors of the Company.
- The notice period of the Director is as per market practice.
- Stock Option details: Nil

DETAILS OF GENERAL BODY MEETINGS HELD DURING THE PAST THREE YEARS:

Financial Year	Date	Location	Time	Details of Special Resolution passed
2021-22	May 05, 2022	Registered Office: B7, First Main Road, MEPZ-SEZ, Tambaram, Chennai – 600 045	5.00 p.m.	Nil
2022-23	September 25, 2023	Registered Office: B7, First Main Road, MEPZ-SEZ, Tambaram, Chennai – 600 045	11.00 a.m.	1. Ratification of ESOP Scheme of the Company
2023-24	September 25, 2024	Registered Office: B7, First Main Road, MEPZ-SEZ, Tambaram, Chennai – 600 045	02.30 p.m.	Nil

Postal Ballot:**1) Detail of special resolution passed through postal ballot during the Financial Year 2024-25:**

The Company had sought the approval of the shareholders by way of special resolution through notice of Postal Ballot dated October 24, 2024 for,

- i) the ratification and extension of 'Avalon Employee Stock Option Plan – 2022' to the benefits of employees of subsidiaries and group companies of the Company and
- ii) the appointment of Mr. Anees Ahmed (DIN: 00225648) as an Independent Director (Non – Executive) of the Company.

Which was duly passed and approved on November 29, 2024 and the results of the same was declared on November 30, 2024.

2) Scrutiniser of the postal ballot process:

Alagar & Associates LLP (Formerly known as M/s M Alagar & Associates), Firm of Practicing Company Secretaries was appointed as the Scrutiniser to scrutinise the postal ballot process during the Financial Year 2024-25.

3) Details of Voting Pattern:

S. No	Special Resolution	Votes cast in favor of the Resolution	Votes cast against the Resolution	Invalid Votes	Total Votes
1	Ratification and extension of Avalon Employee Stock Option Plan – 2022 to the benefits of employees of subsidiaries and group companies of the company	4,45,55,357	1,39,48,509	Nil	5,85,03,866
2	Appointment of Mr. Anees Ahmed (DIN: 00225648) as an Independent Director (Non – Executive) of the company	5,71,86,443	13,17,427	Nil	5,85,03,870

4) Procedure for postal ballot:

The Postal Ballot was carried out in accordance with the provisions of Section 108 and 110 of Companies Act, 2013 ("the Act"), read with Rule 20 & Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") as amended from time to time and subject to Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR Regulations") in accordance with the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") each as amended and the guidelines prescribed by the Ministry of Corporate Affairs ("the MCA", vide General Circular Nos. 14/2020 dated 08th April 2020, 17/2020 dated 13th April, 2020, 20/2020 dated May 05, 2020 and subsequent circulars in this regard of which the latest being 09/2024 dated September 19, 2024 (collectively "the MCA Circulars").

5) Detail of any special resolution proposed to be conducted through postal ballot:

No special resolution is being proposed to be passed through Postal Ballot as on the date of this Annual Report. None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through Postal Ballot.

Means of Communication:

Quarterly Results	Financial Results are published on the website of the Stock Exchanges, both National Stock Exchange Ltd and BSE Ltd as well as Newspaper having wide circulation and the Company's website.
Newspapers wherein results normally published	1. Financial Express – in English 2. Makkal Kural – in Tamil
Website, where displayed	www.avalontec.com
Whether it also displays official news releases	YES

Presentations made to institutional investors or to the analysts

Disseminated to the Stock Exchanges website, both National Stock Exchange Ltd, BSE Ltd and the Company's website

GENERAL SHAREHOLDERS INFORMATION:

Registered Office:	Avalon Technologies Limited B – 7, First Main Road, MEPZ – SEZ, Tambaram Chennai – 600045
Annual General Meeting Cut Off Date (For eligibility of e-voting)	E- Annual General Meeting has been fixed on September 26, 2025 Cut-Off Date for e-voting: September 19, 2025

Financial Calendar: (Tentative): 01st April 2025 to 31st March 2026

1 st Qtr. results	05 th August 2025
2 nd Qtr. results	14 th November 2025
3 rd Qtr. results	14 th February 2026
4 th Qtr. results	29 th May 2026

Dividend Payment Date: Not applicable.

LISTING OF EQUITY SHARES ON THE STOCK EXCHANGES: 18.04.2023

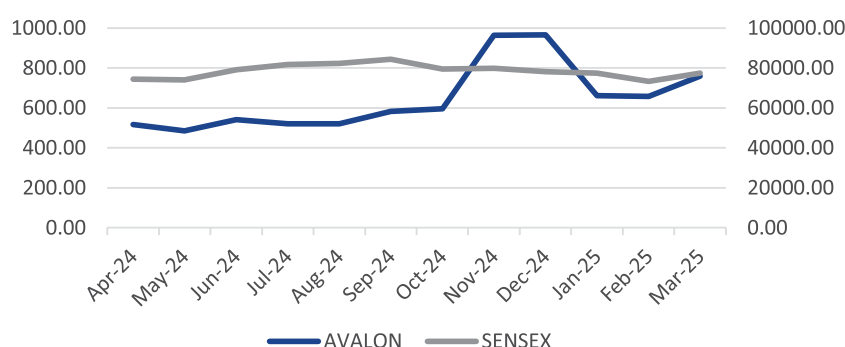
Stock Exchange where shares are listed	Scrip Code / Symbol and No. of Shares
Demat ISIN In NSDL and CDSL for Equity Shares	INE0LCL01028
BSE Ltd (BSE)	543896 – 6,61,57,116 shares
National Stock Exchange of India Limited (NSE)	AVALON – 6,61,57,116 shares

We confirm that the Annual Listing Fees has been paid both to NSE and BSE for the Financial Year 2025–26.

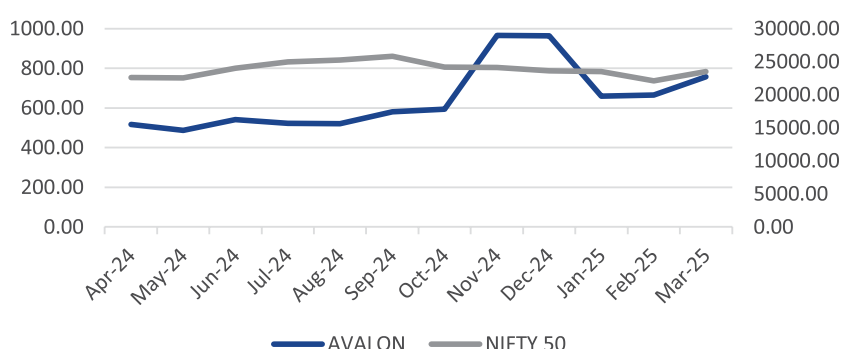
MARKET PRICE DATA & PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX, CRISIL INDEX:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-24	544.55	493.75	549.00	488.35
May-24	519.80	475.00	521.90	474.85
Jun-24	574.00	457.15	575.00	457.20
Jul-24	559.40	491.80	560.00	484.00
Aug-24	549.10	426.25	548.80	425.00
Sep-24	667.70	489.85	667.00	489.85
Oct-24	658.00	529.00	659.00	527.45
Nov-24	969.90	574.35	969.90	575.00
Dec-24	1074.00	829.25	1073.75	830.20
Jan-25	1021.00	599.25	1023.00	598.00
Feb-25	767.00	602.45	766.80	603.00
Mar-25	806.90	641.05	807.20	644.15

Comparison with BSE SENSEX



Comparison with NIFTY 50

**Registrar and Share Transfer Agent**

MUFG Intime India Pvt. Ltd (Formerly known as Link Intime India Pvt. Ltd),
C-101, 247 Park, 1st Floor,
L.B.S. Marg, Vikhroli (West),
Mumbai,
Maharashtra, 400083

SHARE TRANSFER SYSTEM

The Board has authorized the Company Secretary for approval of Share Transfer/ transmission and the same is reported to the Committee at its Meeting held every quarter.

DEMATERIALISATION OF SHARES & LIQUIDITY:

The Company has listed its equity securities with National Stock Exchange India Ltd and with the BSE Ltd on 18th April 2023 and 100% of the shares are in dematerialised form.

OUTSTANDING GDR/ADR WARRANTS OR CONVERTIBLE BONDS

The Company has not issued any of the securities mentioned above.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025:

Distribution of Shareholding as on March 31, 2025						
S. No	Shares Range		Number of Shareholders	% of total shareholders	Total No. of shares in the range	% of Issued Capital
	From	To				
1	1	1,000	62,839	98.24%	40,11,177	6.06%
2	1001	1,00,000	1,091	1.71%	58,35,305	8.82%
3	1,00,001	50,00,000	33	0.05%	3,23,24,067	48.86%
4	50,00,001	1,00,00,000	1	0.00%	95,60,355	14.45%
5	1,00,00,001	2,00,00,000	1	0.00%	1,44,26,212	21.81%
Total			63,965	100.00%	6,61,57,116	100.00%

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company does not deal in commodities, hence there is no commodity price risk. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Significant portion of the Group's purchases and sales are denominated in foreign currency and hence, a natural hedge exists as a result of which, major foreign exchange fluctuations in import payables gets offset against export receivables.

Apart from the above, exchange rate exposures are also managed within approved policy parameters by constant monitoring.

PLANT LOCATIONS:

S. No	Division	Address
1.	PCBA	B8, First main road, MEPZ-SEZ, Tambaram, Chennai – 600045
2.		B7, First main road, MEPZ-SEZ, Tambaram, Chennai – 600045
3.	Sheet Metal Fabrication Division	Plot No S18, SIPCOT Industrial Park, Sriperumbudur Taluk, Pillaipakkam, Kanchipuram District – 602105
4.	Powder Coating	Unit 15,16, SDF III, MEPZ-SEZ, Tambaram, Chennai – 600045
5.	Metal	No.A6 & A7, MEPZ-SEZ, Tambaram, Chennai – 600045
6.	Magnetics	No.5/6/7 & 8, SDF Phase III, MEPZ-SEZ, Tambaram, Chennai – 600045
7.	Plastics	No.5 & 6, SDF II, MEPZ-SEZ, Tambaram, Chennai – 600045
8.	Metal II	No.S9, SDF II, MEPZ-SEZ, Tambaram, Chennai – 600045
9.	PCBA, Box Build	No: 23, JK Tech Square, EPIP Zone, Behind Lemon Tree Hotel, Whitefield, Bangalore – 560066
10.	Design Services	No:683, First Floor, 15 th Cross, JP Nagar, 2 nd Phase, Bangalore – 560078
11.	Cable assemblies, PCB assemblies and System Integration	475 Horizon Dr, Suwanee, GA 30024
12.		41350, Christy Street, Fremont, California, USA
13.	Cables, Box Build	C8, C9 and A35, Phase-I, MEPZ-SEZ, Tambaram, Chennai-600045
14.	Warehouse	Plot No S100, SDF III (Back side) MEPZ-SEZ, Tambaram, Chennai – 600045
15.	Warehouse	Unit No. 5253,SDF II, MEPZ-SEZ, Tambaram, Chennai – 600045
16.	Plot. No. C5, Phase I, MEPZ-SEZ, Tambaram, Chennai – 600045**	

** Under Construction

CREDIT RATING DISCLOSURE:

The Credit Rating obtained by the Company as on March 31, 2025, is provided below:

Credit Rating Agency	Rating
Acuité Ratings and Research Limited	BBB-
India Ratings and Research Private Limited	A-

OTHER DISCLOSURES:

- a) Related party transactions during the year have been disclosed as required under IND AS 24 in the notes to the Financial Statements of the Company. None of the Related Party Transactions have potential conflicts with the Company and the transactions are not prejudicial to the interests of the Company.

- b)** Details of non – compliance of the company, penalties, stricture imposed on the listed entity by the stock exchange(s) of SEBI or any statutory authority, or any matter related to capital markets, during the last three years.

No such incidence occurred in the company where penalties, stricter non – compliance were imposed on the company by SEBI or any Statutory Authority since the company has listed its equity securities with National Stock Exchange India Ltd and with the BSE Ltd on 18th April 2023.

- c)** The Company has established a vigil mechanism, also called the Whistle Blower Policy which is adopted for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee till now.
- d)** Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations. The Company has not adopted non-mandatory requirements as per the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- e)** The Company has adopted the discretionary requirements as per Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 only to the extent of move towards a regime of financial statements with unmodified audit opinion.

- f)** The Policy on determining Material Subsidiary(ies), Dividend Distribution Policy and dealing with Related Party Transactions is available in the Weblink: <https://www.avalontec.com/investors/>

- g)** disclosure of commodity price risks and commodity hedging activities: The Company does not deal in commodities and hence the disclosure is not applicable.

- h)** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): Not Applicable.

- i)** A certificate from Alagar & Associates LLP, Company Secretaries in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been provided as **Annexure A** to this report.

j) Recommendation of the Committee

There are no such incident or event where the Board had not accepted any recommendation of any committees of the Board, which is mandatorily required, in the reporting financial year.

k) Details of Auditor's remuneration for the Financial Year 2024-25:

Sl. No	Particulars	Standalone (₹ in lakhs)	Consolidated (₹ in lakhs)
1.	Statutory Audit	30.50	51.35
2.	Tax purpose	2.50	5.00
3.	Other services – Certificates	2.50	4.50
4.	Out of pocket expenses	–	0.10
	TOTAL	35.50	60.95

l) Sexual Harassment Policy

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Compliant Committee (ICC) has been set up to redress the complaints received in connection with the sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- Number of complaints filed during the financial year - NIL
- Number of complaints disposed of during the financial year - NIL
- Number of complaints pending as on end of financial year - NIL

m) 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount: Not applicable.

n) Details of material subsidiaries of the listed entity:

S. No	Name and Location of Subsidiary	Date of Incorporation	Name of the Statutory Auditor	Date of Appointment
1.	Avalon Technology and Services Private Limited, Chennai	21/08/2008	M/s. Varma & Varma, Chartered Accountants, Chennai	September 5, 2023
2.	ABV Electronics INC, USA	26/04/1995	Forrestall CPAs, LLC, Buford, GA	February 28, 2025

o) Disclosure of material transactions to the Board by the Senior Management

The senior management personnel shall provide disclosure on annual basis to the Board for all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transactions have taken place during the financial year 2024 - 2025.

p) The provisions of Corporate Governance has been complied by the Company. Further the Compliance Certificate from Alagar & Associates LLP, Practicing Company Secretaries regarding compliance of conditions of Corporate Governance has been provided as **Annexure B** to this Report.

q) The Board of Directors have authorized the Managing Director to make a declaration on compliance of Code of Conduct by all the Board Members and the Senior Management Personnel. Declaration signed by the Managing Director stating that the members of Board of directors and senior management personnel have affirmed compliance with the code of conduct of Board of directors and senior management is provided as an Annexure to this Report, forming a part of the Annual Report.

r) Other Disclosures:

- Disclosures with respect to DEMAT suspense account and unclaimed

suspense account is not applicable to our Company.

- The Chief Financial Officer (CFO) and Managing Director of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) read with Part-B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has adopted a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company. The said Code of Conduct is available in the below www.avalontec.com.
- The main objective of Risk Management is risk reduction and avoidance as also to help the Company identify the risks faced by the business and optimize the risk management strategies. The Company has a defined risk management framework.
- In the preparation of the financial statements, IND AS and corresponding principles and policies were followed. The Company has followed the applicable mandatory Indian Accounting Standards prescribed under the Companies Act, 2013 in the preparation of the Annual Standalone and Consolidated Financial Statement.

ADDRESS FOR CORRESPONDENCE**Ajay Shukla**

Company Secretary and Compliance Officer
Avalon Technologies Limited
B-7, First Main Road.
Tambaram, Chennai 600045
Email: investorsrelations@avalontec.com
website: www.avalontec.com

Suresh Veerappan

Chief Financial Officer
Avalon Technologies Limited
B-7, First Main Road.
Tambaram, Chennai 600045
Email: investorsrelations@avalontec.com
website: www.avalontec.com

For and on behalf of the Board of Directors of
Avalon Technologies Ltd
(Formerly known as 'Avalon Technologies Private Limited')

Sd/-

Kunhamed Bicha

DIN No: 00819707

Chairman & Managing Director

Place: Chennai

Dated: August 05, 2025

DECLARATION

As stipulated under Part-D of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct. Further, the Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015, and all the amendments from time to time.

For **Avalon Technologies Ltd**
(Formerly known as 'Avalon Technologies Private Limited')

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Place: Chennai

Dated: August 05, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
Avalon Technologies Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Avalon Technologies Limited** having **CIN: L30007TN1999PLC043479** and having its registered office at B-7 First Main Road, Mepp-Seq, Tambaram, Chennai-600045 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in>) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority;

S. No	Name	DIN	Designation	Date of appointment/ Re-appointment
1	Kunhamed Bicha	00819707	Chairperson - Managing Director (MD)	03/11/1999 (Appointment as MD on 12/07/2022)
2	Bhaskar Srinivasan	02561215	Non-Executive & Non-Independent Director	03/11/1999
3	Luquman Veedu Ediyannam	06493214	Non-Executive & Non-Independent Director	03/03/2017
4	Byas Unnikrishnan Nambisan	01342141	Independent Director	19/07/2022
5	Chandar Pattabhiram	09606151	Independent Director	07/07/2022
6	Venkataramani Anantharamakrishnan	00277816	Independent Director	07/07/2022
7	Nandita Abraham	01006030	Independent Director	07/02/2023
8	Anees Ahmed	00225648	Independent Director	24/10/2024

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Alagar & Associates LLP
(Formerly known as M. Alagar & Associates)
Company Secretaries
LLP Registration No: L2025TN019200
Peer Review Certificate No.:6814/2025

M. Alagar
Designated Partner
FCS No. 7488
CoP No. 8196
UDIN: F007488G000988490

Place: Chennai
Date: August 05, 2025

Annexure B

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

AVALON TECHNOLOGIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **Avalon Technologies Limited ("the Company")** for the period ended March 31, 2025 as stipulated under Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) Regulations, 2015 ("**SEBI LODR**").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Alagar and Associates LLP
(Formerly known as M. Alagar & Associates)
Company Secretaries
LLP Registration No: L2025TN019200
Peer Review Certificate No:6814/2025

M. Alagar

Designated Partner

FCS No: 7488

COP No. 8196

UDIN: F007488G000988710

Place: Chennai

Date: August 05, 2025

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L30007TN1999PLC043479
2	Name of the Listed Entity	Avalon Technologies Limited
3	Year of incorporation	1999
4	Registered Office Address	B-7, First Main Road, MEPZ-SEZ, Tambaram, Chennai -600045, Tamil Nadu, India
5	Corporate Office Address	B-7, First Main Road, MEPZ-SEZ, Tambaram, Chennai -600045, Tamil Nadu, India
6	Email	compliance@avalontec.com
7	Telephone	+9144 4222 0400
8	Website	https://www.avalontec.com/
9	Financial Year reported	FY 2024-25
10	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11	Paid up Capital - ₹ In crores	INR 13.23 Crores
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Ajay Shukla Company Secretary & Compliance Officer E-mail: compliance@avalontec.com Phone: +9144 4222 0400
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of assurance provider	No
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Electronic Manufacturing Services	Our company operates on a global scale within the Electronics Manufacturing Services (EMS) sector, offering a comprehensive range of services. These include Printed Circuit Board Assembly (PCBA), box-build solutions, new product development, cable assembly, wire harnesses, sheet metal fabrications, machining, injection plastics, and magnetics. This diverse portfolio enables us to meet the varied needs of our clients, ensuring high-quality and efficient production processes across multiple industries.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product/Service	NIC Code			% of total turnover contributed
		Group	Class	Sub Class	
1.	PCBA, Box Build and Cables	261	2610	26104	More than 90%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices**	Total
National	5	1	6
International	-	-	-

** - One of our Plants and Registered Office are located in the same address. They are shown under both Plants & Offices. On a consolidated basis, our Group consists of 16 plants in India and the US.

19. Markets served by the entity:

a. Number of locations

Location	Numbers
National (No. of States)	5 major states in India (Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh and Karnataka)
International (No. of Countries)	18 Major Countries. 70% of export customers are US based & Europe based.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of export to the turnover is 62%.

c. A brief on types of customers

Avalon caters to a diverse range of B2B customers across various high-impact sectors. Our clientele includes companies in the Clean Energy sector, where we support the transition to sustainable power solutions through advanced electronic manufacturing services. In the Mobility sector, our customers benefit from our innovative and reliable solutions that enhance transportation and logistics. The Communication sector relies on our expertise to deliver high-performance electronic components essential for modern connectivity and data transmission. Industrial clients leverage our robust manufacturing capabilities to optimize their production processes and maintain high operational efficiency. Additionally, we serve the medical sector, providing precision-engineered electronic equipment that meets stringent regulatory standards and contributes to advancements in healthcare technology. By addressing the unique needs of these sectors, Avalon continues to foster long-term partnerships and drive technological progress across multiple industries.

IV. Employees

20. Details as at the end of Financial Year: 31st March 2025

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
Employees						
1	Permanent (D)	468	330	71%	138	29%
2	Other than Permanent (E)	7	3	43%	4	57%
3	Total employees (D+E)	475	333	70%	142	30%
Workers						
4	Permanent (F)	674	541	80%	133	20%
5	Other than Permanent (G)	99	68	69%	31	31%
6	Total workers (F+G)	773	609	79%	164	21%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)	1	1	100%	Nil	Nil
2	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3	Total differently abled employees (D+E)	1	1	100%	Nil	Nil
Differently Abled Workers						
4	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5	Other than Permanent (G)	1	1	100%	Nil	Nil
6	Total differently abled workers (F+G)	1	1	100%	Nil	Nil

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	3	Nil	Nil

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21%	20%	20%	10%	27%	13%	19%	18%	19%
Permanent Workers	24%	17%	23%	27%	25%	27%	22%	30%	23%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Avalon Technology and Services Private Limited	Subsidiary	100%	Yes
2.	Sienna ECAD Technologies Private Limited	Subsidiary	99.9972%	Yes
3.	ABV Electronics Inc. (D/B/A Sienna Corporation)	Subsidiary	100%	No

VI. CSR Details
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Threshold	FY 2024-25	FY 2023-24
Turnover (in ₹)	6,31,77,83,230	4,41,67,94,477
Net worth (in ₹)	7,26,11,44,337	6,73,17,29,204

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Current Financial Year 2024-25			Previous Financial Year 2023-24		
		No of complaints filed during the year	No of complaints pending resolution at close of the year	Remarks	No of complaints filed during the year	No of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	1	0	Nil	Nil	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Weblink: <https://www.avalontec.com/investors/>

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
1	Transparency, Corporate Governance, Business Ethics and Zero corruption	Opportunity	Corporate Governance and Transparency has been a crucial component of our Business. Prioritizing this has ensured that we act in the best interest of our stakeholders and mitigate business risks, which is essential for our sustained growth.	<ol style="list-style-type: none"> 1. Implementation of whistleblowing system. 2. Gauging employees' confidence in reporting unethical conduct. 3. Ensuring the adequacy, reliability and accuracy of the information being disclosed by the Company to the stakeholders. 	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
			<p>We are aware that corruption and unethical business practices, whether through our own activities or those of third parties can result in consequences for the company</p> <p>Hence, we ensure that we develop and follow utmost corporate governance practices, which have helped us in building trust with our stakeholders and enhanced our business opportunities.</p>	4. Development and enforcement of policies aimed at reducing corruption and preventing bribery.	
2	GHG emission reduction	Risk and opportunity	<p>Risk</p> <ul style="list-style-type: none"> • Failure to meet GHG emission targets aligned with 1.50C global warming threshold. • Reputational damage and loss of trust from customers, employees and investors <p>Opportunities</p> <p>Advancement towards using renewable sources of energy.</p>	<ol style="list-style-type: none"> 1. Implementing a comprehensive climate strategy for both operations and the supply chain. 2. Setting specific targets in the SEIL ESG plan, focusing on renewable energy adoption, reducing SF6 leakages, and enhancing energy efficiency. 	Positive & Negative
3	CSR	Opportunity	<ul style="list-style-type: none"> • The chance to give back and support to the community. • The opportunity to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). 	<ol style="list-style-type: none"> 1. A comprehensive CSR policy and framework. 2. CSR programs tailored to address community needs. 	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative)
4	Water Stewardship	Risk	Inadequate water management practices will lead to the depletion of vital water resources.	<ol style="list-style-type: none"> 1. A robust environmental policy. 2. An Integrated Management System certified to ISO 14001 standards. 3. Environmental Health and Safety (EHS) assessments at each site. 4. Implementation of a comprehensive water conservation strategy and action plan across all sites. 	Negative
5	Healthy and Safe working conditions	Risk & Opportunity	<p>Risk</p> <p>Serious or fatal employee injuries or illnesses pose significant risks including:</p> <ul style="list-style-type: none"> - Harm to employees' well-being - Potential property damage - Adverse effects on the company's reputation - Diminished trust from customers - Potential financial penalties <p>Opportunity</p> <p>Enhance confidence among current and prospective employees.</p> <p>Continuously improve safety standards and practices.</p>	<ol style="list-style-type: none"> 1. Comprehensive safety strategy and global safety directives. 2. Protocol for investigating serious incidents. 3. Environmental Health and Safety (EHS) assessments at each site. 5. Objective to reduce the medical incident rate. 6. An Integrated Management System certified to ISO 45001 standards. 	Positive and negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	N	N	Y	Y	N	NA	N	N
	c. Web Link of the Policies, if available:	https://www.avalontec.com/investors/								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	AS 9100D and ISO 9001: 2015, IATF 16949, ISO 45001 & ISO 14001								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Avalon has begun to actively advance its initiatives to reduce greenhouse gas (GHG) emissions, moving steadfastly towards achieving net zero emissions. Concurrently, we are committed to mitigating the environmental footprint of our operations and products. Through implementing innovative practices and strategic investments, Avalon aims to minimize resource consumption and optimize efficiency across our value chain.</p> <p>Central to our corporate ethos is the promotion of equal opportunity through robust diversity and inclusion initiatives, ensuring a workplace culture that values and respects every individual. Moreover, we prioritize sustainability education by providing comprehensive training programs to all employees. These programs equip our workforce with the knowledge and skills necessary to integrate sustainability principles into their daily roles, fostering a collective commitment to environmental stewardship and driving Avalon's sustainability agenda forward.</p>								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

In the era where Sustainability is determining the future of companies, our commitment to sustainability is undeterred and remains an important aid of our corporate strategy. With a legacy spanning over two decades, Avalon has established itself as a distinct player in the Electronic Manufacturing Services industry, renowned for forging enduring partnerships with industry leaders and innovative ventures in various market segments. Our commitment to sustainability is ingrained in every facet of our operations, reflecting our responsibility to stakeholders, the environment, and future generations. As specialists in engineering, manufacturing, quality assurance, supply chain management, and logistics, Avalon brings a wealth of expertise to the forefront of sustainable practices.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Managing Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. Yes, Managing Director

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director									Frequency (Annually)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	NA	Y	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	NA	Y	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y

- 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. NO**

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No	No	No	No	No	No	NA	No	No

- 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)					-				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Corporate Governance, Updates on our Industry	100%
Key Management Personnel	2	Importance of implementing Environment, Social and Governance initiatives in an Organization, Corporate Governance, Updates on Compliances	100%
Employees other than BOD and KMPs	112*	Behavioural and technical trainings like Kaizen, Safety, POSH, IPC Training, QMS, Special Skills Training, Inter-Personal skills Training, ISO Training, Waste Management etc.	100%
Workers	148*	Firefighting training, First Aid Training, Waste Management, Material Handling Training, Electrical Safety, Chemical Safety, Emergency Response and Preparedness Training	100%

* A total of 94 training and awareness programme were held commonly for Employees other than BOD and KMPs and Workers jointly.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	1	Ministry of Corporate Affairs	1,00,000	Fee paid by the Company, Managing Director, the erstwhile Company Secretary and erstwhile Chief Financial Officer based on Compounding Order from the Regional Director (Southern Region), Ministry of Corporate Affairs pursuant to the voluntary compounding application filed by the Company under Section 441 of the Companies Act, 2013.	No

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed: Not Applicable

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy: <https://www.avalontec.com/investors/>

In our commitment to the highest standards of integrity and transparency, Avalon is dedicated to uphold ethical conduct and ensures that all our business operations are conducted with the utmost honesty and fairness.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Segment	Current Financial Year 2024-25	Previous Financial Year 2023 - 24
Board of Directors	Nil	Nil
Key Management Personnel	Nil	Nil
Employees other than BOD and KMPs	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Segment	Current Financial Year 2024-25		Previous Financial Year 2023 - 24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

Segment	Current Financial Year 2024-25		Previous Financial Year 2023-24	
	Number	Remarks	Number	Remarks
Number of days of accounts payables	84	-	50	-

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	Current Financial Year 2024-25	Previous Financial Year 2023 - 24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	66.54%	67.14%
	b. Number of trading houses where purchases are made from	593	559
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	29.25%	28.18%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	18%	25%
	b. Sales (Sales to related parties / Total Sales)	38%	33%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	83%	61%

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicator

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2024-25	Previous Financial Year 2023 - 24	Details of improvements in environmental and social impacts
R & D	Nil	Nil	-
CAPEX	Nil	Nil	-

- Does the entity have procedures in place for sustainable sourcing? No
 - If yes, what percentage of inputs were sourced sustainably?
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Plastics (including packaging) – Sold to Authorized recyclers.

E- waste –Sold to Authorised recyclers.

Hazardous waste and other waste – Disposed to TNPCB Authorised Dealers.

- 4 a) Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities: Yes
- b) If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Avalon Technologies Limited adheres to Extended Producer Responsibility (EPR) regulations. These regulations, outlined in the Plastic Waste Management Rules of 2016, mandate guidelines for the responsible management of plastic waste generated by producers. The overarching objective is to minimize the impact of plastic litter on the environment through effective waste management practices.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicator

1. (a) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	330	330	100%	330	100%	Nil	Nil	Nil	Nil	330	100%
Female	138	138	100%	138	100%	138	100%	Nil	Nil	138	100%
Total	468	468	100%	468	100%	138	29%	Nil	Nil	468	100%
Other than Permanent Employees											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (b) Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	541	541	100%	541	100%	Nil	Nil	Nil	Nil	541	100%
Female	133	133	100%	133	100%	133	100%	Nil	Nil	133	100%
Total	674	674	100%	674	100%	133	20%	Nil	Nil	674	100%
Other than Permanent Workers											
Male	68	68	100%	68	100%	Nil	Nil	Nil	Nil	Nil	Nil
Female	31	31	100%	31	100%	Nil	Nil	Nil	Nil	Nil	Nil
Total	99	99	100%	99	100%	Nil	Nil	Nil	Nil	Nil	Nil

- (c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.73%	0.79%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98%	95%	Y	97%	94%	Y
Gratuity	100%	95%	N	100%	100%	N
ESI	4%	91%	Y	6%	92%	Y
Others - Please Specify	NIL	NIL	NIL	NIL	NIL	NIL

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes – Have accessibility facility such as Wheelchair facility, Lift and means of access such as Pathways, Ramps, Signage, Pedestrian Crossing, etc.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

In alignment with its commitment to diversity, equity, and inclusion (DEI), Avalon maintains an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. This policy ensures that individuals with disabilities have equal access to employment opportunities, facilities, and career development initiatives within the organization. Avalon strives to create an inclusive workplace culture where all employees, including those with disabilities, are valued for their unique abilities and contributions. By adhering to the provisions of the Act, Avalon not only complies with legal requirements but also fosters an environment that promotes dignity, respect, and equal participation for individuals of diverse abilities.

