To: | **To:**

BSE Limited Corporate Relationship Department PJ Towers, Dalal Street, Mumbai -400001 **BSE SCRIP CODE: 543896**	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 27th Annual General Meeting and

(ii) Circulation of the Annual Report for the Financial Year 2025-26 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 27th Annual General Meeting (AGM) scheduled to be held on **Monday, September 28, 2026, at 02.30 pm (IST)** through Video Conferencing/Other Audio Visual Means (VC/OAVM) together with the Annual Report for the Financial Year 2025-26, 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 28, 2026.

The Notice and Annual Report for the Financial Year 2025-26 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/2026/AGM-Notice-FY26.pdf

2. Annual Report:
   https://www.avalontec.com//investor/annual-report/2026/Annual-Report-FY26.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 2025-26 which is being dispatched to the shareholders of the Company.

Avalon Technologies Limited
(Formerly Avalon Technologies Private Limited)
Corporate Identification Number: L30007TN1999PLC043479
Reg. Office 'TPI Block' B7, First Main Road, MEPZ-SEZ, Tambaram, Chennai 600 045
T +91 44 4222 0400 | **F** +91 44 2262 0097 | **E** compliance@avalontec.com
www.avalontec.com

Avalon
manufacturing your success

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

Particulars	Details
Date and time of AGM	Monday, September 28, 2026, 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 21, 2026
E-voting start date and time	Thursday, 24 September 2026 @ 09.00 AM (IST)
E-voting end date and time	Sunday, 27 September 2026 @ 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**

AJAY SHUKLA
Digitally signed by AJAY SHUKLA
Date: 2026.09.04 20:20:26 +05'30'

Name of the Person: Ajay Shukla
Designation: Company Secretary & Compliance Officer
Membership Number: A36992
Date: September 04, 2026

Avalon
manufacturing your success

Annual Report
2025-26

GROWING WITH CONVICTION

DISCIPLINED. DIVERSIFIED. FUTURE-READY.

25+ YEARS

of Manufacturing Excellence

GROWING WITH CONVICTION

Disciplined. Diversified. Future-Ready.

Avalon Technologies builds complex and advanced electronics — box builds and fully integrated systems — for industries where precision and reliability are non-negotiable. From individual product solutions to complete system integration, we serve customers across Industrial, Rail, Aerospace, Clean Energy, Communication and Medical segments, across India, the US, and global export markets. Our integrated manufacturing platform enables us to deliver high-quality, complex solutions across the product lifecycle.

Conviction is earned through consistent execution. At Avalon, we build for customers who cannot afford failure. That is our space, and we have no intention of leaving it. In FY2026, we delivered on that promise and translated strategy into performance. Revenue grew, profitability improved, and we did it without compromising on the quality of our business.

This growth was deliberate. We stayed in our swim lane — complex box builds and system integration — and moved up the complexity ladder within it. Our growth was broad-based across customers, verticals, and geographies. Industrial, Mobility, and Clean Energy all grew strongly. We made meaningful progress in semiconductor manufacturing equipment and advanced electronics. We expanded into Southeast Asia and built early presence in Europe. The order book remained healthy and diversified.

This disciplined execution translated into stronger financial performance, with significant improvements across revenue, profitability, working capital efficiency, and Return on Capital Employed. More importantly, it strengthened customer confidence in Avalon as a trusted partner for complex, mission-critical solutions.

We continue to strengthen our existing businesses, expand into new programs and markets, and invest selectively in capabilities that position us for the future. Our three growth engines — existing business, new business wins, and opportunity pipeline — are gaining momentum together. Our presence in both India and the US gives customers choice — and gives us reach.

As we look forward, our focus remains on long-term profitable growth. With consistent execution, disciplined investment, and a strong pipeline, the foundation for our next phase of growth is firmly in place.

Disciplined in approach. Diversified in growth.
Future-ready by design.

BUILDING FOR WHAT'S NEXT

Four years ago, box build was 44% of our business. Today it is 54%.
That shift — deliberate, customer-led, capability-backed — is what growing with conviction looks like. The same discipline that got us here is what we believe will take us forward.

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For more investor-related information, please visit:
https://www.avalontec.com/investors/

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kunhamed Bicha
Chairperson & Managing Director
DIN: 00819707
A S C R

Mr. Luquman Veedu Ediyanam
Non-Executive Director
DIN: 06493214

Mr. Chandar Pattabhiram
Independent Director
DIN: 09606151
N

Mr. Venkataramani Anantharamakrishnan
Independent Director
DIN: 00277816
A

Mr. Byas Unnikrishnan Nambisan
Independent Director
DIN: 01342141
A R

Ms. Nandita Abraham
Independent Director
DIN: 01006030
N S C

Mr. Anees Ahmed
Independent Director
DIN: 00225648
N S C

SENIOR MANAGEMENT

Mr. Shriram Vijayaraghavan
Chief Operating Officer
R

Mr. Suresh Veerappan
Chief Financial Officer

Mr. Venky Venkatesh
Chief Sales Officer

KEY MANAGERIAL PERSONNEL

Mr. Kunhamed Bicha
Managing Director

Mr. Suresh Veerappan
Chief Financial Officer

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),
Practicing 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

A AC – Audit Committee

N NRC – Nomination & Remuneration Committee

S SRC – Stakeholders Relationship Committee

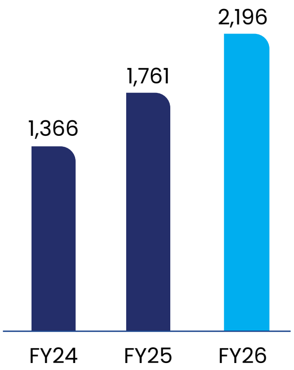
C CSR – Corporate Social Responsibility Committee

R RMC – Risk Management Committee

FY2026 HIGHLIGHTS & MILESTONES

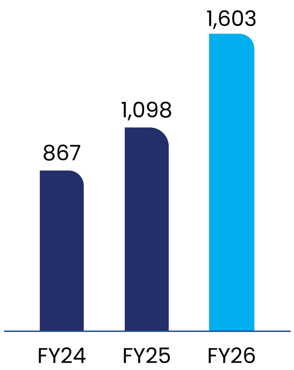
Order Book*

(₹ in Crore)



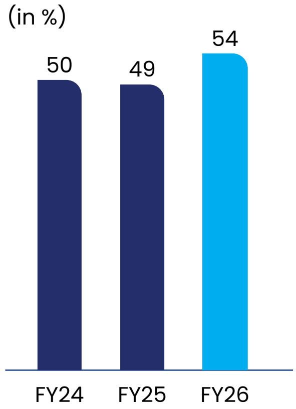
Revenue from Operations

(₹ in Crore)



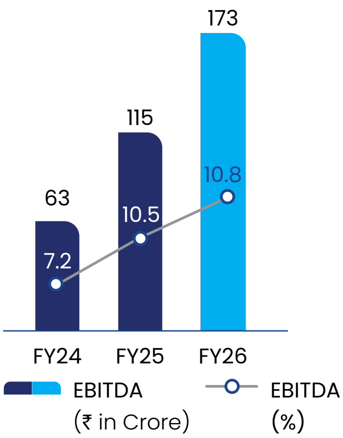
Box-Build Revenue

(in %)



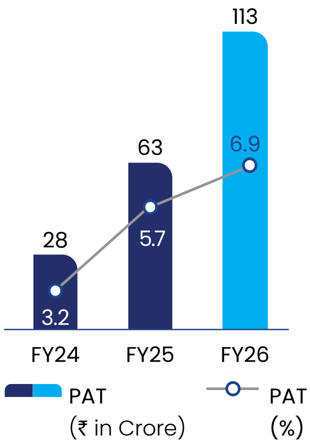
EBITDA

(₹ in Crore)



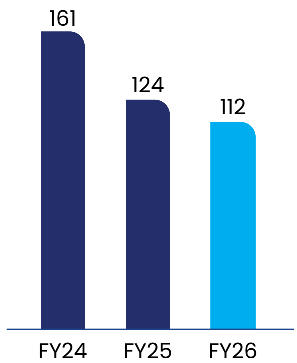
PAT

(₹ in Crore)



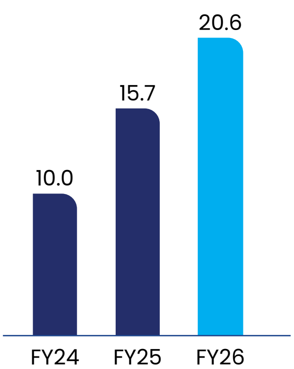
Net Working Capital

(in Days)



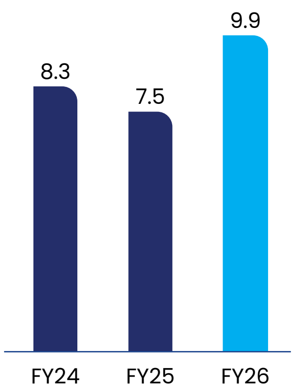
ROCE

(in %)



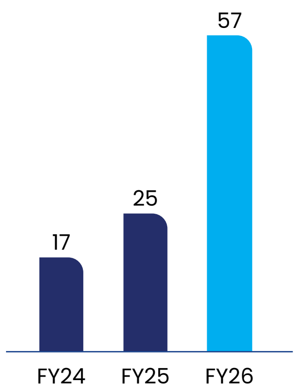
Asset Turn

(in Times)



Net Cash from Operating Activities

(₹ in Crore)



Note: Numbers are presented for Fiscal year 2025-26
* Order book executable over average period of 14 months

Recorded revenue of ₹ 1,603.2 Cr, growing at 46.0% YoY, driven by strong customer traction and diversified growth across geographies and industries

Our dual-shore model continued to deliver in FY2026, with the US business growing 59% and India 29% year-on-year

Passed on 99% of the tariff incurred to customers in FY2026

Net working capital days reduced from 124 days in FY2025 to 112 days in FY2026, an improvement of 12 days

Achieved our highest-ever box-build contribution at 54% of revenue in FY2026

Industrial, our largest revenue vertical, continues to lead growth, supported by strong customer demand and a robust order pipeline

Progressed in expanding exports to Southeast Asia, further broadening our geographic footprint

ISM 2.0 aligns with our recent wins in semiconductor equipment for Industry 4.0 compliant complex systems

Steady progress in new product introductions, especially on semiconductor manufacturing equipment and power systems

Alternative sourcing and a consolidator model implemented to counter material price increases and longer lead times

Delivered over 40,000 manhours of training to strengthen employee capabilities

Strengthened capability across functional teams and covered approximately 120 people managers under focused leadership development programs

MESSAGE FROM THE CMD

FY2026 was a year of strong execution and broad-based progress for Avalon. We continued to deepen relationships with existing customers while expanding our engagement across new programs and industries.

Dear Shareholders,

It gives me immense pleasure to present the Annual Report of Avalon Technologies Limited for the Financial Year ended March 31, 2026. FY2026 was a good year for Avalon. I say that with gratitude — because much of what we achieved was made possible by our customers who trusted us, our teams who showed up every day, and our shareholders who stayed patient through the years when we were still building.

The environment was not easy. Wars, tariffs, supply chain disruptions and geopolitical uncertainty made planning harder and execution more demanding. We navigated all of it — not because we are exceptional, but because we stayed focused on what we know how to do.

The global manufacturing landscape is shifting in ways that are relevant to what we do. India's trade relationships with Europe are developing. The semiconductor supply chain is restructuring across Asia. Customers are reassessing their manufacturing partners with greater emphasis on resilience, reliability and long-term relationships.

India is becoming an increasingly important part of this global manufacturing shift. Its engineering talent, expanding electronics ecosystem and improving manufacturing capabilities are attracting greater interest from global customers. We believe India has the potential to become an important manufacturing hub for the world. We believe these shifts create opportunities for companies like Avalon; but we are careful not to overstate our position. Tailwinds help. They do not substitute for execution. We are focused on the latter.

When tariffs spiked earlier in the year, we were able to pass through substantially all of the impact to our customers. We are grateful that our relationships held through that period. That kind of trust is not negotiated; it is earned, slowly, over many years of consistent delivery.

India's manufacturing ecosystem is maturing - in talent, supplier depth, and policy support. We are trying to play a small but meaningful role in that story.

PERFORMANCE HIGHLIGHTS OF FY2026

FY2026 was a year of strong execution and broad-based progress for Avalon. Revenue grew 46% to ₹ 1,603 Cr. EBITDA grew 51% to ₹ 173 Cr, with margins at 10.8%. PAT grew 78% to ₹ 113 Cr. ROCE improved from 15.7% to 20.6%. Net working capital improved to 112 days from 124 days, supporting operating cash flow of ₹ 57 Cr — more than double the prior year.

No single vertical or customer carried the year. Industrial grew 65%, Mobility 50%, Clean Energy 45%, and Communications 58%. We worked hard to build that breadth over several years. It showed in FY2026, and we hope it continues to.

Four years ago, box-build was 44% of our revenue. Today it is 54%. That shift reflects a conscious choice — to move up the complexity ladder within our existing space, take on harder programs, and earn the right to be considered for them. As we do more complex work, our value to customers deepens. We are grateful they have responded with continued confidence.

Our diversified business model also provided resilience. The sharp increase in memory prices had a limited impact on Avalon, given our focus on industrial and other diversified applications, and the relatively small contribution of memory components to the bill of materials across our product portfolio. Our presence across industrial, mobility, clean energy, semiconductor equipment and other high-reliability applications continue to provide a balanced foundation for sustainable growth.

KEY CUSTOMER WINS

FY2026 saw continued momentum in new business, with several programs built over the past few years progressing from design and prototyping into production and volume ramp-up. We secured new business across rail, aerospace, industrial, clean energy, power, communications, semiconductor equipment and satellite communications. Growth was broad-based — no single program or customer carried the year.

Our energy storage systems program continued to ramp up as planned, while production of locomotive engine subsystems commenced during the year. Aerospace cabin sub-assemblies progressed through validation and are moving towards volume production, while the Railway Kavach anti-collision system completed testing and is progressing towards commercial production. We also completed prototypes for satellite communication control units, with volume orders expected to commence in FY2027, and initiated prototypes for customers in the industrial processing and power sectors.

Our customer base expanded, with new customers added across the industrial and defence segments and programs progressing from prototyping towards production. We are also seeing growing engagement with global aerospace customers, creating opportunities across new product categories, including advanced metal cockpit assemblies, landing gear components and cable-related applications.

Semiconductor Manufacturing Equipment is an area we are particularly focused on building. Semiconductor companies and equipment manufacturers are expanding their manufacturing networks globally, increasingly working with qualified external partners for complex equipment and assemblies. These programs demand precision manufacturing, stringent quality controls and close coordination — they are not programs where customers take risks on their partners. Our partnership with a leading global player in this space reached project readiness in FY2026 — a meaningful milestone ahead of volume production expected in FY2027.

The common thread across all of these wins is complexity. These are not commodity programs. They require engineering involvement, qualification discipline, close customer coordination and manufacturing precision. We enter FY2027 with several of these programs in active production or at the cusp of it. The contribution will build through the year. We are encouraged — and appropriately cautious about the time it takes for new programs to fully ramp.

OUR DUAL-SHORE MANUFACTURING

Our presence across India and the United States gives customers genuine flexibility — to start in the U.S. and transition to India as volumes grow, or to come directly to India. Together, they enable Avalon to support programs across geographies and across the product lifecycle.

As programs mature and the revenue mix shifts further towards India manufacturing over the next 18 to 24 months, we expect the consolidated business to benefit from operating leverage. That is the internal tailwind we are working towards - carefully and steadily.

CONCLUSION NOTE

FY2026 was a strong year. We enter FY2027 with a healthy order book of ₹ 2,196 Cr and new programs entering production. The foundation for the next phase is in place. We will keep building - with discipline, with conviction, and with gratitude for the trust you place in us.

Growth means little without the trust that enables it. Thank you for yours. With the strength of our people, the trust of our customers and the continued support of our shareholders, we are ready to take Avalon to the next phase of growth.

Warm regards,

KUNHAMED BICHA

Chairman & Managing Director

MESSAGE FROM THE CFO

> We enter FY2027 with a healthy order book of ₹ 2,196 Cr, new programs entering production and a pipeline that continues to grow.

Dear Shareholders,

We operate in a world that keeps shifting. What was once described as VUCA — volatile, uncertain, complex, ambiguous — is giving way to something more complex: BANI — brittle, anxious, non-linear, incomprehensible. Geopolitics has entered boardroom agendas. Wars, tariffs, supply chain disruptions and trade realignments are no longer background noise. We cannot plan around all of it. One can only build a business resilient enough to navigate it.

In that context, we are grateful for what we delivered — seven consecutive quarters of revenue growth, averaging 45%. We do not take that for granted. It is the result of our customers trusting us, our teams executing consistently, and a business model we have built carefully over many years.

A SHIFTING WORLD — WHEN THE WORLD SHIFTS, RELATIONSHIPS HOLD

Trade realignment is no longer theoretical. China + 1 is now an active procurement strategy. India's FTA push into Europe is opening new doors. The semiconductor supply chain is restructuring across Asia. We believe Avalon is reasonably well placed to participate in these shifts — but we are mindful that tailwinds alone do not build businesses. Execution does.