Weblink: <https://www.avalontec.com/investors/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	85.71%	85.71%	Nil	Nil
Total	85.71%	85.71%	Nil	Nil

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Gender	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Our grievance mechanism provides an avenue for the stakeholders to voice their concerns and gives transparency on how grievances will be managed internally, which aims to reduce conflict and strengthen relationships.
Other than Permanent Employees	
Permanent Workers	
Other than Permanent Workers	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	Current Financial Year 2024-25			Previous Financial Year 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (c)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	Current Financial Year 2024-25					Previous Financial Year 2023 - 24				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	330	295	89%	198	60%	297	234	78%	96	32%
Female	138	130	94%	69	50%	77	70	90%	26	34%
Total	468	425	90%	267	57%	374	304	81%	122	33%
Workers										
Male	541	510	94%	324	59%	437	397	90%	210	48%
Female	133	125	93%	66	49%	61	51	83%	41	67%
Total	674	635	94%	390	57%	498	448	89%	251	50%

9. Details of performance and career development reviews of employees and worker:

Category	Current Financial Year 2024-25			Previous Financial Year 2022 - 23		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employees						
Male	330	330	100%	297	240	81%
Female	138	138	100%	77	53	69%
Total	468	468	100%	374	293	78%
Workers						
Male	541	541	100%	437	278	64%
Female	133	133	100%	61	36	59%
Total	674	674	100%	498	314	63%

10. Health and safety management system:
A) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, AVALON has implemented an integrated management system certified to ISO 45001, that ensures the safety and well-being of its employees. The coverage of this system includes, identifying potential hazards, assessing risks, and establishing appropriate controls. Also, it ensures compliance with relevant laws and regulations, provision of regular training, health monitoring, and continuous improvement of the safety practices.

B) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

1. Identification and closure of identified hazards and potential risks.
2. Recording and addressing near-miss incidents to proactively eliminate hazards.
3. Regular safety committee meetings held to review, and address identified risks and hazards.

C) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N): Yes
D) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No): Yes
11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	Current Financial Year 2024 - 25	Previous Financial Year 2023 - 24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The company emphasises on safety practises across the Units. The company had implemented Safety Management System which provides guidelines to employees in their daily activities with the best Safety, Health and Environmental standards. All new entrants (Permanent/ Contract/ etc.,) have been imparted with Safety Induction Training programme covering all the safety aspects. The main objective of Safety department of the Company is to establish health & safety culture across the plant through awareness training and promotional activities. The company ensures all employees and workmen are undergone Safety Training.

13. Number of Complaints on the following made by employees and workers:

	Current Financial Year 2024 - 25			Previous Financial Year 2023 - 24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable since no safety related incidents and no significant concern arose during the year.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicator****1. Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders encompass individuals, groups, and entities affected by the company's business operations and projects. Key stakeholders are those who significantly influence and derive value from the company's activities. They include employees, shareholders/investors, distributors, customers, channel partners, research analysts, vendors, suppliers, regulators, and government agencies, among others. These stakeholders play crucial roles in shaping and supporting the company's operations and strategic direction.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Phone calls, Visits, One-one Meetings, Seminars, Conferences & Events E-mail, customer care number, customer satisfaction surveys, website, social media	Ongoing, Need Based	New Product Availability, Relationship Management, Product quality & effectiveness, Product pricing Innovation, process improvement Customer feedback & grievances
Employees	No	Internal Surveys, Internal communication through E-mails, Internal Meetings, Workshops, Events, Meetings & Trainings, Website, Notice Boards Newsletters	Ongoing, Need Based	Professional & Personal Improvement, Global & Local Policy changes, Work-life balance, Employee engagement, Diversity and equal opportunity, learning & development
Shareholders/ Investors	No	Annual General Meeting, Website, Newspaper Publications, Analyst Meetings, Investor Presentations	Quarterly, Annually and Need Based.	Financial Performance Business Goals & Strategies Corporate Governance, Key Business Highlights of the Year

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities and NGOs	No	Direct engagement through meetings, websites, Visits and camps CSR Projects Initiation, and Implementation and Monitoring.	Ongoing	Education & healthcare Environmental protection Social upliftment, Employment opportunities
Value Chain Partners	No	Supplier meets & Conferences, Face-face meetings, Phone Calls, Business Reviews Trainings, Events Audits/ Assessments.	Ongoing, Need Based	Business Continuity and Business Development, Relationship Management, Business Transparency, Environment Footprint, Social Accountability, Training and Development of partners and suppliers, Business Ethics and Transparency.

PRINCIPLE 5: Businesses should respect and promote human rights.
Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	Current Financial Year 2024 – 25			Previous Financial Year 2023 – 24		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	468	468	100%	374	374	100%
Other than permanent	7	7	100%	13	13	100%
Total Employees	475	475	100%	387	387	100%
Workers						
Permanent	674	674	100%	498	498	100%
Other than permanent	99	99	100%	111	111	100%
Total Workers	773	773	100%	609	609	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Current Financial Year 2024 – 25					Previous Financial Year 2023 – 24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent										
Male	330	Nil	Nil	330	100%	297	Nil	Nil	297	100%
Female	138	Nil	Nil	138	100%	77	Nil	Nil	77	100%
Other than permanent										
Male	3	Nil	Nil	3	100%	5	Nil	Nil	5	100%
Female	4	Nil	Nil	4	100%	8	Nil	Nil	8	100%
Workers										
Permanent										
Male	541	Nil	Nil	541	100%	437	Nil	Nil	437	100%
Female	133	Nil	Nil	133	100%	61	Nil	Nil	61	100%
Other than permanent										
Male	68	Nil	Nil	68	100%	58	58	100%	Nil	Nil
Female	31	Nil	Nil	31	100%	53	53	100%	Nil	Nil

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	9,00,000	1	10,00,000
Key Managerial Personnel	3	27,36,326	NIL	NIL
Employees other than BoD and KMP	330	40,000	138	36,000
Workers	541	21,000	133	20,000

* Includes remuneration of KMP who have ceased to be associated with the Company during the year.
Sitting Fees paid to Independent Directors have also been taken into account.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Gross wages paid to females as % of total wages	17%	13%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? Yes

Yes, Avalon has established dedicated committees such as the Works Committee, Safety Committee, and Sexual Harassment Committee, each serving as focal points for addressing specific aspects of human rights impacts within the company. The Works Committee ensures effective communication and resolution of labor-related issues, fostering a fair and supportive workplace environment. Meanwhile, the Safety

Committee oversees the implementation of safety protocols and addresses health and safety concerns to safeguard employees' well-being. Additionally, the Sexual Harassment Committee is responsible for preventing and addressing instances of harassment, ensuring a respectful and inclusive workplace for all employees. These committees actively monitor, assess, and mitigate human rights impacts caused or contributed to by Avalon's business operations, demonstrating the company's commitment to upholding human rights standards and promoting a positive corporate culture.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Avalon has established robust internal mechanisms to address grievances related to human rights issues. These committees convene periodically or as needed to address and resolve grievances pertaining to human rights within the workplace. The Works Committee facilitates open dialogue between management and employees, ensuring fair treatment, resolving labor-related disputes (if any), and promoting a conducive work environment that upholds human rights principles. Avalon is committed to fostering transparency, accountability, and respect for human rights throughout its operations.

6. Number of Complaints on the following made by employees and workers:

	Current Financial Year 2024 - 25			Previous Financial Year 2023 - 24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	Current Financial Year 2024-25	Previous Financial Year 2023-24
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- 1) The identity of the Aggrieved employee, Respondent, Witnesses, statements and other evidence obtained during inquiry process, recommendations of the committees, action taken by the Employer is considered as confidential and not published or made known to anyone.
- 2) Management always pays special attention towards complainant working condition and career growth to ensure that there are no adverse consequences due to the complaint.
- 3) Management consistently prioritizes the working conditions and career development of the complainant to mitigate any negative impact stemming from the complaint. This approach ensures that employees feel supported and reassured of fair treatment throughout the grievance resolution process.

9. Do human rights requirements form part of your business agreements and contracts? Yes

Yes, Statutory and regulatory requirement clauses stipulate regarding human values, child labour, equal remuneration and social security.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Other - Please specify	Nil

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above:

No risk/ concern has arisen and there is no necessity for corrective action.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicator****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24
Renewable sources		
Total electricity consumption (A)	9,638.28	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	9,638.28	Nil
Non-renewable sources		
Total electricity consumption (D)	1,30,56,516	1,24,05,225.60
Total fuel consumption (E)	46,00,39,400.00	38,36,48,000.00
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	47,30,95,916.00	39,60,53,225.60
Total energy consumed (A+B+C +D+E+F)	47,31,05,554.00	39,60,53,225.60
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) (INR in Millions)	74,884.65	89,669.32
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP) (INR in Millions)	18,615.29	24,793.16
Energy intensity in terms of physical output	430.57	199.2
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Current Financial Year 2024 – 25	Previous Financial Year 2023 – 24
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	15,339	20,262
(iii) Third party water	15,350	432
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	30,689	20,694
Total volume of water consumption (in Kilolitres)	30,689	20,694
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (INR in Millions)	4.85	4.69
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (INR in Millions)	1.20	1.30
Water intensity in terms of physical output	0.02	0.01
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged:

Parameter	Current Financial Year 2024-25	Previous Financial Year 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to Third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total water discharged (in Kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	Current Financial Year 2024 – 25	Previous Financial Year 2023 – 24
NOx	µg/m ³	26.44	26.49
SOx	µg/m ³	14.67	14.43
Particulate matter (PM)	µg/m ³	48.32	39.44
Persistent organic pollutants (POP)	µg/m ³	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	Current Financial Year 2024 – 25	Previous Financial Year 2023 – 24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of Co ₂ equivalent	22.73	25.61
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of Co ₂ equivalent	2,636.69	1,909.30
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.42	0.44
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.10	0.12
Total Scope 1 and Scope 2 emission intensity in terms of physical output		2.42	2.20
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes (TUV SUD)

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.** Yes, Renewable sources (Wind, Solar).

9. Provide details related to waste management by the entity, in the following format:

Parameter	Current Financial Year 2024 – 25	Previous Financial Year 2023 – 24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	14.69	17.60
E-waste (B)	2.95	4.19
Bio-medical waste (C)	0.02118	0.05
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	3.160	0.52
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Discarded containers – 2.57 Waste or residues containing oil – 0.21 Spent solvents – 41.8KL	Discarded containers – 1.11 Spent oil – 0.38KL Waste or residues containing oil – 0.015 Spent solvents – 37.6KL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Aluminium Scrap – 4.13 Copper Scrap – 6.04 MS/iron scrap – 199.83 Stainless steel – 0.20 Waste carton box – 66.640 Wooden waste – 38.06 General waste – 112	Aluminium Scrap – 15.90 Copper Scrap – 7.30 MS/iron scrap – 149.10 Stainless steel – 4.35 Waste carton box – 44.34 Wooden waste – 29.95 General waste – 100
Total (A+B + C + D + E + F + G + H)	492.30118	412.405
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (INR in Millions)	0.07	0.09
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (INR in Millions)	0.019	0.026
Waste intensity in terms of physical output	0.0004	0.0002
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	380.07	381.78
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	380.07	381.78
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.21	0.015
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total	0.21	0.015

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

At Avalon, our waste management practices are integral to our commitment to sustainability. We continuously evaluate and implement innovative solutions to reduce our environmental footprint. This includes exploring new technologies and methodologies to further enhance waste reduction and optimize resource utilization across our operations. By integrating these practices into our daily operations, we strive to foster a cleaner and healthier environment while meeting the highest standards of environmental stewardship.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wild-life sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NA	NA	NA
	NA	NA	NA
	NA	NA	NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes*

*The Tamil Nadu Groundwater (Development and Management) Act, 2003

*The Air (Prevention and Control of Pollution) Rules, 1982

*The Water (Prevention and Control of Pollution) Act, 1974 as amended in 1988

*The Water (Prevention and Control of Pollution) Rules, 1975

*The Environmental (Protection) Act, 1986 as amended in 1991

*The Environmental (Protection) Rules, 1986

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicator

- (a) Number of affiliations with trade and industry chambers/ associations: 2
 (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State / National)
1	Indo-Japan Chamber of Commerce & Industry	International
2	Indo American Chamber of Commerce	International

- Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

Essential Indicator

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
	Nil	Nil	Nil	Nil	Nil	Nil

- Describe the mechanisms to receive and redress grievances of the community:

At Avalon, we have a dedicated CSR team that plays a pivotal role in interacting with and supporting the broader community. These teams are not only responsible for addressing community grievances but also for spearheading meaningful projects that benefit local residents. By cultivating strong relationships with key stakeholders such as the community members themselves, district officials, and political representatives, Avalon ensures that grievances are heard and resolved effectively. This collaborative approach not only enhances transparency but also promotes sustainable development aligned with the needs and aspirations of the communities where Avalon operates.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	Current Financial Year 2024-25	Previous Financial Year 2023 - 24
Directly sourced from MSMEs / small producers	2%	3%
Directly from within the India	20%	31%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	Current Financial Year 2024-25	Previous Financial Year 2023 - 24
Rural	53.40%	49.31%
Semi-urban	0.10%	0.11%
Urban	45.50%	49.99%
Metropolitan	1.00%	0.59%

(Place to be categorized as per RBI Classification System – rural / semi-urban / urban / metropolitan)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Avalon has implemented robust mechanisms to receive and respond to consumer complaints and feedback. Our approach includes dedicated communication channels that provide support through both telephone and email. This ensures that consumers can easily reach out for assistance and receive timely responses to their queries or issues. Additionally, our service teams addresses any product-related concerns on-site. These proactive measures not only prioritize customer satisfaction but also underscore Avalon's commitment to delivering prompt and effective solutions to consumer needs.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

3. **Number of consumer complaints in respect of the following:**

	Current Financial Year 2024 - 25			Previous Financial Year 2023 - 24		
	Received during	Pending resolution at end of year	Remarks	Received during	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. **Details of instances of product recalls on account of safety issues:**

Remarks	Number	Reason for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy: Yes <https://www.avalontec.com/investors/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No corrective actions were required to be undertaken during the year. To mitigate the impact of cyber-attacks on our operations, Avalon has implemented robust measures. This includes the installation of advanced firewalls and threat monitoring systems equipped with immediate response capabilities to swiftly address identified threats. Additionally, we maintain a stringent system for controlling and monitoring access to our critical IT infrastructure. Regular testing of these access controls ensures their effectiveness in safeguarding sensitive data and systems. These proactive steps underscore Avalon's commitment to ensuring the security and privacy of our customers' information while maintaining resilience against potential cyber threats.

7. Provide the following information relating to data breaches:

- a. Frequency of data breach incidents: Nil
- b. Proportion of data breaches involving personally identifiable information of customers: Nil
- c. Consequences, if any, resulting from the data breaches: Nil



FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members,
Avalon Technologies Limited
(formerly known as "Avalon Technologies (P) Limited")

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Avalon Technologies Limited (formerly known as "Avalon Technologies (P) Limited") (hereinafter referred to as "the Company"), which comprise the standalone balance sheet as at March 31, 2025 and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit and other comprehensive loss, changes in equity 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 Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditors Response
Revenue Recognition Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and allocation of the transaction price to the distinct performance obligations. Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer. The Company and its external stakeholders focus on revenue as a key performance metric, and hence, there may be a possibility for revenue to be overstated or recognised before control has been transferred. Accordingly, Revenue recognition has been identified as a key audit matter.	In view of the significance of the matter, the following key audit procedures were performed by us: <ul style="list-style-type: none"> Assessed the compliance of the Company's revenue recognition related accounting policies with applicable accounting standards Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping documents, customer acknowledgements, dispatch notes, etc.

Key Audit Matter	Auditors Response
See Note No. 1(2)(B)(9) and Note No. 18 to the Standalone Financial Statements.	<ul style="list-style-type: none"> Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized.
<p>Impairment Assessment in respect of Investment in Subsidiaries</p> <p>In accordance with the applicable accounting standards, the management carries out an impairment testing at each reporting date in respect of those investments for which the indicators of impairment in accordance with the said standard exists.</p> <p>Significant Management estimates and judgement is required in the area of impairment testing, particularly in assessing: (1) whether an event has occurred that may indicate that the investment values may not be recoverable; (2) whether the carrying value of investment can be supported by the recoverable amount, calculated based on the discounted cash flow projections from financial budgets approved by the senior management, as applicable.</p> <p>The key assumptions applied by the management in the impairment assessment include appropriate revenue growth rate and perpetual growth rate used for estimating the future cash flows, appropriate discount rate applied to these forecasted future cash flows and other economic and entity specific factors considered therein. Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment assessment.</p> <p>We have identified the aforesaid matter as a key audit matter since it involves significant management judgement and estimates in determining the recoverable amount.</p> <p>See Note Nos. 1(2)(B)(19), No. 1.3.6 and Note No. 4A to the Standalone Financial Statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> Assessed the appropriateness of accounting policy in respect of impairment assessment of investments in subsidiaries as per the relevant accounting standard. Assessed the design and implementation of key internal financial controls and tested the operating effectiveness of such controls in relation to impairment assessment of investments in subsidiaries. Evaluated the appropriateness of management's estimates and judgment in respect of whether any indicators of impairment existed in respect of investments in subsidiaries. Evaluated the cash flow forecasts by comparing them to the budgets ,as applicable and also assessed the appropriateness of the key assumptions applied in arriving at the cash flow forecasts. Checked the mathematical accuracy of the impairment assessment model. Performed a sensitivity analysis on the impairment assessment model and evaluated the impact of any reasonably foreseeable changes in assumptions. Discussed the key assumptions, forecast trends and sensitivities thereof with those charged with governance.

INFORMATION OTHER THAN THE STANDALONE FINANCIALS STATEMENTS AND AUDITOR'S REPORT THEREON (OTHER INFORMATION)

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the financial year 2024-25 but does not include the financial statements and our auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 of 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to standalone 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 made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 except for the matters stated in para 2(i)(v) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014.
 - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on April 01, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are stated in para 2(b) above on reporting under 143(3)(b) and para 2(i)(v) below on reporting under Rule 11(g).
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone 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 standalone financial statements.
 - (h) With respect to the 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 managerial remuneration paid by the Company during the year is in accordance with the provisions of section 197 of the Act.
 - (i) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 37 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (i). The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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;
- (ii). The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
- (iii). Based on the 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 (i) and (ii) above, contain any material misstatement.

- v. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the feature of recording audit trail (edit log) facility was not seen enabled at the database layer of the accounting software used by the Company during the year.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- vi. The company has neither declared nor paid any dividend during the year and hence, the related reporting requirements under sub-clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 are not applicable.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma
Partner

Place: Chennai
Date: May 6, 2025

M No. 025854
UDIN: 25025854BMOBJG7466

ANNEXURE A

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING REPORT ON “OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AVALON TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31.03.2025

- | | |
|--|---|
| <p>(i) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company;</p> <p>(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets.</p> <p>b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment and right-of-use assets have been physically verified by the Management at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.</p> <p>c. According to the information and explanations given to us and the records of the Company examined by us, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.</p> <p>d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.</p> <p>e. According to the information and explanations given to us and based on the examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.</p> | <p>(ii) a. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the examination of the records of the company, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.</p> <p>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 been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company except as given in Appendix 1. The Company has not been sanctioned working capital limits in excess of five crores rupees, in aggregate, from financial institutions during the year on the basis of security of current assets of the Company.</p> <p>(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 granted any loans or , advances in the nature of loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year. The Company has granted loans and provided guarantee and has also made investment in one company. The Company has also invested in other parties (mutual funds). The requisite information in respect of the above is as given hereunder. The Company has not provided guarantee or security and has not made investments in firms, limited liability partnership or any other parties.</p> <p>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 provided guarantees and granted loans to entities during the year as below:</p> |
|--|---|

(A)

(In ₹ Million)

Particulars	Guarantees	Loans
Aggregate amount during the year		
- Subsidiaries	1270.23	100.00
Balance outstanding as at balance sheet date		
- Subsidiaries	1270.23	800.00

(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 given loans or advances and provided guarantees or security to parties other than subsidiaries.

- b. According to the information and explanations given to us and based on the audit procedures conducted by us, the investments made, guarantees provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the schedule of repayment of principal and payment of interest has been stipulated. Further, the receipts of interest have been regular and as per the terms of the loan, the repayment of principal is not yet due. The Company has not given any advance in the nature of loan to any party during the year.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

f. 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans given and guarantees provided by the Company, in our opinion the provisions of Section 186 of the Companies Act, 2013 ("the Act") have been complied with to the extent applicable. Further, the Company has not granted any loans or provided any guarantee or security to which the provisions of Section 185 is applicable.

(v) According to the information and explanations given to us and based on the examination of the records of the company, the company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. Accordingly reporting under Clause 3(v) of the Order is not applicable to the company.

(vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act in respect of certain products manufactured by the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has been generally regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company with the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues referred to in sub-clause (a) that have not been deposited on account of any dispute as at 31st March, 2025 are as follows:

Name of Statute	Nature of dues	Amounts Involved (₹ in Million) (net of amount deposited)	Period to which the amount relates (Financial Year)	Forum where disputed is pending
Income Tax Act, 1961	Income Tax	1.57	April 2007 to March 2008	Jurisdictional Income Tax Officer
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	4.27	Apr 2013 to Jun 2016	The Central Government Industrial Tribunal - Cum - Labour Court

- (viii) 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 transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- b. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly reporting under Clause 3(ix)(c) of the Order is not applicable to the company.
- d. As per the information and explanations furnished to us, and according to our examination of the records of the Company, on an overall examination of the financial statements of the Company, we report that during the year, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.
- f. According to the information and explanations given to us and according to our examination of the records of the Company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associates or joint ventures.
- (x) As per the information and explanations furnished to us, and according to our examination of the records of the Company,
- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- b. 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.
- (xi) As per the information and explanations furnished to us, and according to our examination of the records of the Company,
- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. 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. As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 32 to the standalone financial statements as required by the applicable accounting standard.
- (xiv) a. Based on information and explanations provided to us and our audit procedures, in our opinion the Company has an adequate internal audit system commensurate with the size and the 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) According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting under clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and the records of the Company examined by us,
- a. the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b. the company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- c. the company is a not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d. As represented to us by the management, there is no core investment company as defined in the regulations made by the Reserve Bank of India within the Group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation 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) In our opinion and according to the information and explanations given to us, there are no unspent amounts under sub-section (5) of section 135 of the Act pursuant to any on-going or other than on-going projects. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma
Partner

Place: Chennai
Date: May 6, 2025

M No. 025854
UDIN: 25025854BMOBJG7466

Appendix 1

DETAILS OF QUARTERLY STATEMENTS SUBMITTED TO BANKS (ALSO REFER NOTE NO.13.4)

₹ In Million

Quarter	Name of bank	Particulars	Amount as per books of account (A)	Amount as reported in the quarterly return/statement(B)	Amount of difference (A)-(B)	Whether return/statement subsequently rectified
June'24	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	1817.81	1818.47	-0.66	No
		Trade Payables	463.76	468.31	-4.55	No
Sep'24	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2493.26	2493.25	0.01	No
		Trade Payables	721.13	721.00	0.13	No
Dec'24	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2317.46	2317.33	0.13	No
		Trade Payables	800.01	800.23	-0.21	No
Mar'25	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2777.46	2778.36	-0.90	No
		Trade Payables	988.25	989.42	-1.16	No

ANNEXURE B

REFERRED TO IN PARAGRAPH 2(G) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls with reference to standalone financial statements of Avalon Technologies Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on 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. 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 Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements were 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 system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company’s internal financial control with reference to standalone financial statements 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 standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, the Company has, in all material respects, an adequate internal financial controls system with

reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements 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.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma
Partner

Place: Chennai
Date: May 6, 2025

M No. 025854
UDIN: 25025854BMOBJG7466

Standalone Balance Sheet

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A.	ASSETS			
	Non-Current Assets			
(a)	Property, plant and equipment	2	863.00	479.65
(b)	Capital Work in Progress	2	69.16	147.03
(c)	Right-of-Use assets	3A	47.34	56.15
(d)	Intangible Assets	3B	4.36	4.38
(e)	Financial Assets			
(i)	Investments	4A	1,607.78	1,177.91
(ii)	Other Financial Assets	5A	816.28	860.61
(f)	Deferred Tax Asset (Net)	12.1	-	1.97
(g)	Tax assets (Net)	12.2	13.80	-
(h)	Other Non Current Assets	6A	15.40	25.30
	Total Non-Current Assets		3,437.12	2,753.00
	Current Assets			
(a)	Inventories	7	1,804.52	1,918.58
(b)	Financial Assets			
(i)	Investments	4B	331.71	739.74
(ii)	Trade Receivables	8	2,777.46	1,743.29
(iii)	Cash and Cash Equivalents	9A	263.24	240.39
(iv)	Bank balances other than (iii) above	9B	271.47	265.14
(v)	Other Financial Assets	5B	-	29.16
(c)	Other Current Assets	6B	147.90	131.44
	Total Current Assets		5,596.30	5,067.74
	TOTAL ASSETS		9,033.42	7,820.74
B.	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	10	132.31	131.43
(b)	Other Equity	11	7,128.78	6,600.26
	Total Equity		7,261.09	6,731.69
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13A	-	-
(ii)	Lease Liabilities	15A	34.01	39.19
(iii)	Other Financial Liabilities	15B	-	-
(b)	Provisions	16	59.79	77.33
(c)	Deferred Tax Liabilities (Net)	12.1	3.31	-
	Total Non-Current Liabilities		97.11	116.52
	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13B	360.12	277.81
(ii)	Lease Liabilities	15A	12.22	11.20
(iii)	Trade Payables			
a)	Micro and small enterprises	14	1.16	3.68
b)	Others	14	1,090.06	479.07
(iv)	Other Financial Liabilities	15B	86.83	15.30
(b)	Other Current Liabilities	17	98.84	160.69
(c)	Provisions	16	25.99	11.94
(d)	Current tax Liabilities (Net)	12.2	-	12.84
	Total Current Liabilities		1,675.22	972.53
	Total Liabilities		1,772.33	1,089.05
	TOTAL EQUITY AND LIABILITIES		9,033.42	7,820.74
	Material Accounting Policies and key accounting estimates and judgements	1		
	See accompanying notes to financial statements			

As per our report of even date attached
For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

Sd/-
P R Prasanna Varma
Partner
Membership No. 025854

Place: Chennai
Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-
Kunhamed Bicha
Chairman & Managing Director
DIN: 00819707

Sd/-
Ajay Shukla
Company Secretary

Sd/-
Suresh Veerappan
Chief Financial Officer

Standalone Statement of Profit and Loss

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I	Revenue from Operations	18	6,317.79	4,416.82
II	Other Income	19	269.65	192.42
III	Total Income (I+II)		6,587.44	4,609.24
IV	Expenses:			
	Cost of raw materials consumed	20	4,832.64	3,270.43
	Changes in Inventories of finished goods, work-in-progress and stock in trade	21	1.09	69.76
	Employee benefit expenses	22	636.64	487.86
	Finance costs	23	28.00	25.94
	Depreciation and amortisation expenses	24	64.11	51.98
	Other expenses	25	353.46	270.68
	Total Expenses		5,915.94	4,176.65
V	Profit before tax (III-IV)		671.50	432.59
VI	Tax Expense:			
	(1) Current Tax	26	160.31	102.22
	(2) Tax of earlier years	26	(0.16)	0.32
	(3) Deferred Tax	26	5.65	5.19
			165.80	107.73
VII	Profit for the year (V-VI)		505.70	324.86
VIII	Other Comprehensive Income			
A. i)	Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans - Gratuity	30	(1.46)	1.22
	ii) Income tax expense on remeasurement benefit/(loss) of defined benefit plans	26.1	0.37	(0.31)
	Total other comprehensive income/(loss) A (i+ii)		(1.09)	0.91
IX	Total Comprehensive Income/(Loss) for the year (VII+VIII)		504.61	325.77
X	Earnings Per Equity Share (Nominal value per share ₹ 2/-)			
	(a) Basic (In ₹)	27	7.67	4.98
	(b) Diluted (In ₹)	27	7.56	4.87
	Material Accounting Policies and key accounting estimates and judgements	1		
	See accompanying notes to financial statements			

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer

Standalone Statement of Changes in Equity

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Share Capital (A)	Reserves and Surplus				Other Equity		Total (H)=(A)+(G)
		Securities premium (B)	Special Economic Zone Re-investment Allowance Reserve (C)	Retained earnings (D)	ESOP Reserve (E)	Share Application Money Pending Allotment (F)	Total (G) = (B)+(C)+(D)+(E)+(F)	
Balance as at April 1, 2023	115.91	1,267.31	46.31	1,937.45	2.96	3,200.00	6,454.03	6,569.94
2023-2024								-
Profit for the year	-	-	-	324.86	-	-	324.86	324.86
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	0.91	-	-	0.91	0.91
Issue of equity shares	14.68	3,185.32	-	-	-	(3,200.00)	(14.68)	-
Issue of Shares against exercise of ESOP	0.84	8.89	-	-	(1.32)	-	7.57	8.41
Transfer from SEZ Reinvestment Reserve to Retained earnings	-	-	(46.31)	46.31	-	-	-	-
Share based payment expense	-	-	-	-	0.81	-	0.81	0.81
Share based payment for employees of group company	-	-	-	-	1.95	-	1.95	1.95
Expenses for issue of shares	-	(175.19)	-	-	-	-	(175.19)	(175.19)
Balance as at March 31, 2024	131.43	4,286.33	-	2,309.53	4.40	-	6,600.26	6,731.69
2024-2025								
Profit for the year	-	-	-	505.70	-	-	505.70	505.70
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	(1.09)	-	-	(1.09)	(1.09)
Receipt of Share Application Money against Exercise of ESOP	-	-	-	-	-	6.59	6.59	6.59
Issue of Shares against exercise of ESOP	0.88	9.75	-	-	(1.75)	-	8.00	8.88
Share based payment expense	-	-	-	-	4.89	-	4.89	4.89
Share based payment for employees of group company	-	-	-	-	4.43	-	4.43	4.43
Balance as at March 31, 2025	132.31	4,296.08	-	2,814.14	11.97	6.59	7,128.78	7,261.09

Material Accounting Policies and key accounting estimates and judgements – Note 1

See accompanying notes to financial statements

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer

Standalone Statement of Cash Flows

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Cash flows from operating activities		
Profit before tax	671.50	432.59
Adjustments for :		
Finance costs recognised in profit or loss	28.00	20.67
Interest Income recognised in profit or loss	(102.61)	(72.01)
Dividend Income recognised in profit or loss	(30.85)	(5.12)
(Gain) / Loss on disposal of property, plant and equipment	(0.10)	0.30
Profit on sale of Investments	(45.71)	(65.13)
Gain / (Loss) on Termination of lease	(0.10)	-
Commission received on Corporate Guarantee	(1.94)	-
Allowance for Expected Credit Loss	1.12	0.77
Employee Share Based Payment	4.89	0.81
Depreciation and Amortisation	64.11	51.98
Provision for Gratuity	13.15	11.16
Provision for Leave Encashment	5.17	11.17
Amount no longer payable written off/ (written back)	1.37	15.96
Net foreign exchange (gain) / loss - Unrealised	45.16	(11.62)
	653.16	391.53
Movements in Working Capital/ Other Changes :		
(Increase) / decrease in trade and other receivables	(1,041.83)	(418.01)
(Increase) / decrease in inventories	114.06	(183.24)
(Increase) / decrease in other assets	(17.16)	227.79
Increase / (decrease) in trade payables	570.68	(154.29)
Increase / (decrease) in provisions	(23.27)	(5.34)
Increase / (decrease) in other liabilities	(25.93)	144.48
Cash generated from operations	229.71	2.92
Income Tax paid	(186.79)	(100.75)
Net cash (used in)/ generated from operating activities (A)	42.92	(97.83)
B. Cash flow from investing activities		
(Acquisition)/Proceeds from sale of property, plant and equipment	(312.53)	(179.68)
Interest received	131.77	72.01
Dividend income	30.85	5.12
Commission received on Corporate Guarantee	1.94	-
Loans given during the period	(70.00)	(590.00)
Investments made during the period	(425.45)	(300.01)
(Investment in)/ Redemption of Fixed Deposit	108.87	(380.34)
(Investment in)/ Redemption of Mutual Funds	453.74	(674.63)
Net cash used in investing activities (B)	(80.81)	(2,047.53)
C. Cash flow from financing activities		
Proceeds from issue of Equity Shares (ESOP)	8.88	8.40
Proceeds from issue of Equity Shares pending for allotment (ESOP)	6.59	-
Proceeds from issue of Equity Shares through IPO (including Share of selling shareholders)	-	4,633.72
Payment towards Selling Shareholders ("SS") (including share issue expenses towards SS)	-	(5,303.98)
Share issue expenses towards company	-	(175.19)
Repayment of Non-Current Borrowings	-	(198.12)
Availment / (Repayment) of Current Borrowings	82.31	(1,020.80)
Proceeds from Current Borrowings	-	277.81
Repayment of Lease liability	(12.05)	(11.73)
Dividend paid on Preference Shares	-	(2.93)
Interest paid	(22.79)	(20.58)
Net cash (used in) / generated by financing activities (C)	62.94	(1,813.40)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	25.05	(3,958.76)
Cash and cash equivalents at the beginning of the year	240.39	4,199.25
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(2.20)	(0.10)
Cash and Cash equivalents at the end of the year	263.24	240.39

Standalone Statement of Cash Flows

(All amounts are in Million Indian Rupees unless otherwise stated)

Notes:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash flows.

(b) Cash and Cash equivalents comprises of	As at March 31, 2025	As at March 31, 2024
(i) Cash and Cash Equivalents		
(a) Balance with banks in Current accounts	218.06	240.33
(b) Balance with banks in deposit accounts	45.00	-
(c) Cash on hand	0.18	0.06
Total	263.24	240.39

Non-cash financing activities:

Significant non cash movement in financing activities includes the following

Particulars	As at March 31, 2025	As at March 31, 2024
a) Lease liabilities recognised as per IND AS 116	Refer Note : 3A	
b) Foreign exchange fluctuation on borrowings	-	5.27

Material Accounting Policies and key accounting estimates and judgements - Note 1

See accompanying notes to financial statements

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

NOTE-1

1 CORPORATE INFORMATION

Avalon Technologies Limited (formerly known as Avalon Technologies Private Limited) ("the Company") is a company domiciled and incorporated in India. The company has converted from Private Limited company into a Public Limited Company with effect from 29th July, 2022. The company has its registered office situated at B-7, First Main Road, MEPZ-SEZ, Tambaram, Chennai - 600 045, Tamil Nadu, India. The company has three subsidiaries, two of which are incorporated in India and one in the United States of America. The Company together with its subsidiaries are Electronics Manufacturing Service (EMS) providers with capabilities in Printed Circuit Assembly Boards (PCBA's), custom cable, wire harness, metal, plastic, magnetics components and assemblies with enhanced capabilities in engineering design and development.

2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

A BASIS OF PREPARATION

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

The standalone financial statements are prepared under historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act.

All assets and liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current Financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current Financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified 12 months as its operating cycle.

The Standalone Financial Statements have been presented in Indian Rupees (₹ or INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned. Figures in brackets represents negative figures unless otherwise mentioned. "-" denotes zero or figures which are below the rounding off norms adopted by the Company.

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

B MATERIAL ACCOUNTING POLICIES

1 Use of Estimates

The preparation of the Standalone Financial Statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions that effect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non – refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit

terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation on Property, Plant and Equipment (Tangible assets) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of Depreciation. However, If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on an annual review is different from that envisaged in the aforesaid schedule, depreciation is provided at a such rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the useful life as indicated below which is different from that stated in Schedule II to the Companies Act, 2013.

Category	Useful life
Buildings	3 – 60 years
Plant and Equipment	1 – 30 years
Air Conditioners	10 – 15 years
Computers	3 – 6 years
Electrical Fittings	5 – 15 years
Office equipment	3 – 5 years
Fire Protection Equipments	5 – 15 years

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

Category	Useful life
Furniture and fixtures	1 – 10 years
Vehicles	4 – 8 years
Tools*	1 – 5 years

* Useful life of tools are based on internal estimate of the Company. Tools and dies used are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 5 years. Tools and dies used for low volume products are depreciated at higher rate.

Depreciation charge on additions / deletions is restricted to the period of use. Depreciation methods, useful lives and residual values are reviewed annually.

3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful life as given below.

Category	Useful life
Patent	10 years
Trademark	10 years
Software	6 years

Amortization method and useful lives are reviewed annually.

4 Leases

As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for

all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised / option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses.

Right-of-use assets are depreciated / amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated / amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

5 Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognized.

6 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to revenue. In accordance with the ICAI Guidance Note on Schedule III to the

Companies Act, 2013, exchange losses (net) relating to foreign currency borrowings to the extent not capitalized in accordance with Ind AS 23 is presented under finance costs.

7 Inventories

Cost of raw materials, components, stores and spares are ascertained on a moving weighted average cost basis. Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead. Such costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates taxes (not recoverable from the taxing authorities) and discounts. Goods that are consigned to the Company are not considered in inventory.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories as identified by the management are duly provided for/ written down to the realizable value, as the case maybe.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

8 Foreign Currency Transaction

Functional Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the Functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

Exchange differences on reinstatement of all monetary items are recognized in the Statement of Profit and Loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Indian rupees (INR), the functional currency of the Company at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (INR) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity separately under foreign currency translation reserve. The amounts recognized are transferred to the Standalone statement of profit and loss on disposal of the related foreign subsidiaries.

9 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and rebates offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow.

Sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Advance from customers is recognized under other current liabilities which is released to revenue on satisfaction of performance obligation.

Rendering of Services

Revenue from other service activities are recognized at a point in time on satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.

Revenue is recorded exclusive of goods and service tax.

Other Income

Interest : Interest income is recognized on effective interest method taking into account the amount outstanding and the rate applicable.

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

Dividend : Dividend income is recognized when the right to receive dividend is established.

Insurance Claims : Insurance claims are accounted for on the basis of claims lodged with insurance Company and to the extent that there is a reasonable certainty in realizing the claims.

10 Employee Benefits

1. Short – Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

2. Defined Contribution Plans

Contribution towards provident fund/ Employee State Insurance for employees working with the Company's operations in India is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

3. Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") which is funded covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the other comprehensive income in the year in which they arise. Remeasurement recognized in other comprehensive income is reflected immediately in

retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the Profit and Loss Statement in the year in which they arise.

10A Share Based Payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled, in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period recognised in employee benefits expense represents the movement

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

in cumulative expense recognised as at the beginning and end of that period.

Performance conditions which are market conditions are taken into account when determining the grant date fair value of the awards. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of share based payments pertaining to employees of subsidiaries, where the ultimate obligation is settled by the Company, is accounted for as an increase in the Company's investment in the subsidiaries in its standalone financial statements.

11 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax

as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognized as part of the OCI.

Deferred tax is recognized for all the temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any and the same is recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation law.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. MAT shall be treated as part of deferred tax assets.

12 Financial instruments

Initial recognition

The Company recognizes Financial assets and Financial liabilities when it becomes

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

a party to the contractual provisions of the instruments. All Financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of Financial assets and Financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Financial liabilities and equity instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Instruments (including convertible preference shares) that meet the definition of 'Equity' in its entirety and which do not have any component of liability, is classified as Equity and grouped under 'Instruments entirely equity in nature'. Equity instruments are recorded at the proceeds received, net of direct issue costs. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

In case of equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Subsequent measurement

- i. Financial assets carried at amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to

collect contractual cash flows and the contractual terms of the Financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

- ii. Financial assets at fair value through profit or loss

A Financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

- iii. Financial assets at fair value through Other Comprehensive Income

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.

- iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of Financial instruments

The Company derecognizes a Financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for derecognition under IND AS 109. A Financial liability (or a part of a Financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

All Financial assets classified as at amortized cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

13 Fair Value

The Company measures Financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs that are unobservable for the asset or liability

14 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. All government grants are initially recognized by way of setting up as deferred income. Government grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are subsequently recognized in profit or loss on a systematic basis over the expected life of the related depreciable assets. Grants recognized in Profit and Loss as above are presented within other income or adjusted against the corresponding expenditure head as specifically disclosed thereunder.

15 Provisions and Contingent Liabilities

Provisions : Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

16 Segment Reporting

The Company is engaged in providing Electronics Manufacturing Services (EMS) with capabilities in printed circuit board assembly, custom cable and wire harnesses, etc. Since the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and to assess its performance, the entire operations are to be classified as a single business segment, namely EMS.

17 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. Earnings

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

considered in ascertaining the Company's earnings per share is the net profit for the period after deducting equity dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.

18 Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

19 Investment in subsidiaries

Investment in subsidiaries are measured at cost less accumulated impairment as per Ind AS 27.

20 Cash & Cash Equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

21 Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3 CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the critical judgements, assumptions concerning the future, and key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next Financial year.

3.1 Useful lives of property, plant and equipment

As described above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuation, which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

3.3 Taxation

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements and tax expert opinions, including an estimation of the likely outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, based on estimates thereof. Significant assumptions are also involved in evaluating the recoverability of deferred tax assets recognised on unused tax losses.

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

3.4 Provisions and contingencies

Critical judgements are involved in measurement of provisions and contingencies and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

3.5 Impairment of Trade receivable – Expected Credit loss

The impairment provisions for trade receivables are based on assumptions about risk of default. The Company uses judgement in making these assumptions and selecting the inputs for the impairment calculation, based on Company's past history at the end of each reporting period

3.6 Impairment of Investment in Subsidiaries

The company carries out an assessment of impairment in respect of investments in subsidiaries where any indications of impairment exist as at

the balance sheet date. The determination of recoverable amount for this purpose requires the use of critical assumptions and judgements.

4 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

As at March 31, 2025, there are no Ind AS Standards/ amendments that have been issued but are not yet effective.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 2: PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2025		As at March 31, 2024	
Carrying amounts of:				
Free hold Buildings		415.89		185.94
Plant and equipment		359.13		245.25
Air conditioners		1.60		1.96
Computer		46.45		30.64
Electrical Fittings		16.66		5.67
Furniture and Fittings		18.76		4.12
Vehicle		1.59		2.84
Office Equipments		1.67		1.89
Fire Protection Equipments		1.25		1.34
Sub-Total		863.00		479.65
Capital Work-in-progress		69.16		147.03
Total		932.16		626.68

Gross carrying value	Free hold Buildings	Plant and equipment	Air conditioners	Computer	Electrical Fittings	Furniture and Fittings	Vehicle	Office Equipments	Fire Protection Equipments	Total
Balance as at April 1, 2023	151.63	263.00	3.15	38.45	7.62	4.77	6.43	2.05	1.26	478.36
Additions	59.29	60.87	0.26	5.01	0.39	0.99	0.51	0.83	0.38	128.53
(Disposals)/ Other adjustments	0.03	(1.14)	(0.13)	(0.14)	-	(0.06)	(0.02)	(0.23)	(0.02)	(1.71)
Balance as at March 31, 2024	210.95	322.73	3.28	43.32	8.01	5.70	6.92	2.65	1.62	605.18
Additions	240.75	147.16	0.12	23.21	12.13	15.51	0.04	0.25	0.01	439.18
(Disposals)/ Other adjustments	-	(4.61)	(0.39)	(0.06)	-	-	(0.10)	-	-	(5.16)
Balance as at March 31, 2025	451.70	465.28	3.01	66.47	20.14	21.21	6.86	2.90	1.63	1,039.20

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Accumulated depreciation	Free hold Buildings	Plant and equipment	Air conditioners	Computer	Electrical Fittings	Furniture and Fittings	Vehicle	Office Equipments	Fire Protection Equipments	Total
Balance as at April 1, 2023	15.23	56.80	1.01	6.95	1.50	1.08	2.76	0.45	0.21	85.99
Depreciation	9.78	21.08	0.36	5.76	0.84	0.50	1.33	0.44	0.08	40.17
(Eliminated on disposals)/ Other adjustments	-	(0.40)	(0.05)	(0.03)	0.00	-	(0.01)	(0.13)	(0.01)	(0.63)
Balance as at March 31, 2024	25.01	77.48	1.32	12.68	2.34	1.58	4.08	0.76	0.28	125.53
Depreciation	10.80	29.19	0.15	7.38	1.14	0.87	1.21	0.47	0.10	51.31
(Eliminated on disposals)/ Other adjustments	-	(0.52)	(0.06)	(0.04)	-	-	(0.02)	-	-	(0.64)
Balance as at March 31, 2025	35.81	106.15	1.41	20.02	3.48	2.45	5.27	1.23	0.38	176.20
Particulars	Free hold Buildings	Plant and equipment	Air conditioners	Computer	Electrical Fittings	Furniture and Fittings	Vehicle	Office Equipments	Fire Protection Equipments	Total
Carrying amount as on March 31, 2024	185.94	245.25	1.96	30.64	5.67	4.12	2.84	1.89	1.34	479.65
Carrying amount as on March 31, 2025	415.89	359.13	1.60	46.45	16.66	18.76	1.59	1.67	1.25	863.00

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Capital Work in Progress (CWIP)

Class-wise breakup of CWIP

Particulars	As at March 31, 2025	As at March 31, 2024
Plant and equipment	68.07	6.10
Factory building	-	131.60
Electrical Fittings	0.44	9.33
Others	0.65	-
Total	69.16	147.03

Ageing breakup of CWIP

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress *		
- Less than 1 year	69.16	79.63
- 1-2 years	-	67.40
- 2-3 years	-	-
- More than 3 years	-	-
Total	69.16	147.03

* The Company does not have any capital work-in-progress that has exceeded its cost compared to its original plan. Capital work-in-progress includes certain projects whose completion is overdue and its expected completion schedule are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress - To be completed in		
- Less than 1 year	-	67.40
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Total	-	67.40

Status of Capital Work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress		
Factory building*	-	131.60
Electrical fittings	0.44	9.33
Plant and Machinery	68.07	6.10
Others	0.65	-
Subtotal	69.16	147.03
Projects temporarily suspended	-	-
Total	69.16	147.03

The title deeds of all immovable properties (other than properties where the company is lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company

* Amount of borrowing cost capitalised during the year ended March 2025 is Nil (March 2024 - ₹ 0.29 million)

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 3A: RIGHT-OF-USE ASSETS

a) Right-of-Use Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of		
Lease hold Assets	38.29	46.38
Vehicles	9.05	9.77
Total	47.34	56.15

Gross carrying value	Lease hold Assets	Computers	Vehicles	Total
Balance as at April 1, 2023	67.75	5.20	11.47	84.42
Additions	-	-	4.40	4.40
(Deletions)/ Other adjustments	(4.33)	-	-	(4.33)
Balance as at March 31, 2024	63.42	5.20	15.87	84.49
Additions	-	-	3.35	3.35
(Deletions)/ Other adjustments	-	-	(1.97)	(1.97)
Balance as at March 31, 2025	63.42	5.20	17.25	85.87

Accumulated Depreciaion	Lease hold Assets	Computers	Vehicles	Total
Balance as at April 1, 2023	10.25	4.19	3.44	17.88
Depreciation	7.72	1.01	2.66	11.39
(Eliminated on disposals)/ Other adjustments	(0.93)	-	-	(0.93)
Balance as at March 31, 2024	17.04	5.20	6.10	28.34
Depreciation	8.09	-	3.38	11.47
(Eliminated on disposals)/ Other adjustments	-	-	(1.28)	(1.28)
Balance as at March 31, 2025	25.13	5.20	8.20	38.53

Particulars	Lease hold Assets	Computers	Vehicles	Total
Carrying amount as on March 31, 2024	46.38	-	9.77	56.15
Carrying amount as on March 31, 2025	38.29	-	9.05	47.34

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

b) Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at year ended:

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	12.22	11.20
Non-current lease liabilities	34.01	39.19
Total	46.23	50.39

c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	50.39	55.19
Reclassified on account of adoption of IND AS 116	-	-
Additions	3.35	4.40
Finance costs accrued during the year	5.34	5.36
(Deletions)/ Other adjustments	(0.80)	(2.83)
Payment of Lease liabilities	(12.05)	(11.73)
Closing Balance	46.23	50.39

d) The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	12.22	11.20
One to five years	23.42	29.79
More than five years	10.59	9.40
Total	46.23	50.39

e) Others

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on lease liabilities	5.34	5.36
Expenses relating to short-term leases	0.40	2.23
Total cash outflows for leases	12.05	11.73

f) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain not terminate (or to extend).
- If any lease hold improvements are expected to have a significant remaining value the Company is typically reasonably certain to extend (or not terminate).

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

- (c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise it). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. During the current financial year, there was no revision in the lease terms.

(g) Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not with the respective lessor.

NOTE 3B: INTANGIBLE ASSETS

Gross carrying amount	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Trademark	0.04	0.04
Software Licence	4.32	4.34
Total	4.36	4.38

Gross carrying amount	Trademark	Software Licence	Total
Balance as at April 1, 2023	0.05	2.81	2.86
Additions	-	2.80	2.80
(Disposals)/ Other adjustments	-	-	-
Balance as at March 31, 2024	0.05	5.61	5.66
Additions	-	1.30	1.30
(Disposals)/ Other adjustments	-	-	-
Balance as at March 31, 2025	0.05	6.91	6.96

Accumulated Amortisation	Trademark	Software Licence	Total
Balance as at April 1, 2023	-	0.85	0.85
Amortisation	-	0.42	0.42
(Eliminated on disposals)/ Other adjustments	0.01	-	0.01
Balance as at March 31, 2024	0.01	1.27	1.28
Amortisation	-	1.33	1.33
(Eliminated on disposals)/ Other adjustments	-	(0.01)	(0.01)
Balance as at March 31, 2025	0.01	2.59	2.60

Particulars	Trademark	Software Licence	Total
Carrying amount as on March 31, 2024	0.04	4.34	4.38
Carrying amount as on March 31, 2025	0.04	4.32	4.36

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 4A: INVESTMENTS NON-CURRENT

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. (in millions)	Amount	No. (in millions)	Amount
(A) Investments in Equity Instruments				
Unquoted equity shares (fully paid up)				
(i) Subsidiaries (Measured at cost)*				
(a) Avalon Technology & Services Pvt Ltd of ₹ 10 each	0.13	512.34	0.13	512.19
(b) Sienna ECAD Technologies Pvt Ltd. of ₹ 10 each	3.52	44.71	3.52	44.61
(c) ABV Electronics Incorporated (D/B/A Sienna Corporation) of \$ 0.001 each	0.72	80.42	0.72	76.24
(B) Investments in Other Instruments				
Unquoted Preference shares (fully paid up)				
(i) Subsidiaries (Measured at cost)				
(a) ABV Electronics, Inc. (Sienna Corporation) of face value \$1 each	12.50	970.31	7.50	544.87
Total	16.87	1,607.78	11.87	1,177.91

* includes cost of stock options allocated to subsidiary companies for stock options given to employees of subsidiary companies (refer Note No.29).

NOTE 4B: INVESTMENTS CURRENT

Particulars	As at March 31, 2025			As at March 31, 2024		
	NAV per unit	No. (in millions)	Amount	NAV per unit	No. (in millions)	Amount
Unquoted Investments						
Investment in Mutual Funds – mandatorily measured at FVTPL			-			-
-Nippon India Arbitrage Fund – Growth Plan	28.20	11.76	331.71	26.14	12.01	313.85
-Nippon India Liquid Fund – Growth Plan	-	-	-	5,908.93	0.07	425.89
Total			331.71			739.74

Particulars	As at March 31, 2025	As at March 31, 2024
Aggregate value of unquoted investments	331.71	739.74
Aggregate amount of impairment in value of investments (included in the above)	-	-

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 5A: OTHER FINANCIAL ASSETS NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated:		
Security Deposits	13.97	13.10
Loans given to Related parties	800.00	730.00
Deposits with Statutory authorities	2.31	2.31
Fixed deposits having maturity more than 12 months	-	115.20
Total	816.28	860.61

NOTE 5B: OTHER FINANCIAL ASSETS CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated :		
Interest receivable	-	29.16
Total	-	29.16

NOTE 6A: OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated :		
Capital Advances	15.40	25.13
Prepaid Expenses	-	0.17
Total	15.40	25.30

NOTE 6B: OTHER CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated:		
Advances paid to suppliers	87.90	70.97
Government Grant Receivable - Stipend Reimbursement	1.14	6.10
Prepaid Expenses	24.83	23.50
Balance with Statutory authorities	33.58	30.87
Advances to Employees	0.45	-
Total	147.90	131.44

NOTE 7: INVENTORIES

Particulars	As at March 31, 2025	As at March 31, 2024
(At lower of cost and net realisable value)		
Raw materials (incl Goods in Transit)	1,585.84	1,698.92
Work-in-progress	145.33	124.55
Finished goods	67.93	89.80
Tools & Dies	5.42	5.31
Total	1,804.52	1,918.58

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Note: 7.1 – The cost of inventories recognised as an expense during the year is as per Note No. 20,21 and under relevant heads in Note No. 25

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Cost of inventories recognised as an expense includes write-downs of inventory to net realisable value.	18.40	7.96

The mode of valuation of inventories has been stated in Note 1.B.7

For the Carrying Value of Inventories pledged as securities for borrowings, refer Note 13

NOTE 8: TRADE RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
From Related Parties		
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	1,427.99	1,022.29
Trade receivables – credit impaired	-	-
Sub –Total	1,427.99	1,022.29
From Others		
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	1,349.47	721.00
Trade receivables – credit impaired	1.00	1.00
Sub –Total	1,350.47	722.00
Allowance for credit impaired (expected credit loss allowance)	(1.00)	(1.00)
Total	2,777.46	1,743.29
Current	2,777.46	1,743.29
Non-current	-	-

8.1 Trade Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The provision matrix takes into account historical credit loss experience based on past trend of outstanding receivables over a rolling period of past 36 months.

Particulars	As at March 31, 2025	As at March 31, 2024
The range of provision created as a percentage of outstanding under various age groups	0.00% – 16.67%	0.00% – 38.96%

Movement in expected credit loss allowance	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	1.00	0.02
Movement in expected credit loss allowance on trade receivables	1.12	0.98
Amount written off during the year	(1.12)	-
Balance at end of the year	1.00	1.00

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

8.2 Trade receivables considered good – Unsecured

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues *	
	As at March 31, 2025	As at March 31, 2024
	considered good	
Not Due	2,581.48	1,605.05
Less than 6 months	195.98	137.46
6 months –1 year	-	0.78
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	2,777.46	1,743.29

8.3 Trade receivables – credit impaired

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues *	
	As at March 31, 2025	As at March 31, 2024
	Credit Impaired	
Not Due	-	-
Less than 6 months	0.75	0.22
6 months –1 year	0.25	0.78
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	1.00	1.00

*There are no trade receivables that are overdue on account of any outstanding legal disputes

NOTE 9 CASH AND BANK BALANCES

Note 9A: Cash and Cash Equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with Banks		
In current accounts	50.71	110.97
In EEFC accounts	167.35	129.36
In deposit accounts (with original maturity < 3 months)	45.00	-
Cash on hand	0.18	0.06
Total	263.24	240.39

Note 9B: Other Bank Balances

Particulars	As at March 31, 2025	As at March 31, 2024
Balances in Fixed Deposits (with original maturity between 3 to 12 months)	271.47	265.14
Total	271.47	265.14

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 10: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025	As at March 31, 2024
AUTHORISED :		
8,50,00,000 Equity Shares of ₹2/- each	170.00	170.00
5,00,000 Preference shares of ₹ 100/- each	50.00	50.00
	220.00	220.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
6,61,57,116 Equity shares of ₹2/- each, fully paid up (6,57,12,692 March 31, 2024)	132.31	131.43
	132.31	131.43

10.1 Reconciliation of number of shares	As at March 31, 2025		As at March 31, 2024	
	No of Shares (in Nos)	Amount	No of Shares (in Nos)	Amount
Equity Shares of ₹ 2 each fully paid up				
At the beginning of the year	6,57,12,692	131.43	5,79,53,128	115.91
Add: Shares issued during the year#	-	-	73,39,449	14.68
Add: Issue of Shares against exercise of ESOP##	4,44,424	0.88	4,20,115	0.84
At the end of the year	6,61,57,116	132.31	6,57,12,692	131.43

(i) Pursuant to the Initial Public Offering, the Company on April 12, 2023, allotted 73,39,449 Equity Shares at a face value of 2/- (Rupees Two) each for cash, at a premium of 434/- per share aggregating to ₹3200 Million.

Number of employee stock options granted (including Series C granted on September 24, 2024 - 88,919 and Series D granted on December 27, 2024 - 84,652) for the company's employees - 6,18,621 and for the subsidiaries' employees - 13,34,700 and outstanding as at March 31, 2025 of the company - 2,77,700 and for the subsidiaries' employees - 6,91,214. During the year ended March 31, 2025, the company has allotted 4,44,424 shares out of which 1,75,575 Equity shares are for the company's employees and balance for the subsidiaries' employees.

Number of employee stock options granted for the company's employees - 5,20,050 and for the subsidiaries' employees - 12,59,700 and outstanding as at March 31, 2024 of the company - 3,67,524 and for the subsidiaries' employees - 9,51,923. During the year ended March 31, 2024, the company has allotted 4,20,115 shares out of which 1,52,526 Equity shares are for the company's employees and balance for the subsidiaries' employees."

10.2 Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of ₹2/ each. Each holder of the Equity Share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting. Repayment of Capital on liquidation will be in proportion to the number of equity shares held.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

10.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	No of shares held as at			
	As at March 31, 2025		As at March 31, 2024	
	Nos.	%	Nos.	%
Kunhamed Bicha	1,44,26,212	21.81%	1,44,26,212	21.95%
Bhaskar Srinivasan	95,60,355	14.45%	95,60,355	14.55%
Luquman Veedu Ediyannam	36,19,291	5.47%	36,19,291	5.51%
Nippon India Small Cap Fund	37,89,162	5.73%	37,82,542	5.76%
KL Bicha Family Private Trust	39,78,993	6.01%	39,78,993	6.06%
		53.47%		53.83%

10.4 Details of Promoter shareholders of Equity shares at the end of the year

Name of the Promoter	No of shares held as at					
	As at March 31, 2025			As at March 31, 2024		
Promoters	No. of Shares	% of holding	% change during the year *	No. of Shares	% of holding	% change during the year *
TP Imbichammad	6,83,615	1.03%	(0.01%)	6,83,615	1.04%	(0.77%)
Kunhamed Bicha	1,44,26,212	21.81%	(0.14%)	1,44,26,212	21.95%	(8.12%)
Bhaskar Srinivasan	95,60,355	14.45%	(0.10%)	95,60,355	14.55%	(8.76%)
Mariyam Bicha	2,53,293	0.38%	(0.01%)	2,53,293	0.39%	(0.45%)
Trusts controlled by promoters						
K L Bicha Family Private Trust	39,78,993	6.01%	(0.05%)	39,78,993	6.06%	(0.81%)
Rehaan Family Private Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
Sameer Family Private Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
Zayed Family Private Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
Dolphin Family Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
BBS Family Trust	22,73,710	3.44%	(0.02%)	22,73,710	3.46%	(0.46%)
KBS Family Trust	22,73,710	3.44%	(0.02%)	22,73,710	3.46%	(0.46%)
		50.56%			50.91%	

* % Change during the year represents the % change in total holding when compared to the previous year.

10.5 Equity shares movement during 5 years preceding the reporting date

- Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash: Nil
- Sub-division of equity shares:

The Shareholders in their extra-ordinary general meeting dated 27.06.2022 had approved sub-division of each fully paid up equity share of nominal value of ₹ 100 (Rupees One Hundred Only), into fifty equity shares having a face value of ₹2/- (Rupees Two only) each. As a result of the same, the issued share capital has changed from 1,59,667 Equity Shares of ₹100/- each to 79,83,350 Equity Shares of ₹2/- each.

Consequently, the Authorised Share Capital of the Company changed to ₹ 220 millions divided into 8,50,00,000 Equity Shares of ₹2 each and 5,00,000 Preference Shares of ₹100/-each.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(iii) Issue of Bonus shares

As per recommendation of the Board of Directors in their meeting held on 24.06.2022 and approval of the shareholders dated 27.06.2022 the Company had issued 4,79,00,100 bonus equity shares of face value of ₹ 2/- each in ratio of 6:1 (i.e. 6 Bonus Shares for every 1 Equity Share), which were allotted to the shareholders on 27.06.2022. Consequently, the issued, subscribed and paid-up share capital had increased to ₹ 111.76 Millions comprising of 5,58,83,450 equity shares of face value of ₹ 2/- each.

(iv) There are no shares bought back during the period of 5 years immediately preceding the reporting date.