When tariffs spiked earlier in the year, we were able to pass through substantially all of the impact to our customers. We are thankful that our customer relationships held through that period. It is a reflection of the trust built over years of consistent delivery, not something we could have engineered in the moment.

India's manufacturing ecosystem is also maturing — in talent, supplier depth, and policy alignment. We are trying to build Avalon as a meaningful part of that story.

STRONG FINANCIAL PERFORMANCE – GROWTH WITH DISCIPLINE

FY2026 was our best year, and we are genuinely proud of what the team delivered. Revenue grew 46% to ₹ 1,603 Cr EBITDA grew 51% to ₹ 173 Cr, with margins at 10.8%. PAT grew 78% to ₹ 113 Cr. Net working capital improved to 112 days from 124 days a year ago, driven by a 12-day reduction in receivable days and steady inventory management, translating into operating cash flow of ₹ 57 Cr — more than double the ₹ 25 Cr in FY2025. ROCE improved from 15.7% to 20.6%.

We grew this business to ₹ 1,603 Cr with asset turns of 9.9x and net debt of just ₹ 40 Cr. We are pleased with that, but also aware that maintaining this discipline as we scale will require continued focus.

Our credit profile strengthened during the year — from A-/Stable outlook to A-/Positive outlook rating. We see this as a recognition of the improving quality of our business and balance sheet.

WHAT DROVE THE GROWTH – DELIBERATE BY DESIGN

Box-build revenue grew from 44% to 54% of total revenue over four years. As we move up the complexity ladder, we believe our value to customers deepens — fewer handoffs, greater integration, more accountability at our end. Customers have responded to that, and we are grateful for the confidence they place in us.

Growth was broad-based — Industrial grew 65%, Mobility 50%, Clean Energy 45%, and Communications 58%. No single vertical or customer carried the year. We worked hard to build that breadth, and it showed in the quality of our performance.

We also made progress in semiconductor manufacturing equipment and advanced electronics — areas where programs take time to mature. We are patient about these, and optimistic about what they can become.

STRENGTHENING THE FOUNDATION – DISCIPLINE BEHIND THE GROWTH

We maintained a capex-light model — ₹ 56 Cr in FY2026, asset turns near 10x — while continuing to invest in capabilities we believe will matter.

On the operational side, we took meaningful steps in finance automation this year — OCR-based invoice processing, a financial consolidation and reporting tool replacing manual Excel-based processes, and host-to-host digital payments for imports, fully paperless and with stronger controls. These are small steps in the larger journey of building a finance function that scales well with the business.

THE ROAD AHEAD – TAILWINDS IN PLACE

We are cautious about getting ahead of ourselves. The external environment will remain unpredictable, and we intend to stay respectful of that.

What gives us confidence is structural. As our manufacturing mix shifts further towards India over the next 18 to 24 months, the blended margin profile of the consolidated business can improve — India manufacturing currently runs at EBITDA margins of 16.7%, and as its revenue share grows, operating leverage should follow. That is the internal tailwind we are working towards.

We enter FY2027 with a healthy order book of ₹ 2,196 Cr, new programs entering production, and a pipeline that continues to grow. We will do our best to keep earning the trust you have placed in us.

Disciplined in approach. Diversified in growth. Future-ready by design.

With respect and gratitude,

SURESH VEERAPPAN
CHIEF FINANCIAL OFFICER

AVALON: AN OVERVIEW

Avalon is one of India's leading fully integrated electronic manufacturing services (EMS) companies and a trusted partner to global customers, offering end-to-end solutions across the business value chain, from PCB design and assembly to complete electronic systems (Box-Build), serving diverse sectors worldwide and delivering consistently high quality through stringent global standards and processes.

Avalon's dual manufacturing flexibility and expanding international delivery footprint strengthen its ability to serve customers across geographies. Its end-to-end capabilities, engineering depth, integrated operations and supplier ecosystem enable efficient execution of mission-critical, high-mix and complex products while supporting consistent on-time delivery and manufacturing excellence.

Over the years, Avalon builds long-standing customer partnerships through manufacturing excellence, deep engineering expertise and a commitment to the highest standards.

OUR CORPORATE STRUCTURE

Avalon Technologies Limited

100%

Avalon Technology & Services Pvt Ltd, India

~99.99%

Sienna ECAD Technologies Pvt Ltd, India

100%

ABV Electronics Inc., U.S.

Over the years, Avalon builds long-standing customer partnerships through manufacturing excellence, deep engineering expertise and a commitment to the highest standards.

COMPREHENSIVE PORTFOLIO OF OFFERINGS

Providing an integrated suite of services with a strong emphasis on precision-engineered and build-to-print solutions to address evolving customer needs. Our capabilities span PCB design and assembly, new product development, complete box-build solutions, and seamless logistics support.

Sustaining excellence in electronics manufacturing by leveraging established leadership in high-mix, flexible volume production to provide integrated system solutions across diverse industries.

A JOURNEY OF CONVICTION-LED GROWTH

Over the past 26+ years, Avalon has powered ahead on its journey of growth and expansion with conviction and confidence. We have progressively grown from strength to strength, building strong capabilities in complex manufacturing to emerge as a trusted EMS partner. Our proven track record of execution efficiency has enabled us to scale in alignment with customer needs. At the core of our distinctive edge lies our operational discipline, along with reliability and the ability to deliver long-term strategies and high-mix manufacturing solutions for global MNCs.

1997

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

1999

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.

2000

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

2002

Earned our first certification – ISO 9000.

2003

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

2013

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

2016

Enhanced our box-build capabilities.

2023

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

2024

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

2025

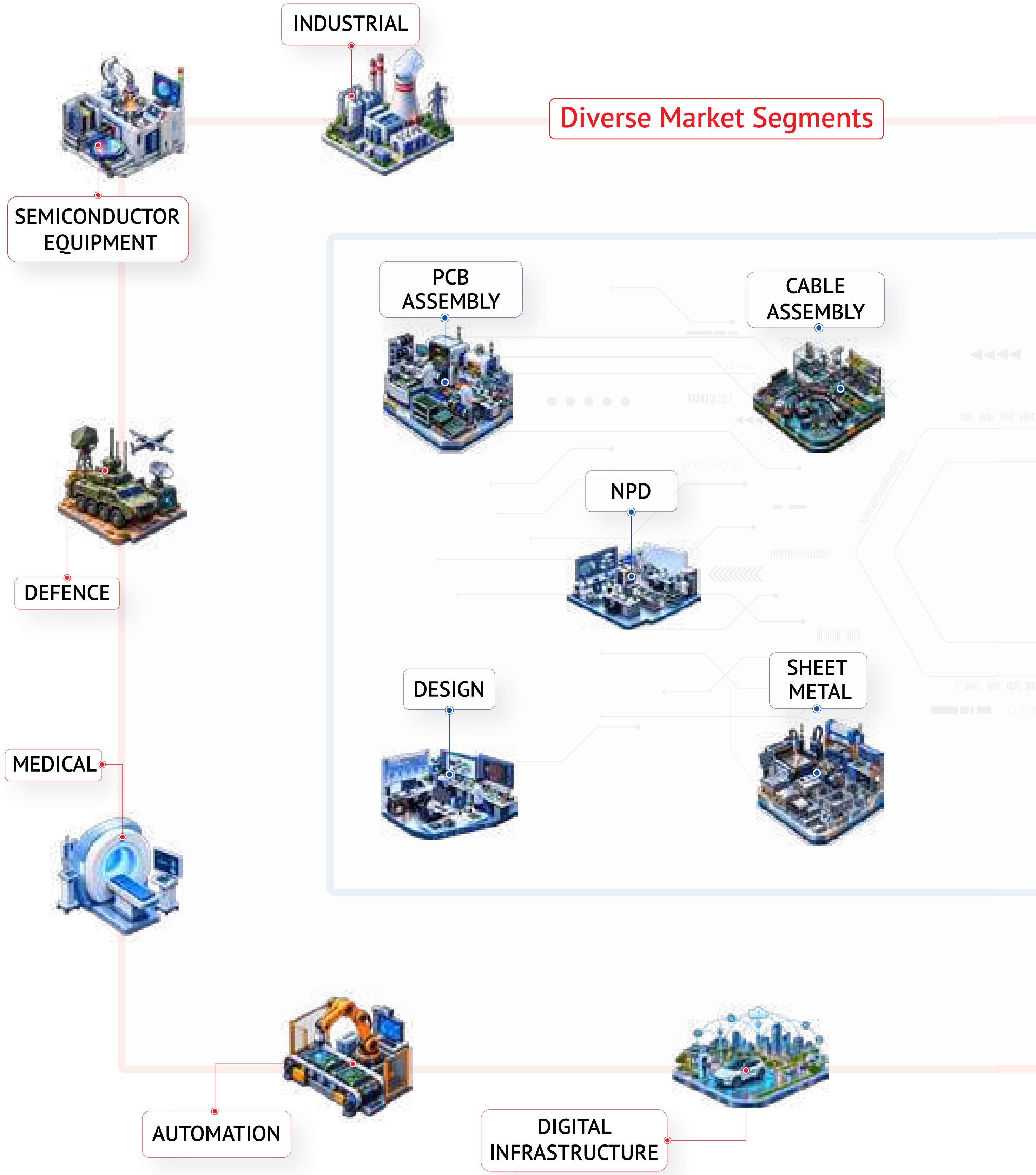
Invested in two new plants, advanced box-build capabilities, strategic partnerships like Zepco, and talent — to capture the decadal growth opportunities ahead.

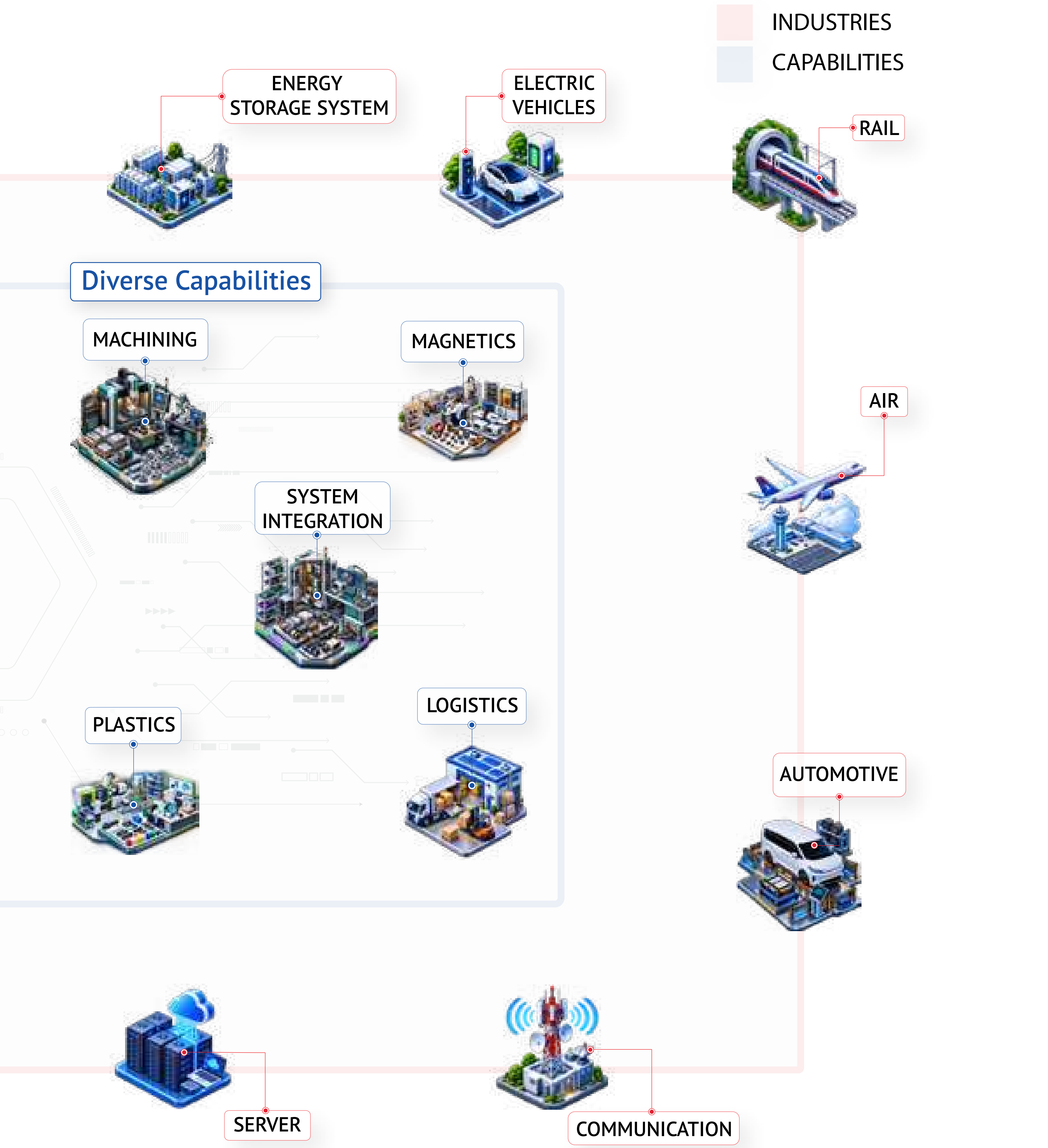
2026

Avalon expanded its capabilities by launching the manufacturing of semiconductor equipment, advanced electronic systems, and high-end complex box-build solutions.

ONE-STOP SHOP – THE AVALON EDGE

Avalon's One-Stop-Shop model brings together design, engineering, sourcing, manufacturing, assembly, testing and logistics under one integrated platform.



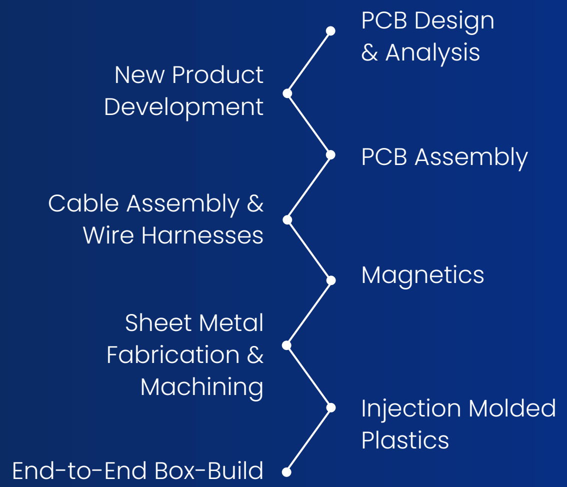

INDUSTRIES
CAPABILITIES
ENERGY STORAGE SYSTEM
ELECTRIC VEHICLES
RAIL
Diverse Capabilities
MACHINING
MAGNETICS
AIR
SYSTEM INTEGRATION
PLASTICS
LOGISTICS
AUTOMOTIVE
SERVER
COMMUNICATION

OUR KEY DIFFERENTIATORS

Avalon's differentiated market position is driven by its vertically integrated "dual-shore" manufacturing model, integrating U.S-based rapid prototyping and design with high-mix, cost-efficient volume manufacturing in India. This allows the Company to operate as a one-stop shop across the entire product lifecycle.

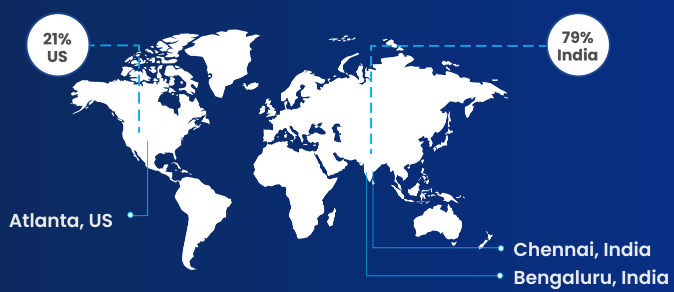
VERTICALLY INTEGRATED APPROACH

Avalon delivers a seamless, concept-to-execution ecosystem by managing the entire lifecycle of complex product assembly under one roof. Our unified capabilities bridge early-stage PCB design, advanced simulation, and rapid prototyping with full-scale production. This includes specialized in-house manufacturing for custom wire harnesses, cable assemblies, precision sheet metal fabrication, injection–molded plastics, and magnetic components. By managing every stage – from rigorous functional testing to final outbound logistics – our box-build solutions eliminate supply chain friction and accelerate time-to-market for global clients.



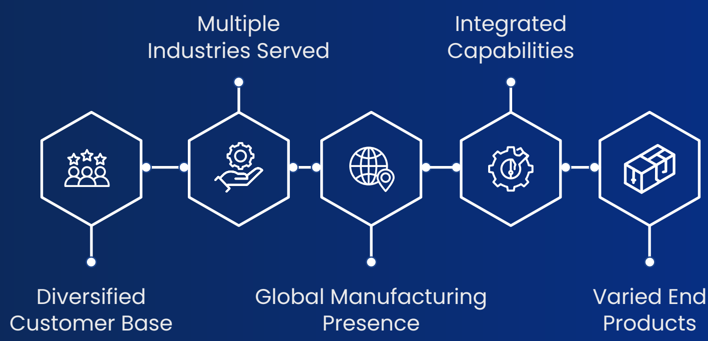
STRATEGIC HYBRID BUSINESS MODEL

Avalon leverages a highly flexible, dual-shore manufacturing model across India and the United States to serve a diverse global customer base with exceptional operational agility. This geographic footprint gives clients the freedom to optimize their production allocation based on shifting commercial and logistical priorities. This integrated approach enhances scalability, accelerates time-to-market, and enables us to address the evolving requirements of customers across diverse industries.