NOTE 11: OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Securities Premium	4,296.08	4,286.33
ESOP Share reserve	11.97	4.40
Retained Earnings	2,814.14	2,309.53
Share application money pending allotment	6.59	-
	7,128.78	6,600.26

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Reserves and Surplus		
Securities Premium		
Balance as at the beginning of the year	4,286.33	1,267.31
Add: Issue of equity shares during the year	9.75	3,185.32
Less: Expenses for issue of shares	-	(175.19)
Add: Issue of Shares against exercise of ESOP	-	8.89
Balance as at the end of the year	4,296.08	4,286.33
Special Economic Zone Re-investment Allowance Reserve		
Balance as at the beginning of the year	-	46.31
Less: Transferred to Retained Earnings (out FY 2020-21 Reserve)	-	(46.31)
Balance as at the end of the year	-	-
ESOP Share reserve		
Balance as at the beginning of the year	4.40	2.96
Add: Share based payment expense (Refer Note 29)	4.89	0.81
Add: Share based payment expense for employees of group companies (Refer Note 29)	4.43	1.95
Less: Issue of shares against exercise of ESOP	(1.75)	(1.32)
Balance as at the end of the year	11.97	4.40
Retained Earnings		
Balance at the beginning of the year	2,309.53	1,937.45
Profit for the year	505.70	324.86
Other comprehensive income/(loss) for the year, net of income tax	(1.09)	0.91
Add: Transfer from SEZ Reserve (out FY 2020-21 Reserve)	-	46.31
Balance at the end of the year	2,814.14	2,309.53

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(b) Share application money pending allotment		
Balance as at the beginning of the year	-	3,200.00
Add: Receipt of Share Application Money against Exercise of ESOP	6.59	-
Less: Issue of equity shares during the year (Refer Note 10.1)	-	(3,200.00)
Balance as at the end of the year	6.59	-
Total Other Equity	7,128.78	6,600.26

Nature and Purpose of Other Reserves

(a) Reserves and Surplus

Securities Premium

Securities premium is used to record the premium on issue of securities. The reserve is utilised in accordance with the provisions of the Act. During the year ended 31st March 2024, the securities premium has been utilised against share issue expense (net of tax benefit) in connection with the IPO of the Company (Refer No. 10.1)

Special Economic Zone Re-investment Allowance Reserve

The Special Economic Zone (SEZ) Reinvestment Reserve has been created out of profit of eligible SEZ unit as per provisions of section 10AA(i)(ii) of the Income-tax Act, 1961 for acquiring new plant and machinery. Utilisations out of the same as per the extant provisions of the Income Tax Act, 1961, are reclassified from this reserve to retained earnings in the year of utilisation.

ESOP Reserve

Employee stock option reserve relates to the share options granted by the Company to the Company's and subsidiary's employees under its stock option plan. (Refer No. 29)

Retained Earnings

Retained Earnings represents Company's cumulative earnings since its formation less the dividends / Capitalisation, if any. These reserves are free reserves which can be utilised for any purpose as may be required. All adjustments arising on account of transition to Ind AS are recorded here.

(b) Share application money pending allotment

Share application money pending allotment represents amounts received towards issue of shares for which shares are pending to be allotted as at the balance sheet date.

NOTE 12.1: DEFERRED TAX ASSET (NET)

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	29.18	28.16
Deferred tax liabilities	(32.49)	(26.19)
Net Deferred tax Asset / (Liability)	(3.31)	1.97

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

2023-24	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/asset in relation to				
Property plant and equipment	(14.61)	(4.34)	-	(18.95)
Expenses allowable under tax on actual payment basis	6.83	2.68	-	9.51
Provision for impairment loss - ECL	0.01	0.24	-	0.25
Defined benefit obligation - Gratuity	13.32	2.37	(0.31)	15.38
Leases	1.91	1.10	-	3.02
Other Temporary Timing Differences	-	(7.24)	-	(7.24)
Net Deferred tax Asset / (Liability)	7.46	(5.19)	(0.31)	1.97

2024-25	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/asset in relation to				
Property plant and equipment	(18.95)	(8.07)	-	(27.02)
Expenses allowable under tax on actual payment basis	9.51	(0.72)	-	8.79
Provision for impairment loss - ECL	0.25	0.44	-	0.69
Defined benefit obligation - Gratuity	15.38	0.16	0.37	15.91
Leases	3.02	0.77	-	3.79
Other Temporary Timing Differences	(7.24)	1.77	-	(5.47)
Net Deferred tax Asset / (Liability)	1.97	(5.65)	0.37	(3.31)

NOTE 12.2: TAX ASSETS AND (LIABILITIES) [NET]

Particulars	As at March 31, 2025	As at March 31, 2024
Tax Assets		
Tax Deducted at Source	-	22.34
Total	-	22.34
Income Tax (payable)/Recoverable [Net]		
Earlier Years	6.26	(32.62)
Total	6.26	(32.62)
Income Tax (payable)/Recoverable [Net]		
Current Year	7.54	(2.56)
Total	7.54	(2.56)
Tax Assets / (Liabilities) [Net]	13.80	(12.84)

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 13A: BORROWINGS NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Term Loans		
From Banks	-	-
From Others	-	-
Total	-	-
The above amount includes:-		
Secured Borrowings	-	-
Unsecured Borrowings	-	-
Total	-	-

NOTE 13B: BORROWINGS CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Loan From Banks (refer Note 13.1)	360.12	277.81
Total	360.12	277.81
The above amount includes:-		
Secured Borrowings	360.12	277.81
Unsecured Borrowings	-	-
Total	360.12	277.81

Note 13.1 – Details of Current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Indian Bank – Packing Credit (EPC) Foreign Currency Loan (USD/INR)	-	100.10
HDFC Bank Limited – Export Packing Credit (INR)	220.00	100.00
HDFC Bank Limited – Working capital demand loan	-	77.71
Bank of India – Packing Credit (INR)	80.00	-
Indian Bank – Cash Credit	60.12	-
Total	360.12	277.81

Note 13.2 – Details of Security

Bank	Details of Security Provided
Indian Bank	<p>Primary: First pari passu charge on the entire current assets of the company both present and future along with other member banks. Hypothecation of stocks, book debts and machinery/utilities and underlying export bills.</p> <p>Collateral: First pari passu charge on the movable fixed assets of the company. First Pari Passu charge on the superstructure constructed on the leased lands situated on the leased lands situated in B7 & B8, MEPZ, Phase 1 & 2, Tambaram, Chennai along with other member banks.</p>
Bank of India	<p>Principal: First pari passu charge by way of hypothecation of stocks, book debts of the company both present and future along with other lenders under Multiple Banking Arrangement. First pari passu charge on the movable fixed assets of the company.</p> <p>Collateral: First Pari Passu charge on the superstructure constructed on the leased lands situated on the leased lands situated in B7 & B8, MEPZ, Phase 1 & 2, Tambaram, Chennai along with other lenders under Multiple Banking Arrangement.</p>

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Bank	Details of Security Provided
HDFC Bank Limited	First Pari Passu charge on the current assets of the company, movable fixed assets of the company and Factory land and building situated at MEPZ phase-2, Tambaram Sanitorium, Chennai, B-7, 1 st Main road, MEPZ SEZ, Tambaram, Chennai - 45 with other member banks.

13.3 The Company has used the borrowings from banks availed during the year for the specific purpose for which it was taken.

13.4 The Quarterly stock statements filed by the Company with banks in accordance with the terms of sanction of respective credit facilities along with the reconciliation and reasons for differences are as follows:

Name of Bank and Particulars of Security	Period	Particulars	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q1	Inventory*	1,909.07	1,909.07	(0.00)	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	1,817.81	1,818.47	(0.66)	
		Trade Payables*	463.76	468.31	(4.55)	
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q2	Inventory*	1,725.55	1,725.55	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	2,493.26	2,493.25	0.01	
		Trade Payables*	721.13	721.00	0.13	

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Name of Bank and Particulars of Security	Period	Particulars	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q3	Inventory*	1,777.21	1,777.21	(0.00)	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	2,317.46	2,317.33	0.13	
		Trade Payables*	800.01	800.23	(0.21)	
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q4	Inventory	1,804.51	1,804.51	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables	2,777.46	2,778.36	(0.90)	
		Trade Payables	988.25	989.42	(1.16)	

*Unaudited figures

13.5 There have been no defaults in repayment of interest and principal dues during the year.

NOTE 14: TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprise (Refer Note 35)	1.16	3.68
Related Parties (Refer Note 32B)	4.87	7.28
Others	1,085.19	471.79
Total	1,091.22	482.75

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Ageing of Trade Payables – Other than MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2025	As at March 31, 2024
Not Due	445.39	131.85
Less than 1 Year	644.67	347.05
1-2 years	-	0.15
2-3 years	-	0.02
More than 3 years	-	-
Total	1,090.06	479.07

Ageing of Trade Payables – MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2025	As at March 31, 2024
Not Due	0.56	2.23
Less than 1 Year	0.60	1.45
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	1.16	3.68

* There are no trade payables that are overdue on account of any outstanding legal disputes

NOTE 15A: LEASE LIABILITIES NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Obligations (Refer Note No. 3A)	34.01	39.19
Total	34.01	39.19

NOTE 15A: LEASE LIABILITIES CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Obligations (Refer Note No. 3A)	12.22	11.20
Total	12.22	11.20

NOTE 15B: OTHER FINANCIAL LIABILITIES NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Payable for capital purchases	-	-
Total	-	-

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 15B: OTHER FINANCIAL LIABILITIES CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Accrued but not due	-	0.13
Payable for capital purchases	38.79	3.05
Employee Related dues	48.04	10.14
Other payable	-	1.98
Total	86.83	15.30

NOTE 16: PROVISIONS NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits (Refer Note 30)		
Provision for defined benefit plan	45.34	54.84
Provision for compensated absences	14.45	22.49
Total	59.79	77.33

NOTE 16: PROVISIONS CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits (Refer Note 30)		
Provision for defined benefit plan	17.86	6.24
Provision for compensated absences	8.13	5.70
Total	25.99	11.94

Note 16(a) :

The Company manufactures products in compliance with customer specifications. Though it does not provide warranty covering design defects, it warrants that it will without charge, repair, replace or credit, as it may elect, any products which are proved to be defective as a result of failure in it's workmanship for a certain period from the date of delivery, as per the terms of its contract with customers. Since the Company has not experienced material warranty costs in the past, the management has determined that no provision for estimated future warranty obligations is required to be recognised in the books.

NOTE 17: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Advances from Customers	84.00	141.54
Statutory remittances	14.84	19.15
Total	98.84	160.69

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 18: REVENUE FROM OPERATIONS

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue from contract with customers		
Sale of products	6,217.21	4,331.04
Sale of services	90.35	77.82
Sub-Total	6,307.56	4,408.86
Other operating revenues		
Scrap Sales	10.23	7.96
Total	6,317.79	4,416.82

18.1 Disaggregation of revenue information

The company is engaged in Electronics Manufacturing Services (EMS) with capabilities in Printed Circuit Assembly Boards (PCBA's), custom cable, wire harness, metal, plastic, magnetics components and assemblies with enhanced capabilities in engineering design and development. As per the management, the disaggregation of revenue based on geography are depicted in Note 28.2

18.2 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Receivables, included under trade receivables (Refer Note 8)	2,777.46	1,743.29
Contract liabilities included under advance from customers (Refer Note 18.3)	84.00	141.54

18.3 Movement of Contract Liabilities

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Amounts included in Contract liabilities at the beginning of the year	141.54	7.62
Amount received or (adjusted)/(Performance obligation satisfied) during the year (Net)	(57.54)	133.92
Amounts included in Contract liabilities at the end of the year	84.00	141.54

NOTE 19: OTHER INCOME

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(a) Interest income earned		
On Financial assets (at amortised cost)	102.61	72.01
On Overdue Trade Receivables	33.68	-
(b) Dividend Income	30.85	5.12
(c) Other non-operating income (net of expenses directly attributable to such income, as applicable)		
Commision received on Corporate Guarantee	1.94	-
Profit on sale of assets	0.10	-
Gain/(Loss) on account of foreign exchange fluctuations (Net)	36.83	46.38

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Provisions no longer required written back	3.50	1.28
Insurance Claim received	0.18	0.45
Gain/(Loss) on account of Investments designated at FVTPL - Mutual Funds*	45.71	65.13
Others (aggregate of items)	14.25	2.05
Total	269.65	192.42

* includes ₹ 52.76 Millions (previous year ₹ 36.36 Millions) as net gain on sale of Mutual Funds.

NOTE 20: COST OF RAW MATERIALS CONSUMED

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Raw material and components consumed		
Opening inventory	1,698.92	1,446.16
Add: Purchases*	4,719.56	3,523.19
Less: Inventory at the end of the year	1,585.84	1,698.92
Total	4,832.64	3,270.43

*Consumption based accounting is followed for the issue of materials and accordingly purchase is a derived figure.

NOTE 21: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Opening Stock:		
Work-in-progress	124.55	202.18
Finished goods	89.80	81.93
Closing Stock:		
Work-in-progress	145.33	124.55
Finished goods	67.93	89.80
(Increase) / Decrease in Stocks	1.09	69.76

NOTE 22: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries, Wages and Bonus	529.26	401.55
Contribution to Provident and Other Funds (Refer note 30)	33.74	26.84
Gratuity (Refer note 30)	13.15	11.16
Compensated Absences (Refer note 30)	5.17	11.17
Employee Share based payment Expenses (Refer note 29)	4.89	0.81
Staff Welfare Expenses	50.43	36.33
Total	636.64	487.86

During the year ended March 31, 2025 the company has recognised an amount of ₹ 40.91 Million (31st March 2024 - ₹ 39.57 Millions) as remuneration to key managerial personnel. The details of such remuneration are as follows:

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Short term employee benefits	37.92	38.12
Post Employment benefits*	1.35	1.21
Other long-term employee benefits	-	-
Share based payment	1.64	0.24
Total	40.91	39.57

*As the future liabilities of gratuity and compensated absences are provided on an actuarial basis for the company as a whole, the amounts pertaining to key managerial person is not ascertainable separately and therefore, not included above.

Note 22.1:

The Company had recognised a Government Grant being the estimated value of reimbursement towards stipend paid to apprentices under the National Apprentice Training Scheme, once it is reasonably certain that the Company had met the related conditions and also that the grant would be received. The amount has been netted off against corresponding stipend expense in Note No. 22- Employee Benefit Expenses. During the year, based on evaluation of the recoverability of the amount by the management, an amount of ₹2.98 Million (31st March 2024 - 16.91 Million) has been written off. The Company does not anticipate any issues in realisation of the balance amount.

NOTE 23: FINANCE COSTS

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest Expense of		
Loans (at amortised cost)	16.37	8.21
Obligations under finance lease	5.34	5.36
Exchange differences regarded as an adjustment to borrowing costs	-	5.27
Other borrowing cost and charges	6.29	7.10
Total	28.00	25.94

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Depreciation on Property, plant and equipment (Refer Note 2)	51.31	40.17
Depreciation on Right-of-Use assets (Refer Note 3A)	11.47	11.39
Amortisation of Intangible assets (Refer Note 3B)	1.33	0.42
Total	64.11	51.98

NOTE 25: OTHER EXPENSES

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rent	0.40	2.23
Rates & Taxes	17.12	13.33
Power & Fuel	47.13	35.71
Consumables	0.82	6.05
Tools & Dies	3.69	2.89
Freight Outwards	106.49	57.12

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Repairs & Maintenance		
Buildings	16.03	11.96
Plant & Equipments	35.70	23.30
Others	7.94	7.86
Vehicle Maintenance	2.15	1.47
Printing & Stationery	7.84	8.20
Insurance	7.56	9.95
Communication Expenses	1.97	2.10
Allowance for expected credit loss (net) (refer Note No.8.1)	1.12	0.98
Payment to Auditors (Refer note 25.1)	3.55	3.15
Travelling & Conveyance	17.97	14.69
Directors sitting fees	4.60	5.51
Professional Charges	33.48	25.58
Business Promotion expenses	11.55	4.97
Amounts no longer recoverable written off	4.87	17.03
Security Charges	5.37	4.35
Loss on sale of assets	-	0.33
Contribution towards Corporate Social Responsibility (Refer note 34.2)	7.94	6.04
Miscellaneous Expenses	8.17	5.88
Total	353.46	270.68

Note 25.1: Payment to Auditors

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(a) Audit Fee	3.05	2.30
(b) Tax audit fee	0.25	0.25
(c) Transfer Pricing certification	0.15	0.15
(d) Other assurance services	0.10	0.45
Total	3.55	3.15

NOTE 26: CURRENT TAX

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Current tax		
In respect of current year	160.31	102.22
In respect of prior years	(0.16)	0.32
Total	160.15	102.54
Deferred tax		
In respect of current year	5.65	5.19
Deferred tax recognised in profit or loss	5.65	5.19
Total income tax expense	165.80	107.73

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit before tax	671.50	432.59
Tax expense calculated at statutory tax rate	169.00	108.87
Effect of expenses that are not deductible in determining taxable profit	2.00	1.53
Effect of concessions (u/s 80JJAA)	(5.35)	(3.09)
Effect of interest u/s 234 B & C	1.37	0.06
Others	(1.22)	0.36
Income Tax expense recognised in profit or loss	165.80	107.73

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Tax Rate	25.17%	25.17%

26.1 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.37	(0.31)
Total income tax recognised in other comprehensive income	0.37	(0.31)

NOTE 27: EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I) Basic Earnings per share		
Profit for the year attributable to the equity holders of the company (A)	505.70	324.86
Weighted average no of shares outstanding (B) (Refer III below)	6,59,69,315	6,52,35,479
Total basic earnings per share (A/B) (in ₹)	7.67	4.98
II) Diluted Earnings per share		
Profit for the year attributable to the equity holders of the company (A)	505.70	324.86
Weighted average no of shares outstanding (B) (Refer III below)	6,69,35,605	6,67,51,074
Total diluted earnings per share (A/B) (in ₹)	7.56	4.87
III) Reconciliation of weighted average number of shares:		
Equity shares	6,59,69,315	6,52,35,479
Weighted Average number of shares: Basic	6,59,69,315	6,52,35,479
Effect of ESOP	9,66,290	15,15,595
Weighted Average number of shares: Diluted	6,69,35,605	6,67,51,074

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

- (i) Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year, respectively adjusted for effect of dilution.
- (ii) Impact of dilution on weighted average number of shares is computed after factoring the impact of ESOP. (Refer note 10)
- (iii) Share transactions that have occurred during 2023-24:
 - (a) Issue of ordinary shares - The Company has issued 73,39,449 Equity Shares at a face value of 2/- each for cash, at a premium of 434/- per share through Initial Public Offer (IPO).
 - (b) Issue of ordinary shares - The Company has issued 4,20,115 Equity Shares at a face value of 2/- each for cash, at a premium of 18/- per share upon exercise of Employee stock options by the eligible employees.
- (iv) Share transactions that have occurred during 2024-25:
 - (a) Issue of ordinary shares - The Company has issued 4,44,424 Equity Shares at a face value of 2/- each for cash, at a premium of 18/- per share upon exercise of Employee stock options by the eligible employees.

NOTE 28: SEGMENT REPORTING

28.1 The Company is engaged in providing Electronics Manufacturing Services (EMS) with capabilities in printed circuit board assembly, custom cable and wire harnesses, etc. Since the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and to assess its performance, the entire operations are to be classified as a single business segment, namely EMS. The geographical segments considered for disclosure are - India and Rest of the World. All the manufacturing facilities are located in India.

28.2 Geographical Information

Particulars	Revenue from customers	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a) India	2,417.66	2,353.28
b) Rest of World	3,900.13	2,063.54
Total	6,317.79	4,416.82

Particulars	Non-current assets**	
	As at March 31, 2025	As at March 31, 2024
a) India	983.86	687.21
b) Rest of World	-	-
Total	983.86	687.21

** Non-current assets are used in the operations of the Company to generate revenues both in India and outside India.

28.3 Information about major customers

Revenue from one external customer having more than 10% each of the Company's total revenue amounting to 994.24 million for March 31, 2025 (Revenue from one external customer having more than 10% each of the Company's total revenue amounting to 868.81 million for March 31, 2024).

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 29: SHARE BASED PAYMENTS

During the financial year 2022 – 23, in pursuant to resolutions adopted by the Board of Directors and Shareholders both dated July 7, 2022, the Company has instituted the ESOP Scheme, which is an equity settled share based payment scheme.. The ESOP Scheme has been instituted to grant stock options exercisable into Equity Shares to eligible employees of the Company. In terms of the ESOP Scheme, grants to eligible employees will be made by the Nomination and Remuneration Committee or the Board, based on the determination of a criteria described under ESOP Scheme.

The ESOP Scheme has been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Shareholders, through their resolution dated July 7, 2022, have approved a maximum of 3,000,000 options, exercisable into 3,000,000 Equity Shares under the ESOP Scheme. The vesting period under the ESOP Scheme shall be a minimum of one and a maximum of seven years, and the specific vesting schedule applicable to each employee will be as mentioned in the letter of grant issued to such employee. Employees covered by the plan are granted an option to purchase shares subject to certain vesting conditions. Each employee share option converts into one equity share of the Company on exercise of option.

The Board of the Company at its meeting held on July 19, 2022 had granted 17,79,750 options under the ESOP Scheme. Subsequently, the Board at its meetings held on September 24, 2024 & December 27, 2024 have granted 88,919 options & 84,652 options respectively.

The following table sets forth the particulars of the ESOP Scheme, including options granted thereunder.

(A) Details of options granted under ESOP 2022 are as below

Grant	Grant Date	No. of options granted	No. of options outstanding	Weighted average Exercise price (₹)	Vesting Period	Weighted Average remaining Contractual life as at 31st March, 2025	Fair Value at grant date*
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series A	19.07.2022	8,89,300	2,86,939	20	Ranging from 1 to 2 years	2.14	3.70
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series B	19.07.2022	8,90,450	5,08,404	20	Ranging from 1 to 4 years	3.37	4.66
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series C	24.09.2024	88,919	88,919	500	Ranging from 1 to 5 years	5.34	210.65

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Grant	Grant Date	No. of options granted	No. of options outstanding	Weighted average Exercise price (₹)	Vesting Period	Weighted Average remaining Contractual life as at 31st March, 2025	Fair Value at grant date*
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series D	27.12.2024	84,652	84,652	759	Ranging from 1 to 5 years	3.48	426.84

*Represents cost recorded by the Company based on fair valuation report

(B) Vesting Schedule

Particulars	Series A	Series B	Series C	Series D
At the end of 1 year of service from grant date	50%	25%	20%	25%
At the end of 2 years	50%	25%	20%	20%
At the end of 3 years	0%	25%	25%	20%
At the end of 4 years	0%	25%	25%	20%
At the end of 5 years	0%	0%	10%	15%

(C) Reconciliation of outstanding options

Particulars	Series A	Weighted average exercise price per Option	Series B	Weighted average exercise price per Option	Series C	Weighted average exercise price per Option	Series D	Weighted average exercise price per Option
As at 1st April 2023	8,89,300	20.00	8,90,450	20.00	-	-	-	-
Granted during the year	-	-	-	-	-	-	-	-
Vested during the year	4,45,150	20.00	2,22,334	20.00	-	-	-	-
Expired during the year	(28,350)	20.00	(11,838)	20.00	-	-	-	-
Exercised during the year	(2,72,575)	20.00	(1,47,540)	20.00	-	-	-	-
As at 31st March 2024	5,88,375		7,31,072		-		-	-
Granted during the year	-	-	-	-	88,919	500.00	84,652	759
Vested during the year	4,45,150	20.00	2,55,410	20.00	-	-	-	-
Expired during the year	(16,552)	20.00	(63,128)	20.00	-	-	-	-
Exercised during the year	(2,84,884)	20.00	(1,59,540)	20.00	-	-	-	-
As at 31st March 2025	2,86,939		5,08,404		88,919		84,652	

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

- (D) The fair value of the options granted is determined by an Independent Registered Valuer using the Black-Scholes model. The various inputs considered by the valuer in computation of fair value are as follows

Grant date	Grant date share price (Fair value)	Exercise price	Dividend yield	Risk free interest rate	Expected life of options granted	Expected volatility#
Series A - 19.07.2022	15.12*	20.00	0.00%	6.86% - 7.06%	2.5 to 3.5 years	40.02%
Series B - 19.07.2022	15.12*	20.00	0.00%	6.86% - 7.31%	2.5 to 5.5 years	40.02%
Series C - 24.09.2024	568.4**	500.00	0.00%	6.68% - 6.70%	2 to 6 years	26.31%
Series D - 27.12.2024	948.6**	759.00	0.00%	6.72% - 6.78%	1.17 to 5.17 years	46.13%

* The grant date share price (Fair value) of underlying shares has been determined by an Independent Registered Valuer under the Discounted Cash Flow Method considering the estimated free cash flows during the explicit future period based on the assumptions and conditions that existed on the date of such valuation.

**The grant date share price (Fair value) of underlying shares has been determined by considering the closing price of the company's share on the NSE Limited.

The expected volatility was determined on the basis of movement of stock prices of comparable companies for a fixed period prior to the valuation date

- (E) Expense recognised in the statement of Profit and Loss

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Employee Share based payment Expenses (Refer note no. 22)	4.89	0.81
Investment (ESOP issued to employees of subsidiary companies)	4.43	1.95
Total expense arising from Employee share based payment transactions	9.32	2.76

NOTE 30: EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

(a) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to Employee Provident Fund Organisation.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

B. Defined benefit plans

The defined benefit plans operated by the Company are as below:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees, which is funded with HDFC Life Group UL Future Secure Plan. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government / high quality bond yields; if the return on plan asset is below the aforementioned rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability;
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

C. Details of defined benefit obligation and plan assets:

Gratuity

(i) Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	61.08	52.93
Current Service Cost	9.19	7.26
Interest cost	4.22	3.90
Remeasurement (gains) / losses :		
Actuarial (gains) and losses arising from changes in financial assumptions	3.45	1.48
Actuarial (gains) and losses arising from experience adjustments	(1.98)	(2.70)
Benefits paid	(5.29)	(1.79)
Closing defined benefit obligation	70.67	61.08

(ii) Movements in the fair value of the plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	-	-
Interest income	0.26	-
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.01	-
Contributions from the Employer	12.05	-
Benefits paid	(4.85)	-
Closing fair value of plan assets	7.47	-

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded defined benefit obligation	70.67	61.08
Fair value of plan assets	(7.47)	-
Funded status	63.20	61.08
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	63.20	61.08

(iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Service Cost :		
Current Service cost	9.19	7.26
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	3.96	3.90
Components of defined benefit costs recognised in profit or loss	13.15	11.16
Remeasurement on the net defined benefit liability :		
Actuarial (gains) / losses arising from changes in financial assumptions	3.45	1.48
Actuarial (gains) / losses arising from experience adjustments	(1.98)	(2.70)
Return on plan assets (more)/ less than the expected based on the discount rate	(0.01)	-
Components of defined benefit costs recognised in other comprehensive income	1.46	(1.22)
Total	14.61	9.94

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation	
	As at March 31, 2025	As at March 31, 2024
Discount Rate(s)	6.72%	7.23%
Expected Rate(s) of salary increase	8.00%	8.00%
Attrition Rate	16.07%	16.07%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

Change in assumption	As at March 31, 2025	As at March 31, 2024
A. Discount Rate + 100 BP		
Defined Benefit Obligation [PVO]	64.84	56.17
Current Service Cost	(5.82)	(4.92)
B. Discount Rate - 100 BP		
Defined Benefit Obligation [PVO]	77.43	66.78
Current Service Cost	6.77	5.69
C. Salary Escalation Rate + 100 BP		
Defined Benefit Obligation [PVO]	75.70	65.33
Current Service Cost	5.04	4.25
D. Salary Escalation Rate - 100 BP		
Defined Benefit Obligation [PVO]	65.97	57.25
Current Service Cost	(4.69)	(3.83)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2025	As at March 31, 2024
Year 1	4.86	6.43
Year 2	4.33	4.01
Year 3	6.28	3.59
Year 4	4.05	5.43
Year 5	5.36	3.41
Next 5 Years	21.01	22.19

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

D. Leave obligations

The leave obligations cover the Company's liability for earned leave.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

Principal Actuarial Assumptions at Balance Sheet date	As at March 31, 2025	As at March 31, 2024
Discount rate	6.72%	7.23%
Expected rate of salary increase	8.00%	8.00%
Attrition rate	16.07%	16.07%

NOTE 31: FINANCIAL INSTRUMENTS

31.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at the year end, the Company has only one class of equity shares.

31.2 Categories of financial instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Measured at Cost		
- Equity investments in Subsidiaries (as per Ind AS 27)	637.47	633.04
- Investment in Preference shares of Subsidiary	970.31	544.87
Measured at amortised cost		
- Trade receivables	2,777.46	1,743.29
- Cash and cash equivalents	263.24	240.39
- Other bank balances	271.47	265.14
- Other financial assets		
Non current	816.28	860.61
Current	-	29.16
Measured at Fair Value through P&L		
- Investment in Mutual Funds	331.71	739.74
Financial liabilities		
Measured at amortised cost		
- Borrowings		
Non current	-	-
Current	360.12	277.81
- Lease Liabilities		
Non current	34.01	39.19
Current	12.22	11.20
- Trade Payables	1,091.22	482.75
- Other Financial liabilities		
Non current	-	-
Current	86.83	15.30

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Fair value hierarchy

Particulars	As at March 31, 2025	As at March 31, 2024	Fair Value Hierarchy
- Investment in Mutual Funds	331.71	739.74	Level 2

In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair values. Hence, no separate disclosures of fair value has been made.

The fair value of investment in Mutual Fund is determined based on Net Assets Value published by respective funds (Level - 2 - Fair value hierarchy)

31.3 Financial risk management

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks.

The following disclosures summarize the Company's exposure to financial risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

31.3.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk, currency risk. Financial instruments affected by market risk includes borrowings, non-current investments, trade payables, trade receivables and current investments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to changes in interest rates primarily relates to outstanding floating rate debt and investments in fixed deposits. The company has investments in INR denominated fixed deposits and a portion of its working capital debt is denominated in foreign currency. These credit facilities are subject to periodic interest rate resets. Based on the past experience the variability of interest investments and working capital loan are not expected to be material. Further there are only short term foreign currency debt in the form of packing credit which are subject to minimal changes in interest rate during its term.