FOCUS ON STRATEGIC DIVERSIFICATION

Avalon has built a diversified and resilient business portfolio, anchored by a broad customer base, multi-industry presence, geographically distributed manufacturing facilities, and a wide range of engineering and manufacturing capabilities. Our extensive portfolio of end products and solutions reduces concentration risk, enhances operational resilience, and positions us to capitalize on growth opportunities across evolving global markets.



THE AVALON WAY - DESIGN SMARTER, BUILD FASTER, DELIVER BETTER

Avalon's growth strategy is evolving from being an integrated manufacturing partner to becoming a more deeply embedded, end-to-end technology and manufacturing partner for its customers. By combining design expertise, advanced manufacturing capabilities, supply chain integration, and strategic geographic presence, we aim to create greater value across the customer lifecycle.

DESIGN SMARTER

Supporting customers - from concept to commercial production

At Avalon, we continue to deepen our engagement with customers from the early stages of product development, leveraging our design, engineering, and new product introduction capabilities. By combining design expertise with manufacturing know-how, the Company is positioned to support customers – from concept and prototyping, through to commercial production. This integrated approach enables faster product development, improves manufacturability, and strengthens customer relationships.

BUILD FASTER

Meeting transforming customer needs with agility

With an established manufacturing base and increasing technological capabilities, Avalon is focused on enhancing scale, efficiency, and execution across its operations. Continuous process improvement, automation, and adoption of advanced manufacturing technologies support higher productivity, faster execution, and consistent quality. This enables Avalon to meet the evolving requirements of customers across increasingly complex and technology-intensive products.

DELIVER BETTER

Ensuring enhanced efficiency and seamless delivery

We are strengthening our ability to provide end-to-end solutions by integrating manufacturing, logistics, warehousing, and supply chain capabilities. This integrated model enables customers to benefit from improved visibility, greater supply chain efficiency, and more seamless delivery. As customer relationships deepen, Avalon aims to expand its role from a manufacturing partner to a strategic partner, supporting a broader portion of the value chain.

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 increase 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

BUILDING ON MANUFACTURING EXCELLENCE

Make Local. Serve Global.

Avalon has established a robust manufacturing network, comprising 15 world-class facilities across India and the United States. Our manufacturing footprint equips us to serve customers with greater flexibility, speed, reliability, and conviction. Our manufacturing presence in the U.S., combined with our extensive operations in India, provides customers with the advantage of localized production while leveraging a globally integrated supply chain. Guided by our 'Make Local. Serve Global.' philosophy, we deliver high-quality manufacturing solutions that address regional market requirements while supporting global customer programs with consistent execution and operational excellence.

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

DNV-GL ISO 9001:2015
Sienna, Atlanta

ISO 9001:2015
Sienna, Ecad, PCBA, Cables & Magnetics

ISO 13485: 2016
Sienna, Atlanta

ISO/IEC 27001:2022
All Plants

AS 9100 Rev D
PCBA, Cables, Metals & Plastics

IATF 16949:2016
PCBA, Cables

OUR GLOBAL MANUFACTURING FOOTPRINT

~575K+ SQ.FT

Design and Manufacturing Facilities

Buffer Capacity

To ramp-up production

Notes: Numbers have been rounded-off.

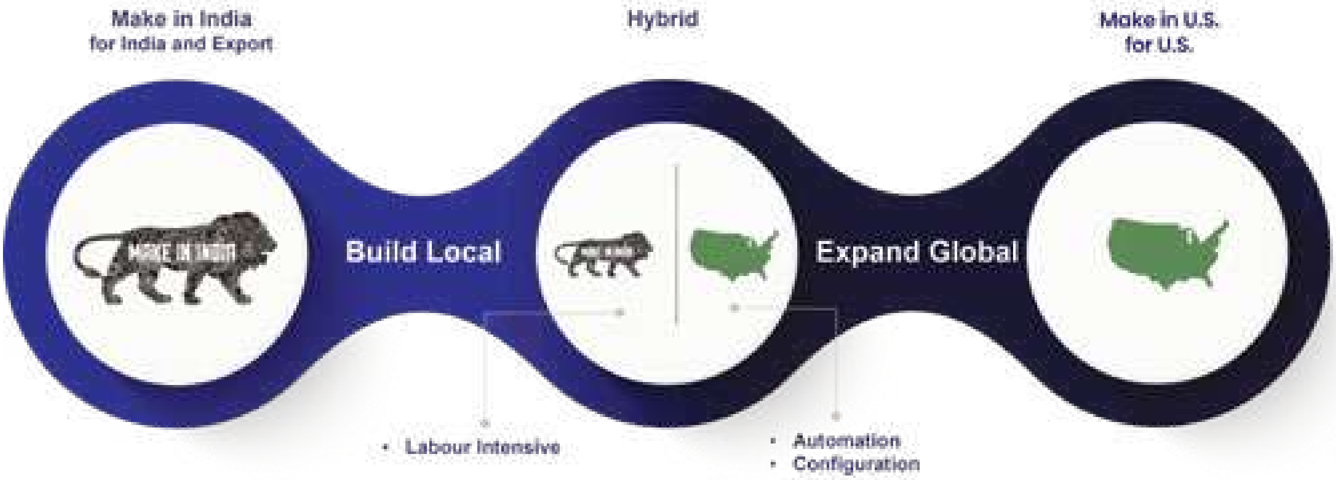
Map not to scale. For illustrative purposes only.

OUR GLOBAL DELIVERY ADVANTAGE

Leveraging dual-shore manufacturing

Avalon's integrated manufacturing network, spread across India and the United States, provides a strong foundation for delivering complex, high-quality manufacturing solutions to customers worldwide. Our dual-shore operating model combines production, warehousing, and logistics capabilities to ensure seamless execution, consistent quality, and dependable delivery across the value chain.

Each manufacturing location is strategically aligned to leverage its regional strengths. Our India facilities support labour-intensive manufacturing, including component and sub-assembly production, while our U.S. operations utilize advanced automation for system integration, and end-product configuration. This approach enables greater flexibility, optimized cost structures, and faster response to customer requirements.



Our manufacturing capabilities are further supported by dedicated assembly lines for sheet metal fabrication, precision machining, cable assembly, wire harnesses, magnetics, and injection-moulded plastics. In addition, our Chennai facilities are equipped to handle large-scale Box-Build programs, specialized metal processing, and expanded plastics manufacturing. Indian facilities focus on manual labour intensive work, including component and subassembly level manufacturing. US facilities are powered by automation and backed by high-end processes, especially in end-product configuration and system integration. Ongoing investments and planned capacity enhancements will further strengthen our ability to serve both domestic and international customers with speed, quality, and operational excellence.

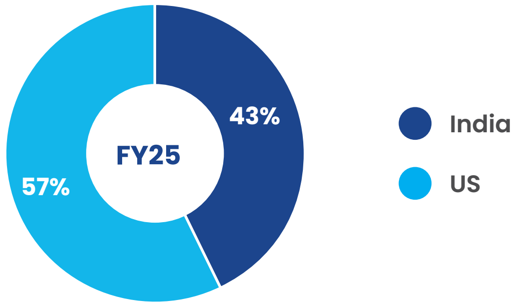
DRIVING EFFICIENCY

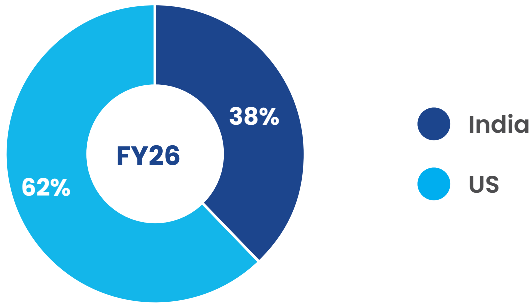
At Avalon, we remain focused on continuously enhancing operational efficiency. Our efforts are centred around combining strategically located manufacturing facilities, technology-driven operations, and engineering expertise. Our Chennai facilities, situated within a Special Economic Zone (SEZ) and in close proximity to major ports, provide logistical advantages and access to government incentives, strengthening our overall cost competitiveness.

Operational excellence is reinforced through lean manufacturing principles, advanced automation, digital technologies, and continuous process improvements that enhance productivity, quality, and responsiveness.

These capabilities are reinforced by a multidisciplinary engineering team with expertise across electrical and electronics, mechanical, aeronautical, plastics, and mechatronics engineering. Their deep domain knowledge enables Avalon to deliver innovative, cost-effective, and high-quality manufacturing solutions across a diverse range of industries.

REVENUE BY GEOGRAPHY (%)





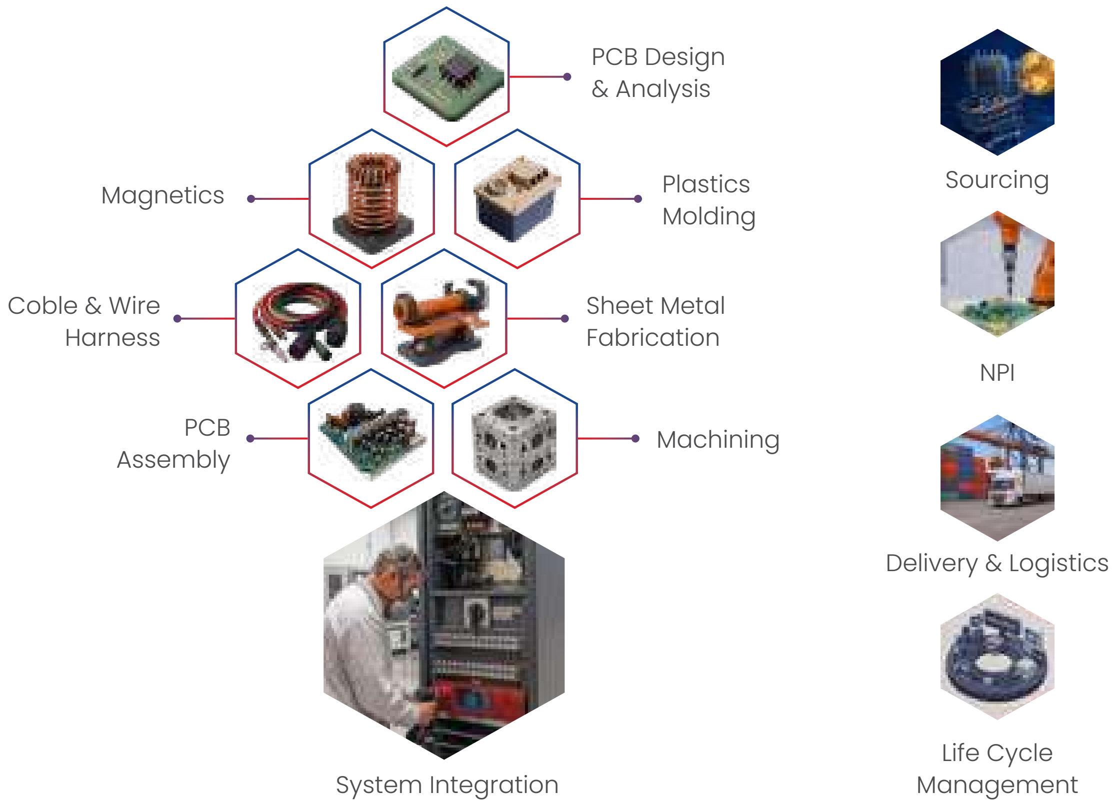
CAPABILITIES & SOLUTIONS

From design to delivery: Our distinctive capabilities

As a strategic focus, we continue to strengthen our core capabilities, particularly in the Box-Build segment, by emphasizing on delivering vertically integrated and diversified EMS solutions across diverse industries. Aligned with this strategy, we provide an extensive portfolio of services that include design, prototyping, manufacturing, and supply chain management.

By positioning itself as a one-stop shop for end-to-end solutions throughout the customer's product lifecycle, Avalon has established a strong reputation as one of the leading EMS companies in India. This strength continues to steer the Company's conviction-led, disciplined, diversified and future-ready growth.

OUR LIFECYCLE OFFERINGS



INNOVATIVE SOLUTIONS CRAFTED FOR THE FUTURE

DESIGN SERVICES

We specialize in advanced PCB design, delivering intelligent, high-performance layouts for complex electronic systems. Our expertise spans precision PCB layout engineering, optimized for electrical performance, signal integrity, thermal management, and manufacturability.

Using industry-leading design tools and extensive domain expertise, we develop innovative solutions that address complex technical challenges while incorporating global best practices.

Our design process includes comprehensive Signal Integrity (SI), Power Integrity (PI), Thermal, and Electromagnetic Interference (EMI) analysis to ensure robust electrical performance, thermal reliability, and electromagnetic compliance across all operating conditions.

We follow a Design for Excellence (DFX) methodology, encompassing Design for Assembly (DFA), Design for Fabrication (DFF), and Design for Test (DFT). Combined with deep expertise in PCB fabrication, assembly processes, and mechanical integration, this approach enhances manufacturability, improves production yield, reduces design iterations, and lowers overall product cost.

Every PCB is engineered for reliability, durability, and cost efficiency, while complying with IPC standards and product-specific industry standards. By engaging fabrication, component engineering, mechanical, and assembly teams early in the design cycle, we identify potential manufacturing challenges upfront, minimize development risks, and accelerate time-to-market without compromising quality.

We are committed to delivering robust, manufacturable, and high-quality PCB designs that enable reliable products, efficient production, and long-term customer success.

The Avalon design edge

>41,000 layouts per IPC standards

130 PCB design / Analysis engineers

IPC Standard Library: **75,000+** ready-to-use footprints

ISO 9001 & **27001** Certified

>99% First time right designs

Versatile high-performance tools

NEW PRODUCT DEVELOPMENT (NPD)

The NPD division at Avalon is powered by a strong focus on future-readiness, and provides end-to-end solutions for transforming complex designs into prototypes. It leverages advanced technologies, and is supported by an expert team with a focus on cost and time efficiency.

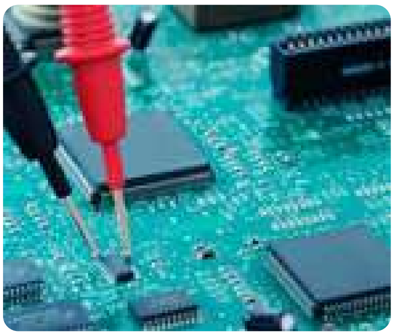
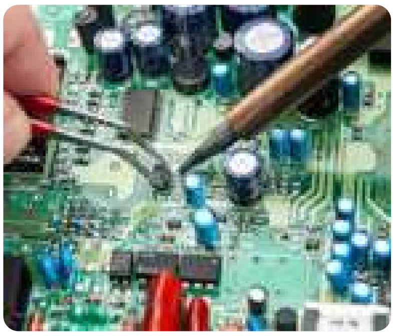
- We provide customers with prototype build services. The NPD team serves as a bridge between the design and production teams, delivering prototypes for verification and testing with speed and agility.
- We have strong NPD competencies in hardware design, PCB design and analysis, system testing, electromechanical integration, pre-certification support, production test development, and final certification support.
- Distinct and separate sourcing teams for NPD and production lend us a strong strategic advantage – while the NPD Sourcing team focuses on speed for prototype builds, the Production Sourcing team prioritizes overall cost efficiency.
- We remain consistently focused on supporting our design customers with rapid prototype development, emphasizing on delivering reduced cycle times, backed by expert technical support, and a seamless design to production journey.

PRINTED CIRCUIT BOARD ASSEMBLY (PCBA)

We provide end-to-end PCBA solutions, ranging from product concept to design/prototype and commercial production. Rooted in efficiency, our PCBA solutions help save time and money.

Our capabilities extend across:

- We are equipped to develop complex double-sided PCB assembly up to 32 layers, and POP/BGA/QFN/discrete packages up to 01005.
- Our competencies in DFM reviews and yield analysis enable us to assemble up to 56 BGAs in a single PCBA.
- We possess the capability to handle complex high power PCBA, as well as Rigid and Rigid-Flex PCBAs.
- We protect our PCBAs from environmental damage by using conformal coating and encapsulation.

Our PCBA development capability spans both ROHS and Conventional processes, backed by end-to-end backward and forward manufacturing traceability. Our testing capabilities span: custom test program design and implementation, flying-probe testing, in-circuit testing, and burn-in testing & thermal cycling test.

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

ISO 9001:2015 & **IATF 16949:2016, ESD 20.20** certified

IPC-A-610 certified Trainers and specialists

Clean room Capability Class 1000/ ISO 6

IPC-7711/7721 & **J-STD-001** certified Specialists

UL-ZPVI2 Recognised

>99% Yield

SHEET METAL FABRICATION & MACHINING CAPABILITIES

We have competencies across simple and complex sheet metal fabrication. We also have comprehensive capabilities in Box-Build and reverse engineering. Our competitive and leadership edge in this domain comes from the use of special process eco-system, as well as our in-house tool design and development strength.