(b) Foreign currency risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Significant portion of the companies purchases and sales are denominated in foreign currency and hence, a natural hedge exists as a result of which, major foreign exchange fluctuations in import payables gets offset against export receivables. Apart from the above, exchange rate exposures are also managed within approved policy parameters by constant monitoring.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

Currency	Liabilities as at			
	As at March 31, 2025		As at March 31, 2024	
	Foreign Currency (In Millions)	INR (In Millions)	Foreign Currency (In Millions)	INR (In Millions)
EURO	0.03	2.78	0.04	3.20
GBP	0.06	6.44	0.01	1.80
SGD	0.00	0.12	-	-
JPY	868.30	492.76	557.11	306.80
USD	8.17	699.59	6.45	538.00

Currency	Assets as at			
	As at March 31, 2025		As at March 31, 2024	
	Foreign Currency (In Millions)	INR (In Millions)	Foreign Currency (In Millions)	INR (In Millions)
EURO	0.10	9.02	0.20	18.00
GBP	0.01	0.95	0.02	1.40
SGD	0.01	0.43	-	-
JPY	3.61	2.05	-	-
USD	27.75	2,374.66	24.57	2,021.40

Foreign Currency sensitivity analysis

The below table demonstrates the sensitivity to a 5% increase or decrease in the relevant foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonable possible change in foreign exchange rate.

Particulars	Impact on profit or loss for the year	
	As at March 31, 2025	As at March 31, 2024
A. Financial Assets		
EURO	0.45	0.90
GBP	0.05	0.07
SGD	0.02	-
JPY	0.10	-
USD	118.73	101.07
B. Financial Liabilities		
EURO	0.14	0.16
GBP	0.32	0.09
SGD	0.01	-
JPY	24.64	15.34
USD	34.98	26.90
Net Impact (A-B)	59.26	59.55

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Impact on total equity as at the end of the reporting period	
	As at March 31, 2025	As at March 31, 2024
A. Financial Assets		
EURO	0.34	0.68
GBP	0.04	0.05
SGD	0.01	-
JPY	0.07	-
USD	88.85	75.63
B. Financial Liabilities		
EURO	0.10	0.12
GBP	0.24	0.07
SGD	0.01	-
JPY	18.44	11.47
USD	26.18	20.13
Net Impact (A-B)	44.34	44.57

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

31.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies. Similarly, credit risk arising from investment in Mutual Funds are held without any collateral but credit risk is limited as the company deals with counterparties of repute and excellent track record.

31.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the contractual maturities of financial liabilities based on the earliest date on which the Company can be required to pay.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
March 31, 2025					
Borrowings	360.12	-	-	360.12	360.12
Lease Liabilities	12.22	23.42	10.59	46.23	46.23
Trade payables	1,091.22	-	-	1,091.22	1,091.22
Other Financial Liabilities	86.83	-	-	86.83	86.83
Total	1,550.39	23.42	10.59	1,584.40	1,584.40
March 31, 2024					
Borrowings	277.81	-	-	277.81	277.81
Lease Liabilities	11.20	29.79	9.40	50.39	50.39
Trade payables	482.75	-	-	482.75	482.75
Other Financial Liabilities	15.30	-	-	15.30	15.30
Total	787.06	29.79	9.40	826.25	826.25

NOTE 32: RELATED PARTY DISCLOSURES

(a) Names of Related Parties and nature of relationship :

List of related parties where control exists

(i) Subsidiaries	Avalon Technology & Services Pvt. Ltd.
	Sienna ECAD Technologies Pvt. Ltd.
	ABV Electronics Inc (D/B/A Sienna Corporation)
(ii) Key Management Personnel	Mr. Kunhamed Bicha-Chairman and Managing Director
	Mr. RM Subramanian - Chief Financial Officer (upto 07.11.2024)
	Mr. Suresh Veerappan-Chief Financial Officer (w.e.f. 08.11.2024)
	Mr. Rajesh V - Company Secretary (upto 30.11.2024)
	Mr. Ajay Shukla - Company Secretary (w.e.f. 05.02.2025)
(iii) Relatives of Key Management Personnel	Mr. T P Imbichammad - Father of Chairman and Managing Director
	Ms. Mariyam Bicha - Mother of Chairman and Managing Director
	Mr. Shamil Bicha - Brother of Chairman and Managing Director
(iv) Non-Executive Directors	Mr. Bhaskar Srinivasan - Director
	Mr. Luquman Veedu Ediyannam - Director
	Mr. Sareday Seshu Kumar-Director (upto17.12.2024)
	Ms. Nandita Abraham - Independent Director
	Mr. Venkataramani Anantharamakrishnan - Independent Director
	Mr. Chandar Pattabhiram - Independent Director
	Mr. Byas Unnikrishnan Nambisan - Independent Director
	Mr. Anees Ahmed - Independent Director (w.e.f. 24.10.2024)

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

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(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Transaction with	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a) Sales			
	Avalon Technology & Services Pvt. Ltd.	32.41	6.11
	ABV Electronics Inc (D/B/A Sienna Corporation)	2,396.66	1,467.58
		2,429.07	1,473.69
b) Purchases/ Expenses			
	Avalon Technology & Services Pvt. Ltd.	120.34	103.96
	Sienna ECAD Technologies Pvt. Ltd.	0.07	0.09
	ABV Electronics Inc (D/B/A Sienna Corporation)	709.15	767.38
		829.56	871.43
c) Remuneration to KMP*/ Relatives of KMP			
	Mr.Kunhamed Bicha	19.18	19.18
	Mr.RM Subramanian	7.50	10.76
	Mr.Rajesh V	1.64	2.22
	Mr.Suresh Veerappan	2.74	-
	Mr.Ajay Shukla S	0.55	-
	Mr.Shamil Bicha	7.66	7.17
		31.61	32.16
d) Management Consultancy Fees			
	Mr. T P Imbichammad	-	3.33
		-	3.33
e) Interest Income			
	Avalon Technology & Services Pvt. Ltd.	78.75	58.94
	ABV Electronics Inc (D/B/A Sienna Corporation)	33.68	-
		112.43	58.94
f) Dividend Income			
	ABV Electronics Inc (D/B/A Sienna Corporation)	30.85	5.12
		30.85	5.12
g) Reimbursement of expenses (receivable/ payable))			
	Sienna ECAD Technologies Pvt. Ltd.	(2.44)	(0.26)
	ABV Electronics Inc (D/B/A Sienna Corporation)	(8.62)	14.09
	Avalon Technology & Services Pvt. Ltd.	5.25	6.78
		(5.81)	20.61
h) Sale of Property, Plant and Equipment			
	Avalon Technology & Services Pvt. Ltd.	3.73	-
		3.73	-
i) Purchase of Property, Plant and Equipment			
	ABV Electronics Inc (D/B/A Sienna Corporation)	16.95	-
		16.95	-
j) Loans Granted			
	Avalon Technology & Services Pvt. Ltd.	100.00	590.00
		100.00	590.00

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Transaction with	For the Year ended March 31, 2025	For the Year ended March 31, 2024
k) Loan Repayment Received			
	Avalon Technology & Services Pvt. Ltd.	30.00	-
		30.00	-
l) Investment			
- through Equity Shares	Avalon Technology & Services Pvt. Ltd.	-	300.32
- through Preference Shares	ABV Electronics Inc (D/B/A Sienna Corporation)	425.44	-
		425.44	300.32
m) Corporate Guarantee given			
	ABV Electronics Inc (D/B/A Sienna Corporation)	770.23	-
	Avalon Technology & Services Pvt. Ltd.	500.00	-
		1,270.23	-
n) Corporate Guarantee Commission			
	ABV Electronics Inc (D/B/A Sienna Corporation)	1.94	-
		1.94	-
o) Stock option granted to the employees of subsidiary companies			
	Avalon Technology & Services Pvt. Ltd.	0.15	0.33
	Sienna ECAD Technologies Pvt. Ltd.	0.10	0.23
	ABV Electronics Inc (D/B/A Sienna Corporation)	4.18	1.39
		4.43	1.95
p) Directors' Sitting Fees			
	Mr. Chandar Pattabhiram	0.80	1.30
	Mr. Byas Unnikrishnan Nambisan	1.40	2.10
	Mr. Venkataramani Anantharamakrishnan	1.00	0.80
	Ms. Nandita Abraham	1.00	1.31
	Mr. Anees Ahmed	0.40	-
		4.60	5.51
q) Employee share based payment			
	Mr. R.M Subramanian*	-	-
	Mr. V Rajesh**	-	-
	Mr. Suresh Veerappan***	-	-
		-	-

* 132,300 options at exercise price of ₹ 20 per share were issued to Mr. RM Subramanian in FY 2022-2023 out of which 1,07,550 options were exercised during FY 2024-2025 and 24,750 options were exercised during FY 2023-2024.

** 3,150 options at exercise price of ₹ 20 per share were issued to Mr. V Rajesh in FY 2022-2023 out of which 394 options were exercised & 1,969 options were lapsed during FY 2024-2025 and 787 options were exercised during FY 2023-2024.

*** 11,900 options at exercise price of ₹ 20 per share were issued to Mr. Suresh Veerappan in FY 2022-2023 out of which 1,488 options were exercised during FY 2024-2025 and 2,975 options were exercised during FY 2023-2024.

Further in FY 2024-2025, company has issued 23,443 options at exercise price of ₹ 500 per share and 9,652 options at exercise price of ₹ 759 per share.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

II. Outstanding Balances at the year end

Particulars	Transaction with	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a) Amount owed by related parties			
	Avalon Technology & Services Pvt. Ltd.	795.73	751.88
	Sienna ECAD Technologies Pvt. Ltd.	-	1.84
	ABV Electronics Inc (D/B/A Sienna Corporation)	1,427.99	1,020.45
		2,223.72	1,774.17
b) Amount owed to related parties			
	Sienna ECAD Technologies Pvt. Ltd.	0.61	-
		0.61	-

NOTE 33: COMMITMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	117.84	26.90

NOTE 34: CORPORATE SOCIAL RESPONSIBILITY

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Gross amount required to be spent u/s 135 of the Companies Act, 2013	7.94	5.97
(b) Amount approved by the Board to be spent during the year	7.94	5.97
(c) Expenditure towards corporate social responsibility		
(i) Construction / acquisition of any asset	-	-
(ii) Purpose other than (i) above	7.94	6.04
Excess / (Shortfall)	-	0.07

34.1 EXCESS AMOUNT SPENT

Particulars	Year Ended	
	As at March 31, 2025	As at March 31, 2024
Opening Balance*	-	0.04
Amount required to be spent u/s 135 of the Companies Act, 2013	7.94	5.97
Expenditure towards corporate social responsibility	7.94	6.04
Closing Balance	-	(0.11)

*the company has not opted to carry forward the excess amount spent in the previous year.

34.2 CORPORATE SOCIAL RESPONSIBILITY – EXPENSES INCURRED TOWARDS

Particulars	Year Ended	
	As at March 31, 2025	As at March 31, 2024
Donation	5.91	1.18
Social Welfare expenses	2.03	4.86
Total	7.94	6.04

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 35: DUES TO MICRO AND SMALL ENTERPRISES

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the company. This has been relied upon by the auditors. According to the records available with the Company certain amount have been identified as dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.16	3.68
Interest on above	-	0.00
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	14.32
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.11
Interest due and payable towards suppliers registered under MSMED Act at the end of the year	0.08	0.11
Further interest remaining due and payable for earlier years	0.08	0.07

NOTE 36: DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company does not have any transactions with struck off companies during the year or any balance outstanding as at the year end.

NOTE 37: CONTINGENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the company not acknowledged as debt		
Income tax matters*	0.27	36.97
Provident Fund Demand*	6.57	6.57
Total	6.84	43.54

*The above amounts exclude interest and penalty (unless included in the original demand)

- Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/ authorities or final outcome of matter.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. In respect of matters where it is only possible, but not probable that outflow of economic resources would be required to settle the matter, the same are disclosed as contingent liability.
- The Company does not expect any reimbursements from third parties in respect of the above contingent liabilities.

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 38: UTILISATION OF IPO PROCEEDS

The Company has completed the Initial Public Offering of 19,839,446 equity shares of face value of ₹2 each at an issue price of ₹436 per equity share, consisting of a fresh issue of 7,339,449 equity shares aggregating to ₹3200 million and an offer for sale of 12,499,997 equity shares aggregating to ₹5450 million by the Selling Share Holders. Consequently, the equity shares of the company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f April 18, 2023.

The Company has received an amount of ₹ 2,995.70 Million (net of IPO expenses including GST thereon) from proceeds out of the fresh issue of equity shares. The utilisation of net IPO proceeds is summarised below:

(₹ In Millions)			
Objects of the issue as stated in the prospectus	Amount as per prospectus (A)	Utilisation upto March 31, 2024 (B)	Unutilised amount as on March 31, 2024 (A-B)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and one of our Material Subsidiaries, Avalon Technology and Services Pvt Limited [Refer (b) below]	1,450.00	1,450.00	-
Funding the working capital requirements of our Company	900.00	900.00	-
General corporate purposes [Refer (a) & (b) below]	644.00	645.70	-
Total	2,994.00	2,995.70	-

(a) As disclosed in the Prospectus, the amount to be spent for General Corporate Purposes is ₹ 644.00 Million which is arrived at as ₹ 850.00 Million less estimated issue expenses of ₹206.00 Million. Considering the actual issue expenses (including GST) of ₹ 204.30 Million, the amount utilised towards General Corporate Purposes stands at ₹ 645.70 Million.

(b) During 2023-24, the company has infused ₹ 890.02 million (including ₹ 711.39 million out of IPO proceeds) in one of its material subsidiaries, Avalon Technology and Services Private Limited, consisting of ₹ 300.02 Million as equity investment and ₹ 590.00 Million as unsecured loan.

NOTE 39: ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a) CIF Value of imports :		
i) Capital goods	64.21	5.00
ii) Raw materials; Components and spare parts;	3,745.16	2,645.81
	3,809.37	2,650.81
b) Expenditure in foreign currency		
Interest and bank charges	0.44	0.76
Repairs and maintenance	4.81	1.40
Others	23.03	8.29
	28.28	10.45

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

c) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption:

Particulars	2024-25		2023-24	
	Value	%	Value	%
i) Raw Materials				
a) Imported	4,030.66	83%	2,677.76	80%
b) Indigenous	803.07	17%	662.43	20%
	4,833.73	100%	3,340.19	100%
ii) Stores and Spare Parts				
a) Imported	0.08	10%	0.79	13%
b) Indigenous	0.74	90%	5.26	87%
	0.82	100%	6.05	100%

d) Earnings in foreign currency

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Export of goods on FOB basis (incl Deemed Exports)	4,163.40	3,047.76
Dividend income	30.85	5.12

e) Other Financial information

Particulars	As at March 31, 2025	As at March 31, 2024
i. Outstanding Letter of Credit	-	-
ii. Guarantees excluding financial guarantees	-	-
iii. Net exchange difference credited to Profit and Loss Statement	36.83	46.38

NOTE 40:

- The company does not have any long term contracts for which there were any material foreseeable losses.
- There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the reporting date.
- 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 person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- There are no funds which have been received by the company from any person(s) or entity(ies), 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- The Company is not declared as a wilful defaulter by any bank or financial institution or other lender or Government or Government authorities. Accordingly, no disclosures are made in this regard.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- The Company does not have any such transaction which is not recorded in the books of account 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).

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

- (h) The Company does not have any Benami property and no proceedings have been initiated or are pending against the company for holding any Benami property.

NOTE 41: RATIOS

S. No.	Particulars	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Variance (%)	Reasons
						2025 vs 2024	2025 vs 2024
1	Current Ratio	Current Assets	Current Liabilities	3.34	5.21	(35.89%)	1(i)
2	Debt-Equity Ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.06	0.05	14.78%	
3	Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	17.16	0.32	5229.44%	1(ii)
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	7.23%	4.88%	47.98%	1(iii)
5	Inventory Turnover Ratio	Sales	Average Inventory	3.39	2.42	40.38%	1(iv)
6	Trade receivables turnover ratio	Net Credit Sales	Avg. Trade Receivables	2.80	2.88	(3.09%)	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	6.00	6.23	(3.69%)	
8	Net capital turnover ratio	Net Sales	Working Capital (3)	1.61	1.08	49.42%	1(v)
9	Net Profit Ratio	Net Profit/(Loss) for the year	Net Sales	8.02%	7.37%	8.81%	
10	Return on capital employed	Earning before interest and taxes	Capital Employed (4)	9.18%	6.55%	40.30%	1(vi)
11	Return on Investment*	Refer note (5) below		7.74%	7.30%	6.03%	

* Investments in Mutual Funds and Fixed Deposit

- (1) Earning available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

- (2) Debt service = Interest & Lease Payments + Principal Repayments

- (3) Working capital shall be calculated as current assets minus current liabilities

- (4) Capital Employed = Tangible Net Worth(excluding Intangible Assets) + Total Debt

- (5) Return on Investment:

$$\frac{\{MV(T_1) - MV(T_0) - \text{Sum } [C(t)]\}}{\{MV(T_0) + \text{Sum } [W(t) * C(t)]\}}$$

$$\frac{\{MV(T_0) + \text{Sum } [W(t) * C(t)]\}}$$

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $\frac{[T_1 - t]}{T_1}$

Notes to Standalone Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Explanation for Variance in ratios by more than 25%

1. (March 2025 vs March 2024)

- (i) Decrease in Current ratio is due to increase in Trade payables.
- (ii) Increase in Debt Service Coverage ratio is due to significant decrease in repayment of borrowings during the year.
- (iii) Increase in Return on equity ratio is due to increase in Net profit during the year
- (iv) Increase in Inventory Turnover ratio is due to increase in Turnover during the year.
- (v) Increase in Net Capital Turnover ratio is due to increase in Turnover during the year
- (vi) Increase in Return on Capital Employed is due to increase in Earnings before Interest and Taxes during the year

NOTE 42: DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	Purpose
ABV Electronics, Inc. (Sienna Corporation)	Investment in Preference shares -Series B	425.44		- To support financial obligations and growth objectives
ABV Electronics, Inc. (Sienna Corporation)	Guarantees	770.23		- General Business purpose
Avalon Technology and Services Pvt Ltd	Investment in Equity shares	-	300.32	To meet the Working Capital requirements
Avalon Technology and Services Pvt Ltd	Loans given	100.00	590.00	To meet the Working Capital requirements
Avalon Technology and Services Pvt Ltd	Guarantees	500.00		- General Business purpose

NOTE 43:

Previous years figures have been regrouped / reclassified wherever necessary to conform to current year's classification / presentation.

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer

Independent Auditor's Report

To
The Members,
Avalon Technologies Limited
(formerly known as "Avalon Technologies (P) Limited")

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Avalon Technologies Limited (formerly known as "Avalon Technologies (P) Limited") (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate audited financial statements of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, of

its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditors Response
Revenue Recognition Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and allocation of the transaction price to the distinct performance obligations. Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.	In view of the significance of the matter, the following key audit procedures were performed by us: <ul style="list-style-type: none"> Assessed the compliance of the Group's revenue recognition accounting policies with applicable accounting standards Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis.

Key Audit Matter	Auditors Response
<p>The Group and its external stakeholders focus on revenue as a key performance metric, and hence, there may be a possibility for revenue to be overstated or recognised before control has been transferred. Accordingly, Revenue recognition has been identified as a key audit matter.</p> <p>See Note No. 1.2(C)(9) and Note No. 18 to the Consolidated Financial Statements.</p>	<ul style="list-style-type: none"> Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping document, customer acknowledgement, dispatch notes, etc. Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON (OTHER INFORMATION)

The Holding Company's management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report for the financial year 2024-25 but does not include the financial statements and our auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive loss, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective

Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Consolidated 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 Consolidated 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 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 made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements

including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

Materiality is the magnitude of misstatements in the consolidated 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 of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 consolidated 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.

OTHER MATTER:

The financial information in respect of the subsidiary company incorporated in the United States of America (whose financial statements reflects total Assets of ₹ 2,431.77million as at 31 March 2025; total Income of ₹ 5,605.30 million and Net Cash inflows amounting to ₹ 108.66 million for the year ended on that date) included in the consolidated financial statements are based on the Special Purpose Standalone Ind AS financial Statements of the said subsidiary prepared by the management based on the financial statements prepared in accordance with the US GAAP audited by the said subsidiary's auditor which have been restated by the Holding Company to comply with Ind AS. The audit report of the other auditor on the financial statements of the subsidiary prepared in accordance with the US GAAP for the year ended March 31, 2025, expressed an unmodified opinion on those financial statements. Adjustments to the said financial information of the subsidiary for the differences in accounting principles adopted by the Holding Company in accordance with Ind AS have been audited by us as stated in our report on the Special Purpose Standalone Ind AS financial Statements of the said subsidiary for the year ended March 31, 2025. Our opinion, insofar as it relates to the amounts included in respect of such subsidiary (other than the adjustments arising on restatement to Ind AS that have been audited by us) is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of a subsidiary as were audited by the other auditor, as noted in the "Other Matter" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company and its subsidiary companies incorporated in India so far as it appears from our examination of those books, except for certain matters in respect of audit trail as stated in paragraph 2(i)(v) below.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on April 01, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith are stated in para 2(b) above on reporting under 143(3)(b) and para 2(i)(v) below on reporting under Rule 11(g).
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India 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 internal financial controls with reference to consolidated financial statements of those companies.

- h) 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 according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act.
- i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 35 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - iv. (i) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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;
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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 (i) and (ii) above, contain any material misstatement.
- v. Based on our examination, which included test checks, the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in

the software, except that the feature of recording audit trail (edit log) facility was not seen enabled at the database layer of the accounting software used by the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act, during the year.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- vi. The Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have not declared or paid any dividend during the year and hence, the related reporting requirements under sub-clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma
Partner

Place: Chennai
Date: May 6, 2025

M No. 025854
UDIN : 25025854BMOBJH4280

ANNEXURE A

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING REPORT ON “OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AVALON TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31.03.2025

Clause (xxi) of Companies (Auditor’s Report) Order

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given in the respective auditors’ reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

Sl. No.	Name of the Entity	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Avalon Technologies Limited	L30007TN1999PLC043479	Holding Company	Clause (iib)
2	Avalon Technology and Services Private Ltd	U72100TN2008PTC068955	Subsidiary Company	Clause (iib)

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma
Partner

M No. 025854

UDIN : 25025854BMOBJH4280

Place: Chennai
Date: May 6, 2025

ANNEXURE B

REFERRED TO IN PARAGRAPH 2(G) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of Avalon Technologies Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 “Guidance Note”). 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 the respective 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 Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 consolidated 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company’s internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have in

all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies 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 **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma

Partner

M No. 025854

Place: Chennai

Date: May 6, 2025

UDIN : 25025854BMOBJH4280

Consolidated Balance Sheet

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A.	ASSETS			
	Non-Current Assets			
(a)	Property, plant and equipment	2	1,473.75	1,039.47
(b)	Capital Work in Progress	2	103.99	196.45
(c)	Right-of-Use assets	3A	333.21	409.35
(d)	Intangible Assets	3B	42.08	20.96
(e)	Financial Assets			
(i)	Investments	4A	17.77	-
(ii)	Other financial assets	5A	56.65	219.34
(f)	Deferred Tax Asset	12.1	156.06	179.51
(g)	Tax assets	12.2	28.52	50.96
(h)	Other Non Current Assets	6A	19.86	44.99
	Total Non-Current Assets		2,231.89	2,161.03
	Current Assets			
(a)	Inventories	7	3,378.99	3,163.42
(b)	Financial Assets			
(i)	Investments	4B	331.71	754.92
(ii)	Trade Receivables	8	3,160.05	1,868.56
(iii)	Cash and Cash Equivalents	9A	688.27	423.40
(iv)	Bank Balances other than (iii) above	9B	327.11	642.09
(v)	Other Financial Assets	5B	5.33	6.82
(c)	Other Current Assets	6B	275.41	228.64
	Total Current Assets		8,166.87	7,087.85
	TOTAL ASSETS		10,398.76	9,248.88
B.	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	10	132.31	131.43
(b)	Other Equity	11	5,983.16	5,341.98
	Total Equity		6,115.47	5,473.41
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13A	183.54	533.48
(ii)	Lease Liabilities	15A	276.15	345.56
(iii)	Other Financial Liabilities	15B	15.95	2.21
(b)	Provisions	16A	102.56	134.56
(c)	Deferred Tax Liabilities	12.1	18.66	14.52
	Total Non-Current Liabilities		596.86	1,030.33
	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13B	1,233.16	1,108.03
(ii)	Lease Liabilities	15A	106.97	98.89
(iii)	Trade Payables			
(a)	Micro and small enterprises	14	15.22	10.09
(b)	Others	14	1,878.31	963.95
(iv)	Other Financial Liabilities	15B	149.89	69.08
(b)	Other Current Liabilities	17B	256.09	460.64
(c)	Provisions	16B	46.79	21.62
(d)	Current tax Liabilities	12.2	-	12.84
	Total Current Liabilities		3,686.43	2,745.14
	Total Liabilities		4,283.29	3,775.47
	TOTAL EQUITY AND LIABILITIES		10,398.76	9,248.88
	Material Accounting Policies and key accounting estimates and judgements	1		
	See accompanying notes to financial statements			

As per our report of even date attached
For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

Sd/-
P R Prasanna Varma
Partner
Membership No. 025854

Place: Chennai
Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-
Kunhamed Bicha
Chairman & Managing Director
DIN: 00819707

Sd/-
Ajay Shukla
Company Secretary

Sd/-
Suresh Veerappan
Chief Financial Officer

Consolidated Statement of Profit and Loss

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I	Revenue from Operations	18	10,981.28	8,671.68
II	Other Income	19	171.06	148.06
III	Total Income (I+II)		11,152.34	8,819.74
IV	Expenses:			
	Cost of raw materials consumed	20	7,187.85	5,522.77
	Changes in inventories of finished goods, work-in-progress and stock in trade	21	(133.17)	0.55
	Employee benefit expenses	22	1,985.51	1,849.87
	Finance costs	23	167.04	164.01
	Depreciation and Amortisation Expenses	24	285.69	228.98
	Other expenses	25	792.29	673.01
	Total Expenses		10,285.21	8,439.19
V	Profit before tax (III-IV)		867.13	380.55
VI	Tax Expense:			
	(1) Current Tax	26	200.62	146.36
	(2) Tax of earlier years	26	3.04	0.16
	(3) Deferred Tax	26	29.08	(45.82)
			232.74	100.70
VII	Profit for the year (V - VI)		634.39	279.85
VIII	Other Comprehensive Income			
A. i)	Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans - Gratuity	30	(1.29)	1.49
	b) Fair value changes on Equity Instruments through other comprehensive income		11.75	-
ii)	Income tax relating to items that will not be reclassified to profit or loss	26.1	(2.83)	(0.37)
B. i)	Items that may be reclassified to profit or loss			
	a) Exchange differences in translating the financial statements of foreign operations		(24.75)	(13.75)
	Total other comprehensive income/(loss) A(i+ii) + B(i)		(17.12)	(12.63)
IX	Total Comprehensive Income/(Loss) for the year (VII+VIII)		617.27	267.22
X	Profit for the year			
	Attributable to:			
	Equity holders of the parent		634.39	279.85
	Non-controlling interests		-	-
XI	Other comprehensive income/(loss) for the year			
	Attributable to:			
	Equity holders of the parent		(17.12)	(12.63)
	Non-controlling interests		-	-
XII	Total comprehensive income/(loss) for the year			
	Attributable to:			
	Equity holders of the parent		617.27	267.22
	Non-controlling interests		-	-
XIII	Earnings Per Equity Share of ₹2 each, attributable to equity holders of the parent:			
	(a) Basic (In ₹)	27	9.62	4.29
	(b) Diluted (In ₹)	27	9.48	4.19
	Material Accounting Policies and key accounting estimates and judgements	1		
	See accompanying notes to financial statements			

As per our report of even date attached
For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

For and on behalf of the Board of Directors

Sd/-
P R Prasanna Varma
Partner
Membership No. 025854

Sd/-
Kunhamed Bicha
Chairman & Managing Director
DIN: 00819707

Sd/-
Suresh Veerappan
Chief Financial Officer

Place: Chennai
Date: May 6, 2025

Sd/-
Ajay Shukla
Company Secretary

Consolidated Statement of Changes in Equity

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Share Capital (A)	Reserves and Surplus				Other Equity		Sub - Total (J) = (B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)	Total (K) = (A)+(J)
		Foreign Currency Translation Reserve (B)	Securities Premium (C)	Capital reserve (D)	Economic Zone Re-investment Allowance Reserve (E)	Special Zone earnings (F)	ESOP Share Reserve (G)	Instrument through Comprehensive Income (H)	
Balance as at April 1, 2023	115.91	(94.77)	1,270.20	(614.30)	61.08	1,429.11	2.96	-	5,370.19
2023-24									
Profit for the year	-	-	-	-	-	279.85	-	-	279.85
Other comprehensive income/(loss) for the year, net of income tax	-	(13.75)	-	-	-	1.12	-	-	(12.63)
Issue of Equity Shares	14.68	-	3,185.32	-	-	-	-	(3,200.00)	(14.68)
Transfer from Retained Earnings to SEZ Reinvestment Reserve	-	-	-	-	7.92	(7.92)	-	-	-
Transfer from SEZ Reinvestment Reserve to Retained Earnings	-	-	-	-	(61.08)	61.08	-	-	-
Issue of shares against exercise of ESOP	0.84	-	8.91	-	-	-	(1.32)	-	7.59
Expense for issue of shares	-	-	(175.19)	-	-	-	-	-	(175.19)
Share based payment expense - Holding company	-	-	-	-	-	-	0.81	-	0.81
Share based payment expense - Other group companies	-	-	-	-	-	-	1.95	-	1.95
Balance as at March 31, 2024	131.43	(108.52)	4,289.24	(614.30)	7.92	1,763.24	4.40	-	5,341.98
2024-25									
Profit for the year	-	-	-	-	-	634.39	-	-	634.39
Other comprehensive income/(loss) for the year, net of income tax	-	(24.75)	-	-	-	(0.98)	-	8.61	(17.12)

Consolidated Statement of Changes in Equity

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Share Capital (A)	Reserves and Surplus					Equity Instrument through Comprehensive Income (H)	Other Equity Share Application Money pending allotment (I)	Sub - Total (J) = (B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)	Total (K) = (A)+(J)
		Foreign Currency Translation Reserve (B)	Securities Premium (C)	Capital reserve (D)	Economic Re-investment Allowance Reserve (E)	Special Zone earnings (F)				
Receipt on Share Application money against exercise of ESOP	-	-	-	-	-	-	-	6.59	6.59	6.59
Transfer from Retained Earnings to SEZ Reinvestment Reserve	-	-	-	-	43.96	(43.96)	-	-	-	-
Transfer from SEZ Reinvestment Reserve to Retained Earnings	-	-	-	-	(7.92)	7.92	-	-	-	-
Issue of shares against exercise of ESOP	0.88	-	9.75	-	-	-	(1.75)	-	8.00	8.88
Share based payment expense - Holding company	-	-	-	-	-	-	4.89	-	4.89	4.89
Share based payment expense - Other group companies	-	-	-	-	-	-	4.43	-	4.43	4.43
Balance as at March 31, 2025	132.31	(133.27)	4,298.99	(614.30)	43.96	2,360.61	11.97	8.61	5,983.16	6,115.47

Material Accounting Policies and key accounting estimates and judgements - Note 1

See accompanying notes to financial statements

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer

For and on behalf of the Board of Directors

Consolidated Statement of Cash Flows

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Cash flow from operating activities		
Profit before tax	867.13	380.55
Adjustments for :		
Finance costs recognised in profit or loss	142.80	113.02
Interest Income recognised in profit or loss	(48.77)	(15.08)
(Gain) / Loss on account of investments	(46.98)	(65.31)
(Gain) / Loss on disposal of property, plant and equipment	0.11	0.34
(Gain) / Loss on termination of lease	(0.10)	-
Allowance for Expected Credit Loss	11.61	17.71
Depreciation and Amortisation	285.69	228.98
Provision for Gratuity	24.95	22.12
Provision for Leave Encashment	9.88	22.10
Preference Dividend	24.24	38.49
Amounts no longer payable written back/(written off)	(0.88)	13.82
Employee Share based Payment	9.33	2.76
Net foreign exchange (gain) / loss - Unrealised	48.23	(8.58)
	1,327.24	750.92
Movements in working capital/ other changes :		
(Increase) / decrease in trade and other receivables	(1,290.69)	192.55
(Increase) / decrease in inventories	(201.29)	24.15
(Increase) / decrease in other assets	(51.63)	(109.09)
Increase / (decrease) in trade payables	839.20	(450.67)
Increase / (decrease) in provisions	(42.95)	(16.38)
Increase / (decrease) in other liabilities	(135.26)	(54.48)
Cash generated from operations	444.62	337.00
Income Tax paid	(194.06)	(164.11)
Net cash generated by operating activities (A)	250.56	172.89
Cash flow from investing activities		
(Acquisition)/ Proceeds from Sale of Property, Plant & Equipment	(461.79)	(355.20)
Interest received	44.40	14.75
(Payments)/ Proceeds from investments		
(Investment in) / Redemption of fixed deposits	491.06	(430.91)
(Investment in) / Redemption of mutual fund units	470.19	(689.63)
(Investment in) Equity Instruments	(5.88)	-
Net cash (used in) / generated by investing activities (B)	537.98	(1,460.99)
Cash flow from financing activities		
Proceeds from issue of Equity Shares (ESOP)	8.88	8.40
Proceeds from issue of Equity Shares pending for allotment (ESOP)	6.59	-
Proceeds from issue of Equity Shares through IPO (including Share of selling shareholders)	-	4,633.72
Payment towards Selling shareholders ("SS") (including share issue expenses towards SS)	-	(5,303.98)
Share issue expenses towards Company	-	(175.19)
Dividends paid on preference shares	(52.08)	(41.42)
Proceeds from / (Repayment of) Non Current borrowings	14.88	(380.71)
Proceeds from issue of Preference Share	12.68	194.55
Redemption of Preference Shares	(387.26)	(53.81)
Proceeds from / (Repayment of) Current borrowings	106.81	(1,199.37)
Repayment of Lease liability	(122.82)	(102.62)
Interest paid	(110.52)	(87.72)
Net cash used in financing activities (C)	(522.84)	(2,508.15)
Add: Effects of exchange differences on restatement of foreign currency cash and cash equivalents (D)	(0.83)	0.62
Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)+(D)	264.87	(3,795.63)
Cash and cash equivalents at the beginning of the year	423.40	4,219.03
Cash and Cash equivalents at the end of the year	688.27	423.40

Consolidated Statement of Cash Flows

(All amounts are in Million Indian Rupees unless otherwise stated)

Notes:

- (a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (INDAS-7) Statement of Cash flows.

(b) Cash and Cash equivalents comprises of	As at March 31, 2025	As at March 31, 2024
(i) Cash and Cash Equivalents		
(a) Balance with banks in current accounts	539.99	423.26
(b) Balance with banks in deposit accounts	147.96	-
(c) Cash on hand	0.32	0.14
Total	688.27	423.40

Non-cash financing activities:

Significant non cash movement in financing activities includes the following

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a) Lease liabilities recognised as per IND AS 116	Refer Note 3A	
b) Foreign exchange fluctuation on borrowings	Nil	5.97

Material Accounting Policies and key accounting estimates and judgements - Note 1

See accompanying notes to financial statements

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

NOTE-1

1 CORPORATE INFORMATION

Avalon Technologies Limited (formerly known as Avalon Technologies Private Limited) ("the Company" or "the Holding Company") is a company domiciled and incorporated in India. The company has converted from Private Limited company into a Public Limited Company with effect from 29th July, 2022. The company has its registered office situated at B-7, First Main Road, MEPZ-SEZ, Tambaram, Chennai – 600 045, Tamil Nadu, India. The company has three subsidiaries, two of which are incorporated in India and one in the United States of America. The Company together with its subsidiaries (collectively referred to as the "Group") are Electronics Manufacturing Service (EMS) providers with capabilities in Printed Circuit Assembly Boards (PCBA's), custom cable, wire harness, metal, plastic, magnetics components and assemblies with enhanced capabilities in engineering design and development.

2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

A BASIS OF PREPARATION

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act. Upto the year ended 31 March, 2021, the Company prepared the standalone financial statements in accordance with the requirements of the previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

The financial information included in these Consolidated Financial Statements in respect of M/s ABV Electronics Inc (D/B/A Sienna Corporation), a subsidiary of the company incorporated in the United States of America are based on the financial statements prepared in accordance with the US GAAP for the respective years, which have been duly adjusted for differences in accounting policies as compared to the accounting policy followed by the Group in accordance with Ind AS.

The Consolidated Financial Statements are prepared under historical cost convention except for certain Financial instruments that are measured at fair values at the end of each

reporting period, as explained in the accounting policies below.

All assets and liabilities have been classified as Current and non- Current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. (Current assets include the current portion of non-current Financial assets. All other assets are classified as non-current.)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current Financial liabilities. All other liabilities are classified as non-current.

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified 12 months as its operating cycle.

The Consolidated Financial Statements have been presented in Indian Rupees (₹ or INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned. Figures in brackets represents negative figures unless otherwise mentioned. “-” denotes zero or figures which are below the rounding off norms adopted by the Group.

B BASIS OF CONSOLIDATION

a. Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The Group consolidates the Financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment.

b. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related

NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit and loss.

d. Common control business combinations (CCBC) transactions

Business combinations of entities under common control are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts from the controlling parties' perspective.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The Financial information in the Financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Financial statements, irrespective of the actual date of the combination.
- (iv) The balance of the retained earnings appearing in the Financial statements of the transferor is aggregated with the corresponding balance appearing in the Financial statements of the transferee or is adjusted against general reserve.
- (v) The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

The details of Subsidiaries consolidated in these Financial statements are as given below

Company Name	Country of Incorporation	% of Shares held by the Holding Company	
		31 st Mar 2025	31 st Mar 2024
Avalon Technology and Services Private Limited	India	100%	100%
Sienna Ecad Technologies Private Limited*	India	100%	100%
ABV Electronics Inc (D/B/A Sienna Corporation)	United States of America	100%	100%

* 100 Equity shares representing 0.003% of the total share capital is held by one of the promoters; NCI in this regard is not separately recognised as the holding is insignificant.

C MATERIAL ACCOUNTING POLICIES

1 Use of Estimates

The preparation of the Consolidated Financial Statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions that affects the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non – refundable purchase taxes, after

deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Group has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

The cost of replacement spares/ major inspection related to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation on Property, Plant and Equipment (Tangible assets) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

Depreciation. However, If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on an annual review is different from that envisaged in the aforesaid schedule, depreciation is provided at a rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the useful life as indicated below which is different from that stated in Schedule II to the Companies Act, 2013.

Category	Useful life
Buildings	3 - 60 years
Plant and machinery	1 - 30 years
Air Conditioners	5 - 15 years
Computers	1 - 6 years
Electrical Fittings	2 - 15 years
Office equipment	3 - 10 years
Fire Protection Equipments	5 - 15 years
Furniture and fixtures	1 - 15 years
Vehicles	4 - 8 years
Tools*	1 - 5 years

* Useful life of tools are based on internal estimate of the Group. Tools and dies used are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 5 years. Tools and dies used for low volume products are depreciated at higher rate.

Depreciation charge on additions / deletions is restricted to the period of use. Depreciation methods, useful lives and residual values are reviewed annually.

3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful life as given below.

Category	Useful life
Patent	10 years
Trademark	10 years
Software	6 years

Amortization method and useful lives are reviewed annually.

4 Leases

As lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

purchase option will be exercised. Otherwise, Right-of-use assets are depreciated / amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment whether it will exercise an extension or a termination option.

5 Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows

expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognized.

6 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to revenue. In accordance with the ICAI Guidance Note on Schedule III to the Companies Act, 2013, exchange losses (net) relating to foreign currency borrowings to the extent not capitalized in accordance with Ind AS 23 is presented under finance costs.

7 Inventories

Cost of raw materials, components, stores and spares are ascertained on a moving weighted average cost basis. Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead. Such costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates taxes (not recoverable from the taxing authorities) and discounts. Goods that are consigned to the Group are not considered in inventory.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories as identified by the management are duly

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

provided for/ written down to the realizable value, as the case maybe.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

8 Foreign Currency Transaction

Functional Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the Functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

Exchange differences on reinstatement of all monetary items are recognized in the Statement of Profit and Loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Indian rupees (INR), the

functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (INR) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity separately under foreign currency translation reserve. The amounts recognized are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

9 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that the Group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and rebates offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow.

Sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

returns and allowances, trade discounts and volume rebates.

Advance from customers is recognized under other current liabilities which is released to revenue on satisfaction of performance obligation.

Rendering of Services

Revenue from design services are recognised over the contract term based on the percentage of services that are provided during the period with the total estimated services to be provided based on the input method. Income from other service activities are recognized at a point in time upon satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.

Revenue is recorded exclusive of Goods and Service Tax.

Other Income

Interest : Interest income is recognized on effective interest method taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognized when the right to receive dividend is established.

Insurance Claims : Insurance claims are accounted for on the basis of claims lodged with insurance Group and to the extent that there is a reasonable certainty in realizing the claims.

10 Share Based Payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised along with a corresponding increase in Employee Stock option Plan (ESOP) reserves in equity, over

the period in which the performance and/or service conditions are fulfilled, in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period recognised in employee benefits expense represents the movement in cumulative expense recognised as at the beginning and end of that period.

Performance conditions which are market conditions are taken into account when determining the grant date fair value of the awards. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

11 Employee Benefits

1. Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

2. Defined Contribution Plans

In respect of operations in India :

Contribution towards provident fund/ Employee State Insurance for employees working with the Group's operations in India is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of operations in United States of America (U.S.A):

The Group has a 401(K) plan offered to employees working with the Group's operations in U.S.A., which allows employees (meeting certain eligibility conditions) to contribute a predefined portion of salary towards a retirement savings account. The Group may make a discretionary match which will be determined each year, and has no further obligation in this regard.

3. Defined Benefit Plan

In respect of operations in India :

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") which is partially funded covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the other comprehensive income in the year in which they arise. Remeasurement recognized in other comprehensive income is reflected immediately in

retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits

In respect of operations in India :

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the Profit and Loss Statement in the year in which they arise.

12 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognized as part of the part of OCI.

Deferred tax is recognized for all the temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured using the tax

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Group re-assesses unrecognized deferred tax assets, if any and the same is recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation law.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period. MAT shall be treated as part of deferred tax assets.

13 Financial instruments

Initial recognition

The Group recognizes Financial assets and Financial liabilities when it becomes a party to the contractual provisions of the instruments. All Financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of Financial assets and Financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Financial liabilities and equity instruments: Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual

arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Instruments (including convertible preference shares) that meet the definition of 'Equity' in its entirety and which do not have any component of liability, is classified as Equity and grouped under 'Instruments entirely equity in nature'. Equity instruments are recorded at the proceeds received, net of direct issue costs. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

In case of equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Subsequent measurement

i. Financial assets carried at amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through profit or loss

A Financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

iii. Financial assets at fair value through Other Comprehensive Income

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of Financial instruments

The Group derecognizes a Financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for derecognition under IND AS 109. A Financial liability (or a part of a Financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

All Financial assets classified as at amortized cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

14 Fair Value

The Group measures Financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs that are unobservable for the asset or liability

15 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. All government grants are initially recognized by way of setting up as deferred income. Government grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are subsequently recognized in profit or loss on a systematic basis over the expected life of the related depreciable assets. Grants recognized in Profit and Loss as above are presented within other income or adjusted against the corresponding expenditure head as specifically disclosed thereunder.

16 Provisions and Contingent Liabilities

Provisions : Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

17 Segment Reporting

The Group is engaged in providing Electronics Manufacturing Services (EMS) with capabilities in printed circuit board assembly, custom cable and wire harnesses, etc. Since the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and to assess its performance, the entire operations are to be classified as a single business segment, namely EMS.

18 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. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting equity dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.

19 Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

20 Cash & Cash Equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

21 Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that The financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the critical judgements, assumptions concerning the future, and key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next Financial year.

3.1. Useful lives of property, plant and equipment

As described above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the

Notes to Consolidated Financial Statements

Significant accounting policies to Consolidated Financial Statements

management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2. Employee Benefits

The cost of defined benefit plans are determined using actuarial valuation, which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

3.3. Taxation

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements and tax expert opinions, including an estimation of the likely outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, based on estimates thereof. Significant assumptions are also involved in evaluating the recoverability of deferred tax assets recognised on unused tax losses.

3.4. Provisions and contingencies

Critical judgements are involved in measurement of provisions and contingencies and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

3.5 Impairment of Trade receivable – Expected Credit loss

The impairment provisions for trade receivables are based on assumptions about risk of default. The Group uses judgement in making these assumptions and selecting the inputs for the impairment calculation, based on Group's past history at the end of each reporting period

4. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the group w.e.f. April 1, 2024. The group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

As at March 31, 2025, there are no Ind AS Standards/ amendments that have been issued but are not yet effective.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 2: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Freehold Buildings	522.24	294.17
Plant and equipment	817.60	655.47
Air conditioners	5.88	5.12
Computers	55.37	38.09
Electrical Fittings	28.41	19.96
Furniture and Fittings	32.81	11.88
Vehicles	3.14	5.31
Office Equipments	5.59	6.56
Fire Protection Equipments	2.71	2.91
Sub-Total	1,473.75	1,039.47
Capital Work-in-progress	103.99	196.45
Total	1,577.74	1,235.92

Particulars	Freehold Buildings	Plant and equipment	Air conditioners	Computers	Electrical Fittings	Furniture and Fittings	Vehicles	Office Equipment	Fire Protection Equipment	Total
Balance as at April 1, 2023	272.77	745.85	6.93	59.52	31.84	14.10	11.39	8.68	3.55	1,154.63
Additions	59.65	185.06	0.50	7.34	0.84	3.00	0.52	1.52	0.74	259.17
(Disposals)/ Other adjustments	0.03	(1.58)	(0.16)	(3.53)	(0.16)	(0.11)	(0.02)	(0.24)	(0.03)	(5.80)
Currency Translation differences	-	5.63	-	0.01	-	0.05	-	0.01	-	5.70
Balance as at March 31, 2024	332.45	934.96	7.27	63.34	32.52	17.04	11.89	9.97	4.26	1,413.70
Additions	243.44	292.09	1.60	29.31	12.88	23.42	0.04	0.44	0.32	603.54
(Disposals)/ Other adjustments	-	(10.35)	(0.41)	(0.06)	-	(0.09)	(0.23)	-	-	(11.14)
Currency Translation differences	-	8.19	-	0.01	-	-	-	0.04	-	8.24
Balance as at March 31, 2025	575.89	1,224.89	8.46	92.60	45.40	40.37	11.70	10.45	4.58	2,014.34

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Accumulated Depreciation	Freehold Buildings	Plant and equipment	Air conditioners	Computers	Electrical Fittings	Furniture and Fittings	Vehicles	Office Equipment	Fire Protection Equipment	Total
Balance as at April 1, 2023	24.05	183.56	1.56	17.41	8.46	3.41	4.44	2.24	0.85	245.98
Depreciation expense	14.23	93.19	0.64	11.18	4.17	1.73	2.16	1.31	0.50	129.11
(Elimination on disposals)/ Other adjustments	-	(0.79)	(0.05)	(3.34)	(0.07)	-	(0.02)	(0.14)	-	(4.41)
Currency Translation differences	-	3.53	-	-	-	0.02	-	-	-	3.55
Balance as at March 31, 2024	38.28	279.49	2.15	25.25	12.56	5.16	6.58	3.41	1.35	374.23
Depreciation expense	15.37	128.01	0.51	12.02	4.43	2.46	2.03	1.45	0.52	166.80
(Elimination on disposals)/ Other adjustments	-	(4.69)	(0.08)	(0.04)	-	(0.06)	(0.05)	-	-	(4.92)
Currency Translation differences	-	4.48	-	-	-	-	-	-	-	4.48
Balance as at March 31, 2025	53.65	407.29	2.58	37.23	16.99	7.56	8.56	4.86	1.87	540.59
Particulars	Freehold Buildings	Plant and equipment	Air conditioners	Computers	Electrical Fittings	Furniture and Fittings	Vehicles	Office Equipment	Fire Protection Equipment	Total
Carrying amount as on March 31, 2024	294.17	655.47	5.12	38.09	19.96	11.88	5.31	6.56	2.91	1,039.47
Carrying amount as on March 31, 2025	522.24	817.60	5.88	55.37	28.41	32.81	3.14	5.59	2.71	1,473.75

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Capital Work-in-progress (CWIP)

Class-wise breakup of CWIP

Particulars	As at March 31, 2025	As at March 31, 2024
Factory building	24.08	155.22
Electrical Fittings	0.44	9.33
Plant and equipment	73.82	26.90
Others	5.65	5.00
Total	103.99	196.45

Ageing breakup of CWIP

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress *		
- Less Than 1 year	59.32	129.05
- 1-2 Years	44.67	67.40
- 2-3 Years	-	-
- More than 3 Years	-	-
Total	103.99	196.45

* The Group does not have any capital work-in-progress that has exceeded its cost compared to its original plan. Capital work-in-progress includes certain projects whose completion is overdue. Expected completion schedule of such projects are as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress - To be completed in		
- Less than 1 year	44.67	67.40
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Total	44.67	67.40

Status of Capital Work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress		
Factory building *	24.08	155.22
Electrical Fittings	0.44	9.33
Plant and equipment	73.82	26.90
Others	5.65	5.00
Subtotal	103.99	196.45
Projects temporarily suspended	-	-
Total	103.99	196.45

The title deeds of all immovable properties (other than properties where the group is lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

*Amount of borrowing cost capitalised during the year ended 31st March 2025 is NIL (31st March 2024- INR 0.29 million).

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE: 3A – RIGHT-OF-USE ASSETS

a) Right-of-Use Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of		
Leasehold land	73.73	85.32
Buildings	244.36	314.26
Computers	-	-
Vehicles	15.12	9.77
Total	333.21	409.35

a) Right-of-Use Assets

Particulars	Leasehold land	Buildings	Computers	Machinery & Equipment	Vehicles	Total
Balance as at April 1, 2023	100.08	376.34	5.20	16.50	11.47	509.59
Additions	15.21	138.43	-	-	4.40	158.04
(Disposals)/ Other adjustments	(4.34)	-	-	(16.50)	-	(20.84)
Currency Translation differences	-	5.63	-	-	-	5.63
Balance as at March 31, 2024	110.95	520.40	5.20	-	15.87	652.42
Additions	-	13.64	-	-	9.89	23.53
(Disposals)/ Other adjustments	-	-	-	-	(1.97)	(1.97)
Currency Translation differences	-	9.98	-	-	-	9.98
Balance as at March 31, 2025	110.95	544.02	5.20	-	23.79	683.96

Accumulated Depreciation	Leasehold land	Buildings	Computers	Machinery & Equipment	Vehicles	Total
Balance as at April 1, 2023	15.48	127.82	4.19	16.50	3.44	167.43
Depreciation expense	11.08	76.83	1.01	-	2.66	91.58
(Elimination on disposals)/ Other adjustments	(0.93)	-	-	(16.50)	-	(17.43)
Currency Translation differences	-	1.49	-	-	-	1.49
Balance as at March 31, 2024	25.63	206.14	5.20	-	6.10	243.07
Depreciation expense	11.59	89.27	-	-	3.85	104.71
(Elimination on disposals)/ Other adjustments	-	-	-	-	(1.28)	(1.28)
Currency Translation differences	-	4.25	-	-	-	4.25
Balance as at March 31, 2025	37.22	299.66	5.20	-	8.67	350.75

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Leasehold land	Buildings	Computers	Machinery & Equipment	Vehicles	Total
Carrying amount as on March 31, 2024	85.32	314.26	-	-	9.77	409.35
Carrying amount as on March 31, 2025	73.73	244.36	-	-	15.12	333.21

b) Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at the year end:

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	106.97	98.89
Non-current lease liabilities	276.15	345.56
Total	383.12	444.45

c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	444.45	357.08
Additions	19.33	158.04
Finance costs accrued during the year	36.44	33.23
(Deletions)/ Other adjustments	(0.80)	(4.79)
Payment of Lease liabilities	(122.82)	(102.62)
Currency translation differences	6.52	3.51
Closing balance	383.12	444.45

d) The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	106.97	98.89
One to five years	240.53	314.05
More than five years	35.62	31.51
Total	383.12	444.45

e) Others

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on lease liabilities	36.44	33.23
Expenses relating to short-term leases	6.89	23.61
Total cash outflows for leases	122.82	102.62

f) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

For leases of buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to not terminate (or to extend).
- If any lease hold improvements are expected to have a significant remaining value the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise it). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. During the current financial year, there were no material revisions in the lease terms.

g) Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

NOTE 3B: INTANGIBLE ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Trademark	0.04	0.04
Software Licence	42.04	20.92
Total	42.08	20.96

Particulars	Trademark	Software Licence	Total
Balance as at April 1, 2023	0.05	28.49	28.54
Additions	-	4.88	4.88
(Disposals)/ Other adjustments	-	(0.35)	(0.35)
Balance as at March 31, 2024	0.05	33.02	33.07
Additions	-	35.29	35.30
(Disposals)/ Other adjustments	-	-	-
Balance as at March 31, 2025	0.05	68.32	68.37

Accumulated Amortisation	Trademark	Software Licence	Total
Balance as at April 1, 2023	-	4.08	4.08
Amortisation expense	-	8.29	8.29
(Elimination on disposals)/ Other adjustments	0.01	(0.27)	(0.26)
Balance as at March 31, 2024	0.01	12.10	12.11
Amortisation expense	-	14.18	14.18
(Elimination on disposals)/ Other adjustments	-	-	-
Balance as at March 31, 2025	0.01	26.28	26.29

Particulars	Trademark	Software Licence	Total
Carrying amount as on March 31, 2024	0.04	20.92	20.96
Carrying amount as on March 31, 2025	0.04	42.04	42.08

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 4A: INVESTMENTS NON-CURRENT

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. (in millions)	Amount	No. (in millions)	Amount
(A) Investments in Equity Instruments				
Unquoted equity shares - Measured at FVTOCI				
(a) Ohmium International, Inc	0.21	17.77	-	-
2,05,578 Common Stock at \$ 0.334 each, fully paid up, par value \$0.00001 each.				
Total		17.77	-	-

Note 4A.1: Details of Income recorded in Other Comprehensive Income

Particulars	For the Year ended March 31, 2025			For the Year ended March 31, 2024		
	Gross	Tax	Net	Gross	Tax	Net
Net gain on remeasurement at Fair value	11.75	3.14	8.61	-	-	-

Note 4A.2

The Company designated the investments shown below as equity investments at FVOCI because these equity instruments represent investments that the Company intends to hold for long-term for strategic purposes.

Particulars	Fair value at March 31, 2025	Dividend recognised during the year 2024-25
Investments in Ohmium International Inc	17.77	-

NOTE 4B: INVESTMENTS CURRENT

Particulars	As at March 31, 2025			As at March 31, 2024		
	NAV per unit	No. (in millions)	Amount	NAV per unit	No. (in millions)	Amount
Unquoted Investments						
Investment in Mutual Funds - mandatorily measured at FVTPL						
-Nippon India Arbitrage Fund - Growth Plan	28.20	11.76	331.71	26.14	12.01	313.85
-Nippon India Liquid Fund - Growth Plan	-	-	-	5,908.93	0.08	441.07
Total			331.71			754.92

Particulars	As at March 31, 2025	As at March 31, 2024
	Amount	Amount
Aggregate value of unquoted investments	331.71	754.92
Aggregate amount of impairment in value of investments (included in the above)	-	-

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 5A: OTHER FINANCIAL ASSETS NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated :		
Security Deposits	45.12	42.32
Deposits with Statutory authorities	2.31	2.31
Fixed deposits having maturity more than 12 months	-	165.74
Others	9.22	8.97
Total	56.65	219.34

NOTE 5B: OTHER FINANCIAL ASSETS CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated :		
Unbilled Revenue	4.56	6.13
Advances recoverable in cash	0.77	0.69
Total	5.33	6.82

NOTE 6A: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated :		
Capital Advances	19.12	43.87
Prepaid Expenses	0.74	1.12
Total	19.86	44.99

NOTE 6B: OTHER CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated:		
Advances paid to suppliers	154.70	125.49
Government Grant Receivable - Stipend Reimbursement	1.43	6.95
Prepaid Expenses	49.04	46.06
Balance with Statutory authorities	69.60	49.64
Advances to employees	0.64	0.50
Total	275.41	228.64

NOTE 7: INVENTORIES

Particulars	As at March 31, 2025	As at March 31, 2024
(At lower of cost and net realisable value)		
Raw materials (including Goods In transit)	2,638.68	2,563.76
Work-in-process	294.05	201.73
Finished goods	401.44	360.59
Consumables, tools and dies	44.82	37.34
Total	3,378.99	3,163.42

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Note 7.1: The cost of inventories recognised as an expense during the year is as per Note No. 20,21 and under relevant heads in Note No. 25

Particulars	As at March 31, 2025	As at March 31, 2024
Cost of inventories recognised as an expense includes write-downs of inventory to net realisable value.	43.50	20.19

The mode of valuation of inventories has been stated in Note 1.C.7

For the Carrying Value of Inventories pledged as securities for borrowings, refer Note 13

NOTE 8: TRADE RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	3,160.05	1,868.56
Trade receivables – credit impaired	19.08	13.29
Sub -Total	3,179.13	1,881.85
Allowance for credit impaired (expected credit loss allowance)	(19.08)	(13.29)
Total	3,160.05	1,868.56
Current	3,160.05	1,868.56
Non-Current	-	-

8.1 Trade Receivables

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The provision matrix takes into account historical credit loss experience based on past trend of outstanding receivables over a rolling period of past 36 months.

Particulars	As at March 31, 2025	As at March 31, 2024
The range of provision created as a percentage of outstanding under various age groups	0.00% – 58.10%	0.00% – 62.36%

Movement in expected credit loss allowance	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	13.29	10.65
Movement in expected credit loss allowance on trade receivables	11.61	17.71
Amount written off during the year	(5.82)	(15.07)
Balance at end of the year	19.08	13.29

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

8.2 Trade receivables considered good – Unsecured

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2025	As at March 31, 2024
	Considered good	
Not Due	2,638.26	1,429.27
Less than 6 months	500.92	402.08
6 months –1 year	12.50	23.40
1–2 years	2.92	10.41
2–3 years	5.45	3.40
More than 3 years	–	–
Total	3,160.05	1,868.56

8.3 Trade receivables – credit impaired

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2025	As at March 31, 2024
	Credit Impaired	
Not Due	12.92	0.33
Less than 6 months	3.28	1.30
6 months –1 year	0.25	1.82
1–2 years	0.40	2.13
2–3 years	0.62	2.83
More than 3 years	1.61	4.88
Total	19.08	13.29

*There are no trade receivables that are overdue on account of any outstanding legal disputes.

NOTE 9 CASH AND BANK BALANCES

Note 9A: Cash and Cash Equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Banks		
In Current accounts	539.99	423.26
In deposit accounts (with original maturity < 3 months)	147.96	–
Cash on hand	0.32	0.14
Total	688.27	423.40

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Note 9B: Other Bank Balances

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in earmarked accounts		
In Fixed Deposit (Margin Money)	0.74	0.11
In Current accounts*	-	376.84
Balances with banks other than earmarked accounts		
In Fixed Deposit (with original maturity between 3 to 12 months)	326.37	265.14
Total	327.11	642.09

* The amount of ₹376.84 Million is restricted as required by the one of the subsidiary company's line of credit agreement, pending the creation of a Corporate Guarantee by the Holding Company.

NOTE 10 SHARE CAPITAL

Particulars	As at March 31, 2025	As at March 31, 2024
AUTHORISED :		
8,50,00,000 Equity Shares of ₹2/- each (2,00,000 Equity Shares of ₹100/- each)	170.00	170.00
5,00,000 Preference shares of ₹ 100/- each	50.00	50.00
	220.00	220.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
6,61,57,116 Equity shares of ₹2/- each, fully paid up (6,57,12,692 March 31, 2024)	132.31	131.43
Total	132.31	131.43

10.1 Reconciliation of number of shares

	As at March 31, 2025		As at March 31, 2024	
	No of Shares (in Nos)	Amount	No of Shares (in Nos)	Amount
Equity Shares of ₹ 2 each fully paid up				
At the beginning of the year	6,57,12,692	131.43	5,79,53,128	115.91
Add: Shares issued during the year#	-	-	73,39,449	14.68
Add: Shares issued during the year pursuant to exercise of employee stock options##	4,44,424	0.88	4,20,115	0.84
At the end of the year	6,61,57,116	132.31	6,57,12,692	131.43

(i) Pursuant to the Initial Public Offering, the Holding Company on April 12, 2023, allotted 73,39,449 Equity Shares at a face value of 2/- (Rupees Two) each for cash, at a premium of 434/- per share aggregating to ₹3200 Million.

Number of employee stock options granted (including Series C granted on September 24, 2024 - 88,919 and Series D granted on December 27, 2024 - 84,652) for the holding company's employees - 6,18,621 and for the subsidiaries employees - 13,34,700 and outstanding as at March 31, 2025 of the holding company - 2,77,700 and for the subsidiaries employees - 6,91,214. During the year ended March 31, 2025, the holding company has allotted 4,44,424 shares out of which 1,75,575 Equity shares for the holding company employees and balance for the subsidiaries employees.

Number of employee stock options granted for the holding company's employees - 5,20,050 and for the subsidiaries employees - 12,59,700 and outstanding as at March 31, 2024 of the holding company - 3,67,524 and for the subsidiaries employees - 9,51,923. During the year ended March 31, 2024, the holding company has allotted 4,20,115 shares out of which 1,52,526 Equity shares for the holding company employees and balance for the subsidiaries employees.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

10.2 Rights, preferences and restrictions attached to shares

The Holding Company has only one class of equity shares having par value of ₹2/- each. Each holder of the Equity Share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting. Repayment of Capital on liquidation will be in proportion to the number of equity shares held.