Our capabilities extend across:

- Manufacturing of high-precision machined components, including complex machines fabrications and high precision machining.
- TIG and resistance spot welding, including CMM with laser screening, Mechanical NPI, tool room, VMM & tensile strength testing.
- In-house Liner Equipment Calibration.
- Comprehensive surface finishing capabilities — powder coating, black oxide coating, passivation, and painting — supporting product durability and quality standards.

NADCAP Certified for welding & brazing

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

AS9100D Certified

IT Setup For data security / CAD design

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

INJECTION MOLDED PLASTICS

In injection molding of parts, we have developed capability in both over molding and insert molding.

Our expertise in this domain extends to:

- Assembly of plastic parts and accessories, ultrasonic welding, and secondary processes such as surface treatments.
- All types of plastics, including high-performance plastics, engineering plastics, and general/commercial plastics.

>99% First time right

AS9100D Certified

Complex welded seal proof assemblies Executed first time right

Strong NPI & engineering resources

EHS – ISO 14001:2015 & **ISO 45001:2018** & **ISMS 27001:2022** Certified

CABLES & WIRE HARNESSES

We have strong competencies in complex wiring looms/assemblies, terminal blocks and complete fan tray assembly. We have developed capabilities across flat ribbon and RF cable assembly, cable assemblies with over molding, potting, and other advanced techniques.

Our expertise in this segment covers:

- Routing board harness, conduit assembly and harness braiding capability, electromechanical assembly and panel wiring, besides cabinet/cubicle assembly and testing.
- Ultrasonic welding, crimp cross section facilities, and extensive tool management.

UL ZPFW2, ZPFW8 Recognized

IPC/WHMA-A-620 Certified trainers and specialists

APQP & PPAP Process

ISO 9001:2015

FMEA

EHS – ISO 14001:2015 & **ISO 45001:2018** & **ISMS 27001:2022** Certified

EHS – ISO 14001:2015 & **IATF 16949:2016** Certified

MAGNETICS

We have robust capabilities in Magnetics, ranging from Linear Winding, Toroidal Winding and Varnishing, to Testing.

- In Linear Winding, we offer 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 fire from 20 AWG to 9.5 AWG.
- In Varnishing, our capabilities include a Vacuum Pressure Impregnation (VPI) varnish system and a semi-automatic dip varnish system.
- We use automatic transformer analysers for testing of the various electromagnetic components we manufacture, aligned to specific customer requirements.

UL OBJY2, OBJS2 Recognized insulation system

Fireproof Temperature controlled chemical storage facility

ISO 9001:2015

Design & NPI For Magnetics

EHS – ISO 14001:2015 & **ISO 45001:2018** & **ISMS 27001:2022** Certified

SYSTEM INTEGRATION

Our strength in system integration stems from effective product lifecycle and obsolescence management. We have built a strong vertical integration edge by harnessing capabilities from various feeder plants – Design, Cables, Magnetics, Plastics, and Metal. We have also developed robust capabilities in electromechanical integration, including Box-Build and Rack assemblies.

We possess an industry-leading position in this segment as a result of:

- Complex box-build and functional testing expertise of our skilled development and engineering team.
- Capabilities extending across reverse engineering, strategic surge handling methodology, and dual sourcing and indigenization of raw materials.
- Our dedicated space for customer-specific defect-free product manufacturing.
- Customer engagement in the project from the design phase itself, enabling enhanced design for manufacturability.

>99% First time right complex box-builds

In-house Software development capability to build MES

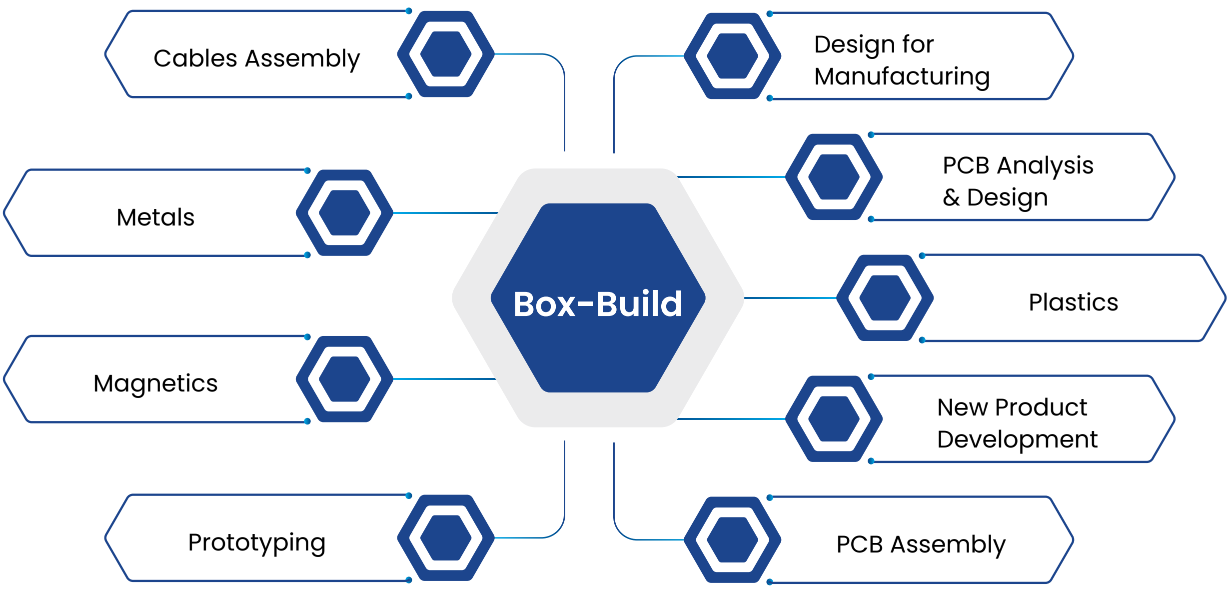
Digital End-to-end traceability

EHS – ISO 14001:2015 & **ISO 45001:2018** & **ISMS 27001:2022** Certified

ISO 9001:2015 & **IATF 16949:2016** Certified

CLIENT DELIVERY MODEL

We have built a robust client delivery model focused on up-selling and cross-selling of solutions. In FY2026, Box-Build solutions contributed to 54% of our total revenue.



SERVING DIVERSIFIED INDUSTRIES WITH DISCIPLINE

Our market footprint spans diverse industries across geographies. Our robust capabilities in NPD and design services have enabled our expansion into markets and segments that offer the maximum potential for sustained growth. They help us build on our future-readiness through creation of accretive value for our global customers.

RAILWAYS

- Electronic Interlocking system
- Train Collision Avoidance system (Kavach)
- Braking system
- Wheel slide protection systems
- Engine control systems
- Emergency braking systems
- Traction systems
- Metro Platform door control system

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
- Automatic Tailgate

INDUSTRIAL

- Instrumentation and analyser systems
- Harness for tankless water heater
- Control panel systems for HVDC Transmission line
- Motor drives
- Invertor Module
- Semiconductor Manufacturing Equipment
- Delivery Robot system (Camera)
- 960A High Current Semiconductor Test Board

COMMUNICATION

- Base Band Unit (BBU)
- Digital Antenna
- Fleet Management
- Vehicle Tracking System
- Telematic device control unit
- Wearable device for mining workers
- 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 electrolysers
- Pump controllers
- Sensor & tracking systems
- 10KW Bidirectional EV Charger

MEDICAL & OTHER

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

OUR GROWTH DRIVERS

Avalon's growth is driven by three engines working together steadily, recurring revenue from existing accounts, new wins progressing into execution, and a widening pipeline of future opportunities. Together, these provide the Company with the resilience and momentum needed to sustain long-term growth.

01 Existing Business

- Existing engagements are built on long-term customer relationships, many spanning several years, supported by long product life cycles and mission-critical programs.
- Ongoing collaboration with these customers has steadily expanded our footprint within these relationships.
- Core accounts are expected to carry this momentum into FY2027, continuing to deliver consistent, recurring revenue.

02 New Business

- Capability built up over recent years is now converting into fresh order wins, with several programs progressing toward full-scale production.
- These wins have added meaningfully to the order book, extending revenue visibility well into the coming year.
- The emphasis through FY2027 continues to be on rapid scale-up, dependable delivery, and turning these wins into steady, recurring revenue.

03 Opportunity Pipeline

- A growing pipeline of prospects is advancing across industries and geographies, aligned with our strategic priorities.
- These opportunities have the potential to meaningfully expand our revenue base and support growth in the years ahead.

EXPANDING OUR FOOTPRINT.
ENABLING THE NEXT PHASE OF GROWTH.

During the year, we expanded our manufacturing footprint with new facilities in Chennai and Kanchipuram, strengthening our ability to serve growing customer requirements.