10.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Group:

Name of the Share holder	No of shares held as at			
	As at March 31, 2025		As at March 31, 2024	
	Nos.	%	Nos.	%
Kunhamed Bicha	1,44,26,212	21.81%	1,44,26,212	21.95%
Bhaskar Srinivasan	95,60,355	14.45%	95,60,355	14.55%
Luquman Veedu Ediyannam	36,19,291	5.47%	36,19,291	5.51%
Nippon India Small Cap Fund	37,89,162	5.73%	37,82,542	5.76%
KL Bicha Family Private Trust	39,78,993	6.01%	39,78,993	6.06%
		53.47%		53.83%

10.4 Details of Promoter shareholders of Equity shares at the end of the year

Name of the Promoter	No of shares held as at					
	As at March 31, 2025			As at March 31, 2024		
Promoters	No. of Shares	% of holding	% change during the year *	No. of Shares	% of holding	% change during the year *
TP Imbichammad	6,83,615	1.03%	(0.01%)	6,83,615	1.04%	(0.77%)
Kunhamed Bicha	1,44,26,212	21.81%	(0.14%)	1,44,26,212	21.95%	(8.12%)
Bhaskar Srinivasan	95,60,355	14.45%	(0.10%)	95,60,355	14.55%	(8.76%)
Mariyam Bicha	2,53,293	0.38%	(0.01%)	2,53,293	0.39%	(0.45%)
Trusts controlled by promoters						
K L Bicha Family Private Trust	39,78,993	6.01%	(0.05%)	39,78,993	6.06%	(0.81%)
Rehaan Family Private Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
Sameer Family Private Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
Zayed Family Private Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
Dolphin Family Trust	1,000	0.00%	(0.00%)	1,000	0.00%	(0.00%)
BBS Family Trust	22,73,710	3.44%	(0.02%)	22,73,710	3.46%	(0.46%)
KBS Family Trust	22,73,710	3.44%	(0.02%)	22,73,710	3.46%	(0.46%)
		50.56%			50.91%	

* % Change during the year represents the % change in total holding when compared to the previous year

10.5 Equity shares movement during 5 years preceding the reporting date

- Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash: Nil
- Sub-division of equity shares:

The Shareholders in their extra-ordinary general meeting dated 27.06.2022 had approved sub-division of each fully paid up equity share of nominal value of ₹ 100 (Rupees One Hundred Only), into fifty equity shares having a face value of ₹ 2/- (Rupees Two only) each. As a result of the same, the issued share capital has changed from 1,59,667 Equity Shares of ₹ 100/- each to 79,83,350 Equity Shares of ₹ 2/- each.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Consequently, the Authorised Share Capital of the Holding Company is changed to ₹ 220 millions divided into 8,50,00,000 Equity Shares of ₹2 each and 5,00,000 Preference Shares of ₹100/-each.

(iii) Issue of Bonus shares

As per recommendation of the Board of Directors in their meeting held on 24.06.2022 and approval of the shareholders dated 27.06.2022 the Holding Company had issued 4,79,00,100 bonus equity shares of face value of ₹ 2/- each in ratio of 6:1 (i.e. 6 Bonus Shares for every 1 Equity Share), which were allotted to the shareholders on 27.06.2022. Consequently, the issued, subscribed and paid-up share capital had increased to ₹ 111.76 Millions comprising of 5,58,83,450 equity shares of face value of ₹ 2/- each.

(iv) There are no shares bought back during the year of 5 years immediately preceding the reporting date.

NOTE 11: OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Securities Premium	4,298.99	4,289.24
Capital reserve	(614.30)	(614.30)
Special Economic Zone Re-investment Allowance Reserve	43.96	7.92
Retained Earnings	2,360.61	1,763.24
ESOP Share Reserve	11.97	4.40
Equity Instruments through Other Comprehensive Income	8.61	-
Share application money pending allotment	6.59	-
Foreign Currency Translation Reserve	(133.27)	(108.52)
	5,983.16	5,341.98

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Reserves and Surplus		
Securities Premium		
Balance as at the beginning of the year	4,289.24	1,270.20
Add : Issue of equity shares during the year	-	3,185.32
Less : Expenses for issue of shares	-	(175.19)
Add: Issue of shares against exercise of ESOP	9.75	8.91
Balance as at the end of the year	4,298.99	4,289.24
Capital Reserve		
Balance as at the beginning of the year	(614.30)	(614.30)
Balance as at the end of the year	(614.30)	(614.30)
Special Economic Zone Re-investment Allowance Reserve		
Balance as at the beginning of the year	7.92	61.08
Add: Transfer from Retained Earnings	43.96	7.92
Less : Transferred to Retained Earnings (out FY 2019-20 Reserve)	-	(46.31)
Less : Transferred to Retained Earnings (out FY 2020-21 Reserve)	-	(14.77)
Less : Transferred to Retained Earnings (out FY 2023-24 Reserve)	(7.92)	
Balance as at the end of the year	43.96	7.92

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Retained Earnings		
Balance as at the beginning of the year	1,763.24	1,429.11
Profit for the year	634.39	279.85
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation for the year (net of income tax)	(0.98)	1.12
Add: Transfer from SEZ Reserve (out FY 2020-21 Reserve)	-	46.31
Add: Transfer from SEZ Reserve (out FY 2022-23 Reserve)	-	14.77
Add: Transfer from SEZ Reserve (out FY 2023-24 Reserve)	7.92	-
Less: Transfer to Special Economic Zone Re-investment Allowance Reserve Account	(43.96)	(7.92)
Balance at the end of the year	2,360.61	1,763.24
ESOP Share Reserve		
Balance as at the beginning of the year	4.40	2.96
Add: Share based payment expense - Holding company (Refer Note: 29)	4.89	0.81
Add: Share based payment expense - Other group companies (Refer Note: 29)	4.43	1.95
Less: Issue of shares against exercise of ESOP	(1.75)	(1.32)
Balance as at the end of the year	11.97	4.40
(ii) Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	-	-
Add : Recognised in OCI during the year	11.75	-
Less: Tax on Above	(3.14)	-
Balance as at the end of the year	8.61	-
(iii) Share application money pending allotment		
Balance as at the beginning of the year	-	3,200.00
Add : Receipt of Share Application Money against Exercise of ESOP	6.59	-
Less : Issue of equity shares during the year (Refer Note. 10.1)	-	(3,200.00)
Balance as at the end of the year	6.59	-
(iv) Foreign Currency Translation Reserve		
Balance as at the beginning of the year	(108.52)	(94.77)
Add : Recognised in OCI during the year	(24.75)	(13.75)
Balance as at the end of the year	(133.27)	(108.52)
Total	5,983.16	5,341.98

Nature and Purpose of Other Reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of securities. The reserve is utilised in accordance with the provisions of the Act. During the year ended 31st March 2024, the securities premium has been utilised against share issue expense (net of tax benefit) in connection with the IPO of the Holding Company (Refer Note. 10.1)

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(b) Capital Reserve

This represents the capital reserve arising on accounting for common control business combinations and acquisition of non-controlling interest in Subsidiaries in earlier years. The amount of capital reserve represents the following:

- (a) difference between the consideration paid for acquisition and the share capital plus related securities premium of the acquired entities.
- (b) difference between the consideration paid for acquisition of non-controlling interests and the amount carried in the books in respect of non-controlling interests as on the date of acquisition.

(c) Special Economic Zone Re-investment Allowance Reserve

The Special Economic Zone (SEZ) Reinvestment Reserve has been created out of profit of eligible SEZ unit as per provisions of section 10AA(1)(ii) of the Income-tax Act, 1961 for acquiring new plant and machinery. Utilisations out of the same as per the extant provisions of the Income Tax Act, 1961, are reclassified from this reserve to retained earnings in the year of utilisation.

(d) Retained Earnings

Retained Earnings represents Group's cumulative earnings since its formation less the dividends / Capitalisation, if any. These reserves are free reserves which can be utilised for any purpose as may be required. All adjustments arising on account of transition to Ind AS are recorded here.

(e) ESOP Share Reserve

Employee stock option reserve relates to the share options granted by the Holding Company to the Holding Company's and subsidiary's employees under its stock option plan. (Refer No. 29)

(f) Equity instruments through Other Comprehensive Income

One of Subsidiary company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity. The subsidiary company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

(g) Share application money pending allotment

Share application money pending allotment represents amounts received towards issue of ESOP shares for which shares are pending to be allotted as at the balance sheet date.

(h) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

NOTE 12.1: DEFERRED TAX ASSET AND LIABILITIES

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (net)	156.06	179.51
Deferred tax liabilities (net)	(18.66)	(14.52)

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Recognized Deferred Tax Assets and Liabilities	As at March 31, 2025	As at March 31, 2024
Deferred tax assets are attributable to the following :		
Expenses allowable under tax on actual payment basis	24.00	19.32
Provision for impairment loss on trade receivables	4.03	2.18
Defined benefit obligation – Gratuity (allowable on payment basis)	24.90	23.80
Leases	7.96	5.02
Unused tax losses	147.79	178.99
Other Temporary Timing Differences	1.54	1.75
Total Deferred tax asset (A) *	210.22	231.06
Deferred tax liabilities are attributable to the following :		
Property plant and equipment & intangible assets	(64.17)	(58.76)
Other Temporary Timing Differences	(8.65)	(7.24)
Leases	-	(0.07)
Total Deferred tax liability (B) *	(72.82)	(66.07)

* On gross basis without offsetting.

Movement in temporary differences during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance *	164.99	130.36
Tax income /(expense) during the year recognized in Profit or loss/ MAT credit utilised	(29.08)	45.82
Tax income /(expense) during the year recognised in OCI	0.31	(0.37)
Exchange differences in deferred tax asset/ liabilities arising on translation of the financial statements of foreign operations	1.18	(10.82)
Closing balance *	137.40	164.99

* Netted off for presentation purpose only.

Considering the forecasts of future performance and resultant cash flows, the management is of the opinion that the balance deferred tax assets (including deferred tax asset recognised in respect of unused tax losses) available as at the year end will be realized against future taxable profits.

Note 12.2: Tax Assets and (Liabilities) [Net]

Particulars	As at March 31, 2025	As at March 31, 2024
Tax Assets		
Advance payment of Tax and Tax Deducted at Source	28.52	50.96
Total	28.52	50.96

Tax liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Income Tax (payable)/Recoverable [Net]		
Tax Payable	-	12.84
Total	-	12.84

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 13A: BORROWINGS NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Term Loans (Refer Note 13.1 below)		
From Others	18.80	3.64
Financial Instruments classified as Liability (Refer Note 13.2 below)		
500,000 (March 31, 2024 - 40,05,000) of 10% Series A Cumulative preference shares, with no par value	42.79	333.91
14,25,000 (March 31, 2024 - 23,50,000) of 2.5% Series B Cumulative preference shares, with no par value	121.95	195.93
Total	183.54	533.48
The above amount includes:-		
Secured Borrowings	18.80	3.64
Unsecured Borrowings	164.74	529.84
Total	183.54	533.48

NOTE 13B: BORROWINGS CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Term Loans		
From Others	8.68	29.36
Other Loans (Refer Note 13.3 below)		
From Banks	1,224.48	1,078.67
Total	1,233.16	1,108.03
The above amount includes:-		
Secured Borrowings	1,233.16	1,108.03
Unsecured Borrowings	-	-
Total	1,233.16	1,108.03

Note 13.1 - Details of Non Current Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
ABV Electronics Inc (D/B/A Sienna Corporation)		
Small Business Administration - EIDL LOAN	11.73	11.73
Balboa Equipment Loan	15.75	21.27
Less :Current maturities of long term debt	8.68	29.36
TOTAL	18.80	3.64

Interest is charged by the lender on the above borrowings as per the respective terms of sanction or as laid out in the respective agreements.

Note 13.2 - Details of Security

Particulars	Details of Repayment/ Security
ABV Electronics Inc (D/B/A Sienna Corporation)	
Small Business Administration - EIDL LOAN	Economic Injury Disaster Loan payable on monthly principal instalment of \$ 731 plus interest through July 2051; collateralized by the assets of the company.
Balboa Equipment Loan	Balboa Capital; payable in quarterly principal installments of \$28,691 plus interest at a rate of 8.9% through February 2027; collateralized by equipment.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Note 13.2 – Preference Shares

- (i) ABV Electronics Inc. (D/B/A Sienna corporation) has 5,00,000 (40,05,000) Cumulative, Non Participating, 10% Preferred stock with no par value (Series A) of \$1 which is redeemable by either the company or the holder at any point of time by giving appropriate notice in accordance with the terms of issue.

ABV Electronics Inc. (D/B/A Sienna corporation) has 14,25,000 (23,50,000) Cumulative, Non Participating, 2.5% Preferred stock with no par value (Series B) of \$1 which is redeemable by either the company or the holder at any point of time by giving appropriate notice in accordance with the terms of issue.

Note 13.3 – Details of Current Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Avalon Technologies Limited		
Indian Bank – Packing Credit (EPC) Foreign Currency Loan (USD/INR)	-	100.10
HDFC Bank Limited – Export Packing Credit (INR)	220.00	100.00
HDFC Bank Limited – Working capital demand loan	-	77.71
Bank of India – Packing Credit (INR)	80.00	-
Indian Bank – Cash Credit	60.12	-
Avalon Technology & Services Pvt. Ltd.		
Indian Bank – Packing Credit (INR)	176.29	-
HDFC Bank Limited – Export Packing Credit (INR)	89.00	50.49
ABV Electronics Inc (D/B/A Sienna Corporation)		
Standard Chartered Bank – Revolving line of Credit	599.07	750.37
TOTAL	1,224.48	1,078.67

Particulars	Details of Repayment/ Security
Avalon Technologies Limited	
Indian Bank	<p>Primary: First pari passu charge on the entire current assets of the company both present and future along with other member banks. Hypothecation of stocks, book debts and machinery/utilities and underlying export bills.</p> <p>Collateral: First pari passu charge on the movable fixed assets of the company. First Pari Passu charge on the superstructure constructed on the leased lands situated on the leased lands situated in B7 & B8, MEPZ, Phase 1 & 2, Tambaram, Chennai along with other member banks.</p>
Bank of India	<p>Principal: First pari passu charge by way of hypothecation of stocks, book debts of the company both present and future along with other lenders under Multiple Banking Arrangement. First pari passu charge on the movable fixed assets of the company.</p> <p>Collateral: First Pari Passu charge on the superstructure constructed on the leased lands situated on the leased lands situated in B7 & B8, MEPZ, Phase 1 & 2, Tambaram, Chennai along with other lenders under Multiple Banking Arrangement.</p>
HDFC Bank Limited	First Pari Passu charge on the current assets of the company, movable fixed assets of the company and Factory land and building situated at MEPZ phase-2, Tambaram Sanitorium, Chennai, B-7, 1 st Main road, MEPZ SEZ, Tambaram, Chennai – 45 with other member banks.
ABV Electronics Inc (D/B/A Sienna Corporation)	
	<ol style="list-style-type: none"> 1. First Pari Passu Charge over current assets both present and future with Regions Bank. 2. Personal guarantee by Mr. Kunhamed Bicha and Mr. Bhaskar Srinivasan will be released when next renewal is due, subject to satisfactory financial performance of both – ABV Electronics Inc(Standalone) & Avalon Group (Consolidated)

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Details of Repayment/ Security
Standard Chartered Bank - Revolving line of Credit	3. Corporate Guarantee by the Holding company 4. Deposit of INR 16 Crores with SCB from Avalon Technologies Limited. The company has duly complied with all such conditions as of the balance sheet date. Conditions 2 and 4 were subsequently released by SCB in the following financial year.
Avalon Technology & Services Pvt. Ltd.	
Indian Bank	(i) Primary: First pari passu charge on the entire current assets of the company both present and future along with HDFC Bank. Hypothecation of stocks and book debts, underlying export bills. (ii) Guarantee: Corporate guarantee of the Holding company ATL. (iii) Collateral: EM over the super structure of the factory building located Madras Export Processing Zone, SEZ. Hypothecation of movables and other fixed assets.
HDFC Bank Limited	(i) Primary: First pari passu charge on the current assets and movable fixed assets of the company along with Indian Bank.

13.4 The Group has used the borrowings from banks availed during the year for the specific purpose for which it was taken.

13.5 There have been no defaults in repayment of interest and principal dues during the year.

13.6 The Quarterly stock statements filed by the Company with banks in accordance with the terms of sanction of respective credit facilities along with the reconciliation and reasons for differences are as follows:

Avalon Technologies Limited

Name of Bank and Particulars of Security	Period	Particulars	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q1	Inventory*	1,909.07	1,909.07	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	1,817.81	1,818.47	(0.66)	
		Trade Payables*	463.76	468.31	(4.55)	

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Avalon Technologies Limited

Name of Bank and Particulars of Security	Period	Particulars	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q2	Inventory*	1,725.55	1,725.55	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	2,493.26	2,493.25	0.01	
		Trade Payables*	721.13	721.00	0.13	
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q3	Inventory*	1,777.21	1,777.21	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	2,317.46	2,317.33	0.13	
		Trade Payables*	800.01	800.23	(0.21)	
Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q4	Inventory	1,804.51	1,804.51	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables	2,777.46	2,778.36	(0.90)	
		Trade Payables	988.25	989.42	(1.16)	

*Unaudited figures

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(All amounts are in Million Indian Rupees unless otherwise stated)

Avalon Technology and Services Private Limited

Name of Bank and Particulars of Security	Period	Particulars	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Indian Bank and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q1	Inventory*	765.00	764.98	0.02	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	591.69	591.69	-	
		Trade Payables*	152.36	152.36	-	
Indian Bank and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q2	Inventory*	798.19	798.19	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	819.96	817.07	2.89	
		Trade Payables*	195.89	195.89	-	

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(All amounts are in Million Indian Rupees unless otherwise stated)

Avalon Technology and Services Private Limited

Name of Bank and Particulars of Security	Period	Particulars	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Indian Bank and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q3	Inventory*	917.11	917.11	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables*	999.10	1,003.10	(4.00)	
		Trade Payables*	273.66	273.56	0.10	
Indian Bank and HDFC Bank Ltd : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q4	Inventory	974.73	974.73	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, overhead adjustments in valuation of inventory, provisions, unadjusted credits, re-grouping between receivable and payable balances and other adjustments which are made in the books (for practical reasons) only after submission of the periodic current asset position to bank.
		Trade Receivables	811.29	811.28	0.01	
		Trade Payables	280.03	279.74	0.29	

*Unaudited figures

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 14: TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro and Small Enterprises	15.22	10.09
Others	1,878.31	963.95
Total	1,893.53	974.04

Ageing of Trade Payables - Other than MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2025	As at March 31, 2024
Not Due	885.67	314.08
Less than 1 Year	947.57	649.57
1-2 years	44.96	0.27
2-3 years	0.11	0.03
More than 3 years	-	-
Total	1,878.31	963.95

Ageing of Trade Payables - MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2025	As at March 31, 2024
Not Due	8.57	3.69
Less than 1 Year	6.65	6.40
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	15.22	10.09

*There are no trade payables that are overdue on account of any outstanding legal disputes

NOTE 15A: LEASE LIABILITIES NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Lease obligations (Refer Note No. 3A)	276.15	345.56
Total	276.15	345.56

NOTE 15A : LEASE LIABILITIES CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Lease obligations (Refer Note No. 3A)	106.97	98.89
Total	106.97	98.89

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 15B: OTHER FINANCIAL LIABILITIES NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Payable for Capital Purchases	15.95	2.21
Total	15.95	2.21

NOTE 15B : OTHER FINANCIAL LIABILITIES CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due	-	0.15
Employee Related dues	94.17	22.35
Dividend Accrued but not due	-	28.75
Other payable	-	1.98
Payable for Capital Purchases	55.72	15.85
Total	149.89	69.08

NOTE 16A: PROVISIONS NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits (Refer Note : 30)		
Provision for defined benefit plan	75.33	91.38
Provision for compensated absences	27.23	43.18
Total	102.56	134.56

NOTE 16B: PROVISIONS CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits (Refer Note : 30)		
Provision for defined benefit plan	32.58	11.86
Provision for compensated absences	14.21	9.76
Total	46.79	21.62

Note 16.1:

The group manufactures products in compliance with customer specifications. Though it does not provide warranty covering design defects, it warrants that it will without charge, repair, replace or credit, as it may elect, any products which are proved to be defective as a result of failure in it's workmanship for a certain period from the date of delivery, as per the terms of its contract with customers. Since the group has not experienced material warranty costs in the past, the management has determined that no provision for estimated future warranty obligations is required to be recognised in the books.

NOTE 17B: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Advances from Customers	135.55	356.91
Statutory Payables	57.67	56.22
Others	62.87	47.51
Total	256.09	460.64

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 18: REVENUES FROM OPERATIONS

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue from contract with customers		
Sale of Products	10,130.23	7,953.31
Sale of services	828.88	698.09
Sub-Total	10,959.11	8,651.40
Other operating revenues		
Scrap Sales	22.17	20.28
Total	10,981.28	8,671.68

18.1 Disaggregation of revenue information

The group is engaged in Electronics Manufacturing Services (EMS) with capabilities in Printed Circuit Assembly Boards (PCBA's), custom cable, wire harness, metal, plastic, magnetics components and assemblies with enhanced capabilities in engineering design and development. As per the management, the disaggregation of revenue based on geography are depicted in Note 28.2.

18.2 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Receivables, included under trade receivables (Refer Note 8)	3,160.05	1,868.56
Unbilled Revenue (Refer Note 5B)	4.56	6.13
Contract liabilities included under advance from customers (Refer Note 18.3)	135.55	356.91

18.3 Movement of Contract Liabilities

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Amounts included in Contract liabilities at the beginning of the year	356.91	435.45
Amounts received or (adjusted)/(Performance obligation satisfied) during the year (Net)	(221.36)	(78.54)
Amounts included in Contract liabilities at the end of the year	135.55	356.91

NOTE 19: OTHER INCOME

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(a) Interest income earned		
On Financial assets (at amortised cost)	46.66	14.95
(b) Other non-operating income (net of expenses directly attributable to such income, as applicable)		
Amounts no longer payable written back	5.75	3.42
Gain/(Loss) on account of Investments designated at FVTPL - Mutual Funds*	46.98	65.31
Insurance Claim received (Net)	0.30	0.93

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Gain/(Loss) on account of foreign exchange fluctuations (Net)	54.90	46.58
Interest on IT refund	2.11	0.25
Others (aggregate of items) (Refer Note no: 19.1)	14.36	16.62
Total	171.06	148.06

* includes ₹ 54.09 Millions (previous year ₹ 36.48 Millions) as net gain on sale of Mutual Funds.

NOTE 20: COST OF RAW MATERIALS CONSUMED

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Raw material and components consumed		
Opening inventory	2,563.76	2,590.85
Add : Purchases*	7,262.77	5,495.68
Less : Inventory at the end of the year	2,638.68	2,563.76
Total	7,187.85	5,522.77

*Consumption based accounting is followed for the issue of materials and accordingly purchase is a derived figure.

NOTE 21: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Opening Stock:		
Work-in-progress	201.73	276.21
Finished goods	360.59	286.66
Closing Stock:		
Work-in-progress	294.05	201.73
Finished goods	401.44	360.59
(Increase) / Decrease in Stocks	(133.17)	0.55

NOTE 22: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries, Wages and Bonus (Refer Note 22.1)	1,740.62	1,633.19
Contribution to Provident and Other Funds (Refer Note 30)	67.38	59.46
Gratuity (Refer Note 30)	24.95	22.12
Compensated Absences (Refer Note 30)	10.25	22.42
Staff Welfare Expenses	132.99	109.92
Share Based Payment Expense (Refer Note 29)	9.32	2.76
Total	1,985.51	1,849.87

During the year ended March 31, 2025 the group has recognised an amount of ₹ 58.78 Million (31st March 2024 - ₹ 79.24 Millions as remuneration to key managerial personnel. The details of such remuneration are as follows:

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Remuneration to Key Managerial Personnel

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Short term employee benefits	55.40	77.41
Post Employment benefits*	1.70	1.51
Share based payment	1.68	0.32
Total	58.78	79.24

* As the future liabilities of gratuity and compensated absences are provided on an actuarial basis for the group as a whole, the amounts pertaining to key managerial person is not ascertainable separately and therefore, not included above.

Note 22.1:

The Group had recognised a Government Grant being the estimated value of reimbursement towards stipend paid to apprentices under the National Apprentice Training Scheme, once it is reasonably certain that the group had met the related conditions and also that the grant would be received. The amount has been netted off against corresponding stipend expense in Note No. 22- Employee Benefit Expenses. During the year, based on evaluation of the recoverability of the amount by the management, an amount of ₹3.54 Million (31st March 2024 - ₹16.91 Million) has been written off. The Group does not anticipate any issues in realisation of the balance amount.

NOTE 23: FINANCE COSTS

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest Expense of		
Loans (at amortised cost)	88.18	68.18
Obligations under finance lease	36.44	33.23
Exchange differences regarded as an adjustment to borrowing costs	-	5.97
Dividend on Preference Shares considered as borrowings (at Amortized Cost)	24.24	38.49
Other borrowing costs and charges	18.18	18.14
Total	167.04	164.01

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Depreciation on Property, plant and equipment (Refer Note 2)	166.80	129.11
Depreciation on Right-of-Use assets (Refer Note 3A)	104.71	91.58
Amortisation of Intangible assets (Refer Note 3B)	14.18	8.29
Total Depreciation and amortisation expenses	285.69	228.98

NOTE 25: OTHER EXPENSES

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rent	6.89	23.61
Rates & Taxes	28.01	20.46
Power & Fuel	89.27	76.49
Consumables	34.85	35.69
Tools & Dies	9.11	7.84
Freight Outwards	167.78	102.49

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Repairs & Maintenance		
Buildings	31.55	22.11
Plant & Equipments	83.37	56.38
Others	15.87	14.80
Vehicle Maintenance	2.64	1.81
Printing & Stationery	10.20	10.91
Insurance	18.53	22.68
Communication Expenses	10.75	11.19
Allowance for expected credit loss (net) (refer Note No.8.1)	11.61	17.71
Directors sitting fees	4.60	5.51
Payment to Auditors	5.92	5.42
Travelling & Conveyance	49.74	47.86
Professional Charges	88.20	82.58
Business Promotion expenses	30.11	22.71
Amounts no longer recoverable written off	4.87	17.24
Security Charges	14.64	10.48
Loss on Sale of Property, Plant and Equipment	0.11	0.34
Software license charges	11.92	14.58
General Expenses	2.30	4.26
Contribution towards Corporate Social Responsibility	11.89	9.16
Miscellaneous Expenses	47.56	28.70
Total	792.29	673.01

NOTE 26: INCOME TAX EXPENSE

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Current tax		
In respect of current year	200.62	146.36
In respect of earlier years	3.04	0.16
Total	203.66	146.52
Deferred tax		
In respect of current year	29.08	(45.82)
Deferred tax recognised in profit or loss	29.08	(45.82)
Total income tax expense	232.74	100.70

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit before tax	867.13	380.55
Income Tax expense calculated at statutory tax rates	230.88	97.86
Effect of expenses that are not deductible in determining taxable profit	6.92	3.35
Effect of concessions(u/s 10AA and u/s 80JJAA)	(20.04)	-
Effect of income that is exempt from taxation (Sec.10AA and 80JJAA)	-	(15.58)
Change in deferred tax balances due to change in income tax rate	-	0.33
Tax relating to earlier years	3.20	2.22
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	(0.22)
Effect of interest u/s 234 B & C	1.37	0.06
Reclassification of dividend payable to preference shareholders	14.74	10.97
Others	(4.33)	1.71
Income Tax expense recognised in profit or loss	232.74	100.70

Tax Rate	For the Year ended March 31, 2025	For the Year ended March 31, 2024
The Range of enacted tax rate across various tax jurisdictions in which group operates	25.17% to 29.12%	25.17% to 29.12%

26.1: Income tax recognised in other comprehensive income

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
a) Income tax expense on remeasurement benefit/(loss) of defined benefit plans	0.31	(0.37)
b) Income tax on Fair value changes on Equity instruments through OCI	(3.14)	-
Total income tax recognised in other comprehensive income	(2.83)	(0.37)

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 27: EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I) Basic Earnings per share		
Profit for the year attributable to the equity holders of the company (A)	634.39	279.85
Net	634.39	279.85
Weighted average no of shares outstanding (B) (Refer III below)	6,59,69,315	6,52,35,479
Total basic earnings per share (A/B) (in ₹)	9.62	4.29
II) Diluted Earnings per share		
Profit for the year attributable to the equity holders of the company (A)	634.39	279.85
Net	634.39	279.85
Weighted average no of shares outstanding (B) (Refer III below)	6,69,35,605	6,67,51,074
Total diluted earnings per share (A/B) (in ₹)	9.48	4.19
III) Reconciliation of weighted average number of shares:		
Equity shares	6,59,69,315	6,52,35,479
Weighted Average number of shares: Basic	6,59,69,315	6,52,35,479
Effect of ESOP	9,66,290	15,15,595
Weighted Average number of shares: Diluted	6,69,35,605	6,67,51,074

- (i) Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year, respectively adjusted for effect of dilution.
- (ii) Impact of dilution on weighted average number of shares is computed after factoring the impact of ESOP. (Refer note 10)
- (iii) Share transactions that have occurred during 2023-24:
- (a) Issue of ordinary shares - The Holding Company has issued 73,39,449 Equity Shares at a face value of 2/- each for cash, at a premium of 434/- per share through Initial Public Offer (IPO).
- (b) Issue of ordinary shares - The Holding Company has issued 4,20,115 Equity Shares at a face value of 2/- each for cash, at a premium of 18/- per share upon exercise of Employee stock options by the eligible employees.
- (iv) Share transactions that have occurred during 2024-25:
- (b) Issue of ordinary shares - The Company has issued 4,44,424 Equity Shares at a face value of 2/- each for cash, at a premium of 18/- per share upon exercise of Employee stock options by the eligible employees.

NOTE 28. SEGMENT REPORTING

The Group is engaged in providing Electronics Manufacturing Services (EMS) with capabilities in printed circuit board assembly, custom cable and wire harnesses, etc. Since the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and to assess its performance, the entire operations are to be classified as a single business segment, namely EMS. The geographical segments considered for disclosure are - India, U.S.A and Rest of the World.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

28.1 Details of manufacturing facilities :

All the manufacturing facilities are located in India and in the United States of America

Facilities located in India – Chennai and Bangalore.

Facilities located in U.S.A – Atlanta and Fremont.

28.2 Geographical Information

Particulars	Revenue from external customers	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
India	4,186.64	3,746.98
U.S.A	6,225.59	4,620.54
Rest of World	569.05	304.16
Total	10,981.28	8,671.68

Particulars	Non-current assets**	
	As at March 31, 2025	As at March 31, 2024
India	1,641.60	1,252.87
U.S.A	311.43	413.36
Total	1,953.03	1,666.23

** Non-current assets are used in the operations of the Group to generate revenues both in India and outside India.

28.3 Information about major customers (>10% of total sales)

Revenue from one external customer having more than 10% each of the Group's total revenue amounting to ₹ 1213.62 million for March 31, 2025. (Revenue from one external customer having more than 10% each of the Group's total revenue amounting to ₹ 870.24 million for March 31, 2024).

NOTE: 29 – SHARE BASED PAYMENTS

During the financial year 2022-23, in pursuant to resolutions adopted by the Board of Directors and Shareholders both dated July 7, 2022, the Group has instituted the ESOP Scheme, which is an equity settled share based payment scheme. The ESOP Scheme has been instituted to grant stock options exercisable into Equity Shares to eligible employees of the Group. In terms of the ESOP Scheme, grants to eligible employees will be made by the Nomination and Remuneration Committee or the Board, based on the determination of a criteria described under ESOP Scheme.

The ESOP Scheme has been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Shareholders of the Holding Company, through their resolution dated July 7, 2022, have approved a maximum of 3,000,000 options, exercisable into 3,000,000 Equity Shares under the ESOP Scheme. The vesting period under the ESOP Scheme shall be a minimum of one and a maximum of seven years, and the specific vesting schedule applicable to each employee will be as mentioned in the letter of grant issued to such employee. Employees covered by the plan are granted an option to purchase shares subject to certain vesting conditions. Each employee share option converts into one equity share of the Company on exercise of option.

The Board of the Holding Company at its meeting held on July 19, 2022 had granted 17,79,750 options under the ESOP Scheme. Subsequently, the Board at its meetings held on September 24, 2024 & December 27, 2024 have granted 88,919 options & 84,652 options respectively.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

The following table sets forth the particulars of the ESOP Scheme, including options granted thereunder.

(A) Details of options granted under ESOP 2022 are as below

Grant	Grant Date	No. of options granted	No. of options outstanding	Weighted average Exercise price (₹)	Vesting Period	Weighted Average remaining Contractual life as at 31st March, 2025	Weighted Average Fair Value at grant date*
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series A	19.07.2022	8,89,300	2,86,939	20	Ranging from 1 to 2 years	2.14	3.7
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series B	19.07.2022	8,90,450	5,08,404	20	Ranging from 1 to 4 years	3.37	4.66
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series C	24-09-24	88,919	88,919	500	Ranging from 1 to 5 years	5.34	210.65
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series D	27-12-24	84,652	84,652	759	Ranging from 1 to 5 years	3.48	426.84

* Represents cost recorded by the holding Company based on fair valuation report

(B) Vesting Schedule

Particulars	Series A	Series B	Series C	Series D
At the end of 1 year of service from grant date	50%	25%	20%	25%
At the end of 2 years	50%	25%	20%	20%
At the end of 3 years	0%	25%	25%	20%
At the end of 4 years	0%	25%	25%	20%
At the end of 5 years	0%	0%	10%	15%

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(C) Reconciliation of outstanding options

Particulars	Series A	Weighted average exercise price per Option	Series B	Weighted average exercise price per Option	Series C	Weighted average exercise price per Option	Series D	Weighted average exercise price per Option
As at 1st April 2023	8,89,300	20.00	8,90,450	20.00	-	-	-	-
Granted during the year	-	-	-	-	-	-	-	-
Vested during the year	4,45,150	20.00	2,22,334	20.00	-	-	-	-
Expired during the year	(28,350)	20.00	(11,838)	20.00	-	-	-	-
Exercised during the year	(2,72,575)	20.00	(1,47,540)	20.00	-	-	-	-
As at 31st March 2024	5,88,375		7,31,072		-		-	
Granted during the year	-	-	-	-	88,919	500.00	84,652	759.00
Vested during the year	4,45,150	20.00	2,55,410	20.00	-	-	-	-
Expired during the year	(16,552)	20.00	(63,128)	20.00	-	-	-	-
Exercised during the year	(2,84,884)	20.00	(1,59,540)	20.00	-	-	-	-
As at 31st March 2025	2,86,939		5,08,404		88,919		84,652	

(D) The fair value of the options granted is determined by an Independent Registered Valuer using the Black-Scholes model. The various inputs considered by the valuer in computation of fair value are as follows

Grant date	Grant date share price (Fair value)	Exercise price	Dividend yield	Risk free interest rate	Expected life of options granted	Expected volatility#
Grant 1 - 19.07.2022	15.12*	20.00	-	6.86% - 7.06%	2.5 to 3.5 years	40.02%
Grant 2 - 19.07.2022	15.12*	20.00	-	6.86% - 7.31%	2.5 to 5.5 years	40.02%
Series C - 24.09.2024	568.4**	500.00	-	6.68% - 6.70%	2 to 6 years	26.31%
Series D - 27-12-2024	948.6**	759.00	-	6.72% - 6.78%	1.17 to 5.17 years	46.13%

* The grant date share price (Fair value) of underlying shares has been determined by an Independent Registered Valuer under the Discounted Cash Flow Method considering the estimated free cash flows during the explicit future period based on the assumptions and conditions that existed on the date of such valuation.

** The grant date share price (Fair value) of underlying shares has been determined by considering the closing price of the company's share on the NSE Limited.

The expected volatility was determined on the basis of movement of stock prices of comparable companies for a fixed period prior to the valuation date.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(E) Expense recognised in the statement of Profit and Loss

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Employee share based payment expenses (Refer Note No.22)	9.32	2.76

NOTE 30 EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

The Group (except ABV Electronics Inc (D/B/A Sienna Corporation)) participates in a defined contribution plan on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

ABV Electronics Inc (D/B/A Sienna Corporation) has a 401(k) plan offered to employees meeting certain eligibility requirements which allows employees to contribute a predefined portion of salary towards a retirement savings account and the Group may make a discretionary match which will be determined each year.

The major defined contribution plans operated by the Group (except ABV Electronics Inc (D/B/A Sienna Corporation)) are as below:

(a) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

(b) Employees State Insurance

In accordance with the Employee's State Insurance Act, 1948, eligible employees of the Group are entitled to receive benefits in respect of employee insurance, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

B. Defined benefit plans

The defined benefit plans operated by the Group (except ABV Electronics Inc (D/B/A Sienna Corporation)) are as below:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees, which is funded with HDFC Life Group UL Future Secure Plan. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government / high quality bond yields; if the return on plan asset is below the aforementioned rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability;
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Details of defined benefit obligation and plan assets:

C. Gratuity

(i) Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	106.92	91.29
Current Service Cost	18.27	15.57
Interest cost	7.25	6.68
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in financial assumptions	5.48	3.28
Actuarial gains and losses arising from experience adjustments	(4.27)	(4.77)
Benefits paid	(12.82)	(5.13)
Closing defined benefit obligation	120.83	106.92

(ii) Movements in the fair value of the plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	3.68	0.03
Interest income	0.58	0.13
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.08)	-
Contributions from the Employer	20.49	3.52
Benefits paid	(11.74)	-
Closing fair value of plan assets	12.93	3.68

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	120.83	106.92
Less : Fair value of plan assets	(12.93)	(3.68)
Funded status	107.90	103.24
Net liability arising from defined benefit obligation	107.90	103.24

(iv) Amounts recognised in Statement of Profit and Loss (including other comprehensive income) in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Service Cost :		
Current Service cost	18.27	15.57
Net interest Expense	6.67	6.55
Components of defined benefit costs recognised in profit or loss	24.95	22.12
Remeasurement on the net defined benefit liability :		
Actuarial (gains) / losses arising from changes in financial assumptions	5.48	3.29
Actuarial (gains) / losses arising from experience adjustments	(4.26)	(4.78)
Return on plan assets (more)/ less than the expected based on the discount rate	0.08	-
Components of defined benefit costs recognised in other comprehensive income/(loss)	1.29	(1.49)
Total	26.24	20.63

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation	
	As at March 31, 2025	As at March 31, 2024
Discount Rate(s)	6.65% - 6.85%	7.18% - 7.23%
Expected Rate(s) of salary increase	5% - 10.00%	7.40% - 10.00%
Attrition Rate	14.00% - 20.00%	14.00% - 20.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Sensitivity Analysis

Change in assumption	As at March 31, 2025	As at March 31, 2024
A. Discount Rate + 100 BP		
Defined Benefit Obligation [PVO]	110.73	98.02
Current Service Cost	(10.13)	(8.86)
B. Discount Rate - 100 BP		
Defined Benefit Obligation [PVO]	132.72	117.23
Current Service Cost	11.87	10.35
C. Salary Escalation Rate + 100 BP		
Defined Benefit Obligation [PVO]	130.00	114.90
Current Service Cost	9.15	8.03
D. Salary Escalation Rate - 100 BP		
Defined Benefit Obligation [PVO]	112.37	99.68
Current Service Cost	(8.48)	(7.19)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis for all the periods presented.

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2025	As at March 31, 2024
Year 1	13.19	9.71
Year 2	6.93	11.83
Year 3	8.72	6.01
Year 4	6.84	7.71
Year 5	8.32	6.00
Next 5 Years	34.61	34.94

D. Leave obligations

The leave obligations cover the Group (except ABV Electronics Inc (D/B/A Sienna Corporation)) liability for earned leave.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

Principal Actuarial Assumptions at Balance Sheet date	As at March 31, 2025	As at March 31, 2024
Discount rate	6.65% - 6.85%	7.18% - 7.23%
Expected rate of salary increase	5% - 10.00%	7.40% - 10.00%
Attrition rate	14.00% - 20.00%	14.00% - 20.00%

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 31 FINANCIAL INSTRUMENTS

31.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at the year end, the Group has only one class of equity shares.

31.2 Categories of financial instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Measured at amortised cost		
- Trade receivables	3,160.05	1,868.56
- Cash and cash equivalents	688.27	423.40
- Bank Balances other than above	327.11	642.09
- Other financial assets (Current)	5.33	6.82
- Other financial assets (Non-Current)	56.65	219.34
Measured at Fair Value through P&L		
- Investment in Mutual Funds	331.71	754.92
Measured at Fair Value through OCI		
- Investment in Equity Instruments	17.77	-
Financial liabilities		
Measured at amortised cost		
- Borrowings		
Non current	183.54	533.48
Current	1,233.16	1,108.03
- Lease Liabilities		
Non current	276.15	345.56
Current	106.97	98.89
- Trade payables	1,893.53	974.04
- Other Financial liabilities	165.84	71.29

Fair value hierarchy

Particulars	As at March 31, 2025	As at March 31, 2024	Fair Value Hierarchy
- Investment in Mutual Funds designated at FVTPL	331.71	754.92	Level 2
- Investment in Equity Instruments designated at FVTOCI	17.77	-	Level-3

In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair values. Hence no separate disclosures of fair value has been made.

The fair value of investment in Mutual Fund is determined based on Net Assets Value published by respective funds (Level - 2 - Fair value hierarchy)

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(All amounts are in Million Indian Rupees unless otherwise stated)

The fair value of investment in Equity instruments is determined based on Fair Value published by third party trading platform which is based on past secondary market transactions (Level - 3 - Fair value hierarchy) in the same equity shares. The past transaction considered for this purpose represents the most recent observable transaction for the same equity instrument. However, as the shares are not actively traded and no active market exists, the measurement has been classified as Level 3. Significant Unobservable Inputs used in the fair value measurement are the last transaction price as above and appropriate illiquidity discount thereon. These inputs are considered to be interrelated to the extent that they reflect market participant assumptions in pricing the asset under current market conditions. The fair value of the unlisted equity investment is sensitive to changes in the transaction price and liquidity discount, the impact of which is however not considered material. Management has concluded that the valuation method and significant unobservable inputs used to measure fair value are appropriate in the circumstances and consistent with the objective of measuring fair value as per Ind AS 113.

There were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the year ended.

31.3 Financial risk management

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks.

The following disclosures summarize the Group's exposure to financial risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market risks on the financial results, cash flows and financial position of the Group.

31.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and current investments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to changes in interest rates primarily relates to the companies outstanding floating rate debt and investments in fixed deposits. The group has investments in INR denominated fixed deposits and a portion of it's working capital debt is denominated in foreign currency. These credit facilities are subject to periodic interest rate resets. Based on the past experience the variability of interest investments and working capital loan are not expected to be material. Further there are only short term foreign currency debt in the form of packing credit which are subject to minimal changes in interest rate during it's term.

(b) Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Significant portion of the Group's purchases and sales are denominated in foreign currency and hence, a natural hedge exists as a result of which, major foreign exchange fluctuations in import payables gets offset against export receivables. Apart from the above, exchange rate exposures are also managed within approved policy parameters by constant monitoring.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

Currency	Liabilities as at			
	As at March 31, 2025		As at March 31, 2024	
	Foreign Currency (In Millions)	INR (In Millions)	Foreign Currency (In Millions)	INR (In Millions)
EURO	0.08	7.77	0.05	5.51
GBP	0.07	7.46	0.03	2.89
JPY	868.30	493.17	575.33	316.95
USD	9.03	772.76	7.70	642.02
SGD	0.00	0.12	-	-
	877.48	1,281.28	583.12	967.38

Currency	Assets as at			
	As at March 31, 2025		As at March 31, 2024	
	Foreign Currency (In Millions)	INR (In Millions)	Foreign Currency (In Millions)	INR (In Millions)
EURO	0.13	11.98	0.20	18.00
GBP	0.01	0.97	0.01	1.43
SGD	0.01	0.43	-	-
JPY	3.61	2.05	-	-
USD	13.63	1,166.81	10.09	813.60
	17.38	1,182.23	10.30	833.03

Foreign Currency sensitivity analysis

The below table demonstrates the sensitivity to a 5% increase or decrease in the relevant foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonable possible change in foreign exchange rate. Assets and Liabilities denominated in USD in respect of the Group's subsidiary in U.S.A has not been considered for the below disclosure since the functional currency of the said subsidiary is US Dollars.

Particulars	Impact on profit or loss for the year	
	As at March 31, 2025	As at March 31, 2024
A. Financial Assets		
EURO	0.60	0.90
GBP	0.05	0.07
SGD	0.02	-
JPY	0.10	-
USD	58.35	40.68
B. Financial Liabilities		
EURO	0.39	0.16
GBP	0.37	0.09
SGD	0.01	-
JPY	24.66	15.34
USD	38.63	26.90
Net Impact (A-B)	(4.94)	(0.84)

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Impact on total equity as at the end of the reporting period	
	As at March 31, 2025	As at March 31, 2024
A. Financial Assets		
EURO	0.45	0.68
GBP	0.04	0.05
SGD	0.01	-
JPY	0.07	-
USD	43.66	30.44
B. Financial Liabilities		
EURO	0.29	0.12
GBP	0.28	0.06
JPY	18.45	11.48
USD	28.91	20.13
Net Impact (A-B)	(3.70)	(0.62)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

31.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure to its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies. Similarly, credit risk arising from investment in Mutual Funds are held without any collateral but credit risk is limited as the group deals with counterparties of repute and excellent track record.

31.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the contractual maturities of financial liabilities based on the earliest date on which the Group can be required to pay.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
As at March 31, 2025					
Borrowings	1,233.16	183.54	-	1,416.70	1,416.70
Lease Liabilities	106.97	240.54	35.61	383.12	383.12
Trade payables	1,893.53	-	-	1,893.53	1,893.53
Other Financial Liabilities	149.89	15.95	-	165.84	165.84
Total	3,383.55	440.03	35.61	3,859.19	3,859.19
As at March 31, 2024					
Borrowings	1,108.03	533.48	-	1,641.51	1,641.51
Lease Liabilities	98.89	314.05	31.51	444.45	444.45
Trade payables	974.04	-	-	974.04	974.04
Other Financial Liabilities	69.08	2.21	-	71.29	71.29
Total	2,250.04	849.74	31.51	3,131.29	3,131.29

NOTE 32A- RELATED PARTY DISCLOSURES

(a) Names of Related Parties and nature of relationship :

List of related parties where control exists

(i) Subsidiaries	Avalon Technology & Services Pvt. Ltd.
	Sienna ECAD Technologies Pvt. Ltd.
	ABV Electronics Inc (D/B/A Sienna Corporation)
(ii) Key Management Personnel	Mr. Kunhamed Bicha-Chairman and Managing Director
	Mr. RM Subramanian - Chief Financial Officer (upto 07.11.2024)
	Mr. Suresh Veerappan-Chief Financial Officer (w.e.f 08.11.2024)
	Mr. Rajesh V - Company Secretary (upto 30.11.2024)
	Mr. O J Sathish - CEO of Sienna ECAD Technologies Pvt. Ltd.
(iii) Relatives of Key Management Personnel	Mr. Ajay Shukla - Company Secretary (w.e.f 05.02.2025)
	Mr. T P Imbichammad - Father of Chairman and Managing Director
	Mrs. Mariyam Bicha - Mother of Chairman and Managing Director
(iv) Non-Executive Directors	Mr. Shamil Bicha - Brother of Chairman and Managing Director
	Mr. Bhaskar Srinivasan - Director
	Mr. Sareday Seshu Kumar-Director (upto17.12.2024)
	Mr. Luquman Veedu Ediyannam - Director
	Mr. Chandar Pattabhiram - Independent Director
	Mr. Byas Unnikrishnan Nambisan - Independent Director
	Mr. Venkataramani Anantharamakrishnan - Independent Director
	Ms. Nandita Abraham - Independent Director
	Mr. Anees Ahmed - Independent Director (w.e.f. 24.10.2024)

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Group.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

32B THE FOLLOWING ARE THE DETAILS OF THE TRANSACTIONS AND BALANCES AS PER IND AS 24

Particulars	In the books of	Transaction with	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I. Details of Transactions				
a) Remuneration to KMP/ Relative of KMP				
	Avalon Technologies Limited	Mr. Kunhamed Bicha	19.18	19.18
		Mr. RM Subramanian	7.50	10.76
		Mr. Rajesh V	1.64	2.22
		Mr. Suresh Veerappan	2.74	-
		Mr. Ajay Shukla S	0.55	-
		Mr. Shamil Bicha	7.66	7.17
	Sienna ECAD Technologies Pvt. Ltd.	Mr. O J Sathish	5.70	5.10
	ABV Electronics Inc (D/B/A Sienna Corporation)	Mr. Kunhamed Bicha	4.55	8.23
		Mr. Bhaskar Srinivasan	7.58	26.26
			57.10	78.92
b) Management Consultancy Fees				
	Avalon Technologies Limited	Mr. T P Imbichammad	-	3.33
	Avalon Technology & Services Pvt. Ltd.	Mr. T P Imbichammad	5.00	-
			5.00	3.33
c) Issue of preference shares				
	ABV Electronics Inc (D/B/A Sienna Corporation)	Mr. Kunhamed Bicha	12.84	70.87
		Mr. Bhaskar Srinivasan	-	41.69
			12.84	112.56
d) Directors Sitting Fees				
	Avalon Technologies Limited	Mr. Chandar Pattabhiram	0.80	1.30
		Mr. Byas Unnikrishnan Nambisan	1.40	2.10
		Mr. Venkataramani Anantharamakrishnan	1.00	0.80
		Ms. Nandita Abraham	1.00	1.31
		Mr. Anees Ahmed	0.40	-
			4.60	5.51
e) Employee Share Based Payment *				
	Avalon Technologies Limited	Mr. RM Subramanian	-	-
		Mr. V Rajesh	-	-
		Mr. Suresh Veerappan	-	-
	Sienna ECAD Technologies Pvt. Ltd.	Mr. OJ Sathish	-	-
			-	-

* 132,300 options at exercise price of ₹ 20 per share were issued to Mr. RM Subramanian in FY 2022-2023 out of which 1,07,550 options were exercised during FY 2024-2025 and 24,750 options were exercised during FY 2023-2024.

** 3,150 options at exercise price of ₹ 20 per share were issued to Mr. V Rajesh in FY 2022-2023 out of which 394 options were exercised & 1,969 options were lapsed during FY 2024-2025 and 787 options were exercised during FY 2023-2024.

*** 11,900 options at exercise price of ₹ 20 per share were issued to Mr. Suresh Veerappan in FY 2022-2023 out of which 1,488 options were exercised during FY 2024-2025 and 2,975 options were exercised during FY 2023-2024. 23,443 options at exercise price of ₹ 500 per share and 9,652 options at exercise price of ₹ 759 per share were issued to Mr. Suresh Veerappan in FY 2024-25."

* 65,800 options at exercise price of ₹ 20 per share were issued to Mr. O.J.Sathish in FY 2022-2023 out of which 12,338 options exercised during FY 2024-2025 and 24,675 options excercised during FY 2023-2024.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE: 33 COMMITMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	161.86	39.98
(b) Other Commitments	-	15.71

NOTE: 34 DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group does not have any transactions with struck off companies during the year or any balance outstanding as at the year end.

NOTE: 35 CONTINGENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the group not acknowledged as debt		
Income tax demand*	6.49	43.19
Provident Fund demand*	6.57	6.57
Indirect tax matters*	14.53	-
Total	27.59	49.76

* The above amounts exclude interest and penalty (unless included in the original demand)

- Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/ authorities or final outcome of matter.
- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required.

In respect of matters where it is only possible, but not probable that outflow of economic resources would be required to settle the matter, the same are disclosed as contingent liability.

- The group does not expect any reimbursements from third parties in respect of the above contingent liabilities.

NOTE 36: UTILISATION OF IPO PROCEEDS

During the previous year, Holding Company has completed the Initial Public Offering of 19,839,446 equity shares of face value of ₹2 each at an issue price of ₹,436 per equity share, consisting of a fresh issue of 7,339,449 equity shares aggregating to ₹3200 million and an offer for sale of 12,499,997 equity shares aggregating to ₹5450 million by the Selling Share Holders. Consequently, the equity shares of the company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f April 18, 2023.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

The Holding Company has received an amount of ₹ 2,995.70 Million (net of IPO expenses including GST thereon) from proceeds out of the fresh issue of equity shares. The utilisation of net IPO proceeds is summarised below:

(₹ In Millions)			
Objects of the issue as stated in the prospectus	Amount as per prospectus (A)	Utilisation upto March 31, 2024 (B)	Unutilised amount as on March 31, 2024 (A-B)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our holding Company and one of our Material Subsidiaries, Avalon Technology and Services Pvt Limited [Refer (b) below]	1,450.00	1,450.00	-
Funding the working capital requirements of our Group	900.00	900.00	-
General corporate purposes [Refer (a) & (b) below]	644.00	645.70	-
Total	2,994.00	2,995.70	

- (a) As disclosed in the Prospectus, the amount to be spent for General Corporate Purposes is ₹ 644.00 Million which is arrived at as ₹ 850.00 Million less estimated issue expenses of ₹206.00 Million. Considering the actual issue expenses (including GST) of ₹ 204.30 Million, the amount utilised towards General Corporate Purposes stands at ₹ 645.70 Million.
- (b) During the previous year, the holding company has infused ₹ 890.02 million (including ₹ 711.39 million out of IPO proceeds) in one of its material subsidiaries, Avalon Technology and Services Private Limited, consisting of ₹ 300.02 Million as equity investment and ₹ 590.00 Million as unsecured loan.

NOTE 37

- (a) The Group does not have any long term contracts for which there were any material foreseeable losses.
- (b) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.
- (c) 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).
- (d) There are no funds which have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (e) The Group is not declared as a wilful defaulter by any bank or financial institution or other lender or Government or Government authorities.
- (f) The Group has not traded or invested in Crypto currency or Virtual Currency during the year.
- (g) The Group does not have any such transaction which is not recorded in the books of account 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).

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 38: RATIOS

Sl. No.	Particulars	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024
1	Current Ratio	Current Assets	Current Liabilities	2.22	2.58
2	Debt-Equity Ratio	Total borrowings (including lease liabilities)	Total Equity attributable to equity holders of the parent	0.29	0.38
3	Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	4.66	0.38
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity (5)	10.95%	5.16%
5	Inventory Turnover Ratio	Sales	Average Inventory	3.35	2.73
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivables	4.36	4.40
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.07	4.60
8	Net capital turnover ratio	Net Sales	Working Capital (3)	2.45	1.99
9	Net Profit Ratio	Net Profit for the year	Net Sales	5.79%	3.23%
10	Return on capital employed	Earning before interest and taxes	Capital Employed (4)	13.81%	7.68%
11	Return on Investment*	Realised and Unrealised income on Mutual fund & Fixed Deposits	Average Investments	7.74%	7.30%

* Investment in Mutual Funds and Fixed Deposits

Sl. No.	Particulars	Variance (%)	Reasons
		2024 vs 2025	
1	Current Ratio	(14.20%)	
2	Debt-Equity Ratio	(22.78%)	
3	Debt Service Coverage Ratio	1,125.89%	1(i)
4	Return on Equity Ratio	112.11%	1(ii)
5	Inventory Turnover Ratio	22.80%	
6	Trade receivables turnover ratio	(0.99%)	
7	Trade payables turnover ratio	10.22%	
8	Net capital turnover ratio	22.78%	
9	Net Profit Ratio	78.95%	1(iii)
10	Return on capital employed	79.87%	1(iv)
10	Return on Investment*	6.03%	

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

- (1) Earning available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (2) Debt service = Interest & Lease Payments + Principal Repayments
- (3) Working capital shall be calculated as current assets minus current liabilities
- (4) Capital Employed = Tangible Net Worth(excluding Intangible Assets) + Total Debt
- (5) Total Equity (including non-controlling interest) is considered
- (6) Return on Investment:

$$\frac{\{MV(T_1) - MV(T_0) - \text{Sum } [C(t)]\}}{\{MV(T_0) + \text{Sum } [W(t) * C(t)]\}}$$
 where,
 T1 = End of time period
 T0 = Beginning of time period
 t = Specific date falling between T1 and T0
 MV(T1) = Market Value at T1
 MV(T0) = Market Value at T0
 C(t) = Cash inflow, cash outflow on specific date
 W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T_1 - t] / T_1$

Explanation for Variance in ratios by more than 25%

1. (March 2025 vs March 2024)

- (i) Increase in Debt Service Coverage Ratio is due to decrease in repayment of borrowings during the year.
- (ii) Increase in Return on Equity due to increase in Net profit.
- (iii) Increase in Net Profit Ratio is due to increase in Turnover during the year.
- (iv) Increase in Return on Capital Employed ratio is due to Increase in Earnings before Interest and Taxes.

NOTE 39:

The Group does not have any Benami property and no proceedings have been initiated or are pending against the company for holding any Benami property.

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 40: ADDITIONAL INFORMATION IN RESPECT OF THE ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the entity in the group	Country of Incorporation	% of Voting power	Net Assets i.e. total assets minus total liabilities	Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of profit and loss	INR	As % of other comprehensive income	INR	As % of total comprehensive income	INR
Parent			As % of consolidated net assets						
Avalon Technologies Limited	India								
For the Year ended March 31, 2025		100.00%	118.73%	79.71%	505.70	6.37%	(1.09)	81.75%	504.61
For the Year ended March 31, 2024		100.00%	123.23%	116.08%	324.86	(7.22%)	0.91	121.91%	325.77
Subsidiaries									
1. Avalon Technology & Services Pvt. Ltd.	India								
For the Year ended March 31, 2025		100.00%	18.93%	22.10%	140.19	(2.39%)	0.41	22.78%	140.60
For the Year ended March 31, 2024		100.00%	18.58%	48.52%	135.77	0.08%	(0.01)	50.80%	135.76
2. Sienna ECAD Technologies Pvt. Ltd.	India								
For the Year ended March 31, 2025		100.00%	0.43%	2.66%	16.87	(0.05%)	(0.30)	2.61%	16.57
For the Year ended March 31, 2024		100.00%	0.18%	1.26%	3.53	0.08%	0.22	1.34%	3.75
3. ABV Electronics Inc (D/B/A Sienna Corporation) USA	USA								
For the Year ended March 31, 2025		100.00%	(26.90%)	(1.13%)	(7.15)	94.28%	(16.14)	(3.77%)	(23.29)
For the Year ended March 31, 2024		100.00%	(29.71%)	(67.38%)	(188.57)	108.88%	(13.75)	(75.71%)	(202.32)
Non controlling interest									
For the Year ended March 31, 2025		0.00%	0.00%	0.00%	-	0.00%	-	0.00%	-
For the Year ended March 31, 2024		0.00%	0.00%	0.00%	-	0.00%	-	0.00%	-
Adjustment on account of consolidation									
For the Year ended March 31, 2025			(11.19%)	(3.34%)	(21.22)	1.80%	-	(3.37%)	(21.22)
For the Year ended March 31, 2024			(12.27%)	1.52%	4.26	(1.82%)	-	1.66%	4.26
For the Year ended March 31, 2025		100.00%	6,115.47	100.00%	634.39	100.00%	(17.12)	100.00%	617.27
For the Year ended March 31, 2024		100.00%	5,473.41	100.00%	279.85	100.00%	(12.63)	100.00%	267.22

Notes to Consolidated Financial Statements

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 41: INTEREST IN OTHER ENTITIES

(i) (a) Subsidiaries

The Group's subsidiaries as at the year end are given below

Name of the company	Principal Place of business	% voting power/ownership interest held by the group	
		As at March 31, 2025	As at March 31, 2024
Avalon Technology & Services Pvt. Ltd.	India	100.00%	100.00%
Sienna ECAD Technologies Pvt. Ltd.	India	100.00%	100.00%
ABV Electronics Inc (D/B/A Sienna Corporation)	USA	100.00%	100.00%

Name of the company	Principal Place of business	% voting power/ownership interest held by the NCI	
		As at March 31, 2025	As at March 31, 2024
Avalon Technology & Services Pvt. Ltd.	India	-	-
Sienna ECAD Technologies Pvt. Ltd.*	India	0.00%	0.00%
ABV Electronics Inc (D/B/A Sienna Corporation)	USA	-	-

* 100 Equity shares representing 0.003% of the total share capital is held by one of the promoters; NCI in this regard is not separately recognised as the holding is insignificant.

NOTE 42: THE GROUP HAS OPTED FOR FOLLOWING EXEMPTIONS WITH RESPECT TO DISCLOSURE OF CERTAIN MATTERS AS PER GENERAL REQUIREMENTS SECTION OF GUIDANCE NOTE ON DIVISION II -IND AS SCHEDULE III ISSUED BY ICAI.

Additional Information for disclosure:

- (i) Payments to auditors,
- (ii) Disclosures in respect of CSR expenditure,
- (iii) Disclosures required as per the MSMED Act, 2006.

NOTE 43: Previous years figures have been regrouped / reclassified wherever necessary to conform to current year's classification / presentation.

As per our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Registration Number : 004532S

Sd/-

P R Prasanna Varma

Partner

Membership No. 025854

Place: Chennai

Date: May 6, 2025

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Ajay Shukla

Company Secretary

Sd/-

Suresh Veerappan

Chief Financial Officer



Avalon Technologies Ltd.
Chennai, India