SEZ (CHENNAI)

DOMESTIC (KANCHIPURAM)

Enriching Customer Experience

ANCHORING GROWTH IN DEEP RELATIONSHIPS AND SHARED VISION

At Avalon Technologies, we view customer centricity not merely as a service standard but as the cornerstone of our operational philosophy. We continuously align our capabilities and capital investments with the long-term roadmaps of our clients, transforming traditional supplier dynamics into highly integrated growth alliances.

1. CULTIVATING STRATEGIC PARTNERSHIPS

We believe that true value lies beyond the transactional delivery of products, on time and at the right price. Our focus is on building enduring relationships anchored in mutual trust. By actively listening to the customer's pulse and understanding their current and future vision we position ourselves as an extended arm of our clients' businesses, aligning our organizational goals with their long-term strategic trajectory.

2. DELIVERING HIGH-VALUE CONSULTATIVE ENGINEERING

Moving far beyond standard build-to-print manufacturing, we prioritize measurable value addition at every stage of the product lifecycle. We employ a deeply consultative approach to client engagement, moving away from reactive order-taking to becoming proactive problem solvers. We consistently evaluate and deploy capital to expand capacity, capabilities, and specialized resources for any business case that aligns with a client's future vision, ensuring they possess the infrastructure needed to scale seamlessly.

3. TAILORING PROCESSES TO MATCH UNIQUE DEMANDS

Rather than enforcing rigid manufacturing frameworks on our customers, we dynamically adapt our operational and quality standards to mirror the specific demands of each partner.

- **Customer-Driven Certification Strategy:** We proactively pursue and acquire industry-specific certifications that directly empower our clients' market positioning.
- **Rapid Compliance Scaling:** Our regulatory engineering teams accelerate compliance frameworks, allowing clients to seamlessly enter and scale within new global markets.
- **Bespoke Quality and Infrastructure:** We conduct tailored quality audits based on unique client requirements, and establish isolated, dedicated manufacturing spaces to prevent any cross-contamination of proprietary processes, ensuring absolute intellectual property and process integrity.

OUR CUSTOMER VALUE

Customer Centricity

Prioritizing serving our Customer's Manufacturing Needs

Integrity

Working for the Greater Good

Teamwork

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

Excellence

Ensuring that we deliver only High Quality Products

HUMAN RESOURCES

EMPOWERING OUR PEOPLE FOR THE FUTURE

Our people are central to our future-focused growth strategy, and we continue to invest in their development with conviction and commitment. In FY2026, we further strengthened our workforce capabilities to support business growth and operational excellence. Our focus remained on talent development, employee engagement, and building a collaborative culture across all locations. Sustained emphasis on ESG reinforced a safe, inclusive and future-ready workplace for every employee. Our initiatives were powered by a single, unified people-transformation agenda.

Every stride in growth, every training hour, every safety drill, and every celebration reflects one belief - people are Avalon's greatest competitive advantage.

OUR PEOPLE. OUR PROGRESS. OUR PURPOSE.

1,350
TALENT ONBOARDED
New hires across all levels

40,000+
CAPABILITY
Training manhours delivered

15
INNOVATION
National & industry awards won

200
SAFETY
First aid & ERT certified

KEY DEMOGRAPHICS

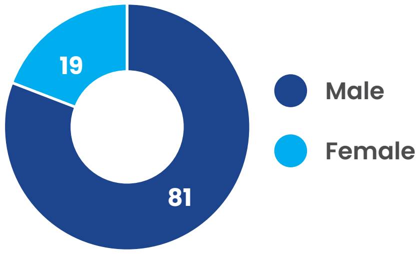
During FY2026, Avalon continued to maintain a diverse and capable workforce across technical, operational and support functions. Our focus on inclusive hiring, talent retention and employee development contributed to a balanced workforce that supports organizational growth and business objectives.

KEY METRICS

Headcount (As on 31.03.2026)

2,538 Male	**592** Female	**3,130** Total Headcount

Diversity (%)



NURTURING TALENT

People Transformation across Talent, Culture and Safety

a. Hiring, Campus & Diversity

Our workforce grew by 15.8% during the year, with strategic hiring initiatives, including campus, helping strengthen our employee base to aid business growth. Infusing fresh talent continues to be pursued strongly through our Campus Hiring programs – this year around 75 GETs were onboarded & placed across functions. We have also strengthened the Campus-Internship program to help acclimatize and ease the newly hired engineers into Avalon. Our focus remained on attracting diverse talent, enhancing candidate experience, and building an inclusive workforce to support long-term organizational success.

Capability Building

Over 40,000 manhours of training were clocked in FY2026, enhancing employee capability across technical, functional, behavioural and leadership development areas.

Internal Training

In-house learning programs were conducted across technical topics, various functional processes, safety operations, and behavioural competencies, enabling employees to build role-specific competence and strengthen day-to-day performance.

External Training

As part of our efforts to build a future-ready organization, we continued to invest in equipping our managerial workforce with key behavioural and leadership competencies.

1. **Functional Work Groups** – Competencies targeted through this initiative focused on enhancing stakeholder relationship and inter-personal effectiveness while effectively managing customer expectations. Intense 2-day experiential learning workshops were conducted throughout the year, covering major functional groups like Program Management, Supply Chain, Quality, Finance, HR & Engineering.

2. **Enabling People Managers for Scale and Impact** - Focused L&D interventions were rolled out for ~120 people managers across all levels to strengthen leadership effectiveness. The program covered: building high-performance teams, managing diverse and millennial talent, and applying structured feedback and review frameworks. It also emphasized expectation management to enable more consistent, inclusive, and outcome-driven people leadership.

These interventions were designed with leading L&D practitioners and customized to Avalon's needs.

CULTURE BUILD – PERFORMANCE-DRIVEN & VALUE-BASED

As part of its 2025 strategic agenda, Avalon has tweaked its Performance Management Process that connects individual ambition to the Company's strategic momentum and foundational values. The framework evaluates talent across two complementary dimensions — the measurable business outcomes our people achieve, and the behavioural competencies through which such outcomes are earned. This approach ensures that results are delivered with commensurate integrity, accountability, collaboration, and customer focus. By applying transparent and consistent standards across every level of management, Avalon reinforces the operational discipline and governance culture that empower teams to raise the bar, scale what works, and convert everyday performance into compounding, long-term value. More than a policy, this initiative is a deliberate investment in the talent, culture, and execution capability that will power Avalon's next phase of sustainable growth while upholding the principles essential to preserving stakeholder confidence.

LIFE @ AVALON

Celebrating our people, culture, and milestones

- VIBE'25 - an organization-level engagement initiative to promote innovation across Engineers - was launched to channel young engineers' ideas into process improvements.
- Beyond the workplace, Avalon's calendar was rich with moments that brought colleagues together - from Diwali, Pongal, Christmas, Independence Day, Republic Day, Navaratri, Karnataka Rajyotsava, Ayudha Pooja, Factory Day, Women's Day and birthday celebrations. These moments of celebration and connection continue to shape a workplace culture our people are proud to be part of.
- Service Anniversary Awards honoured employees for long-term commitment and loyalty across the organization.
- Avalon continued to strengthen its culture of innovation, and drove continuous improvement through participation in multiple national and industry forums. These efforts were recognized with several prestigious awards and accolades, reflecting the organization's commitment to operational excellence, employee-driven innovation, and best practices.

EMPLOYEE SAFETY & HEALTH

Environmental, Social and Governance (ESG)

During the year, Avalon reinforced a proactive safety culture through structured fire drills, fire-fighting demonstrations, as well as electrical-shock and chemical-spill mock drills, supported by a refreshed safety incident-reporting protocol. Emergency preparedness was strengthened through focused capability building, with 120 employees certified in First Aid and 80 employees certified in Emergency Response Team (ERT) practices, including evacuation response and basic fire-fighting readiness. Safety Week activities engaged employees across all five Avalon units, reinforcing awareness, preparedness and ownership of workplace safety. Wellness initiatives complemented these efforts through POSH awareness, ergonomic sessions, the Women Connect forum, health talks and an Anti-Drug pledge.

BRSR AND BEYOND

Avalon has established its BRSR reporting framework and completed the required BRSR submissions, demonstrating alignment with SEBI's sustainability disclosure requirements. Scope 1 and Scope 2 greenhouse gas emissions have been identified and reported, creating a strong foundation for a structured and measurable ESG program.

A significant step in the Company's sustainability journey has been the move towards procuring renewable solar energy for operations. This initiative reflects Avalon's commitment to reducing its Scope 2 carbon footprint, and transitioning progressively towards cleaner energy sources.

The next phase focuses on assurance-ready reporting, Scope 3 value-chain emissions quantification, and enhanced ESG disclosures, including platforms and frameworks such as EcoVadis, SBTi and CDP. These actions will help meet the growing expectations of customers, investors and regulators, while strengthening our position as a sustainable manufacturing partner.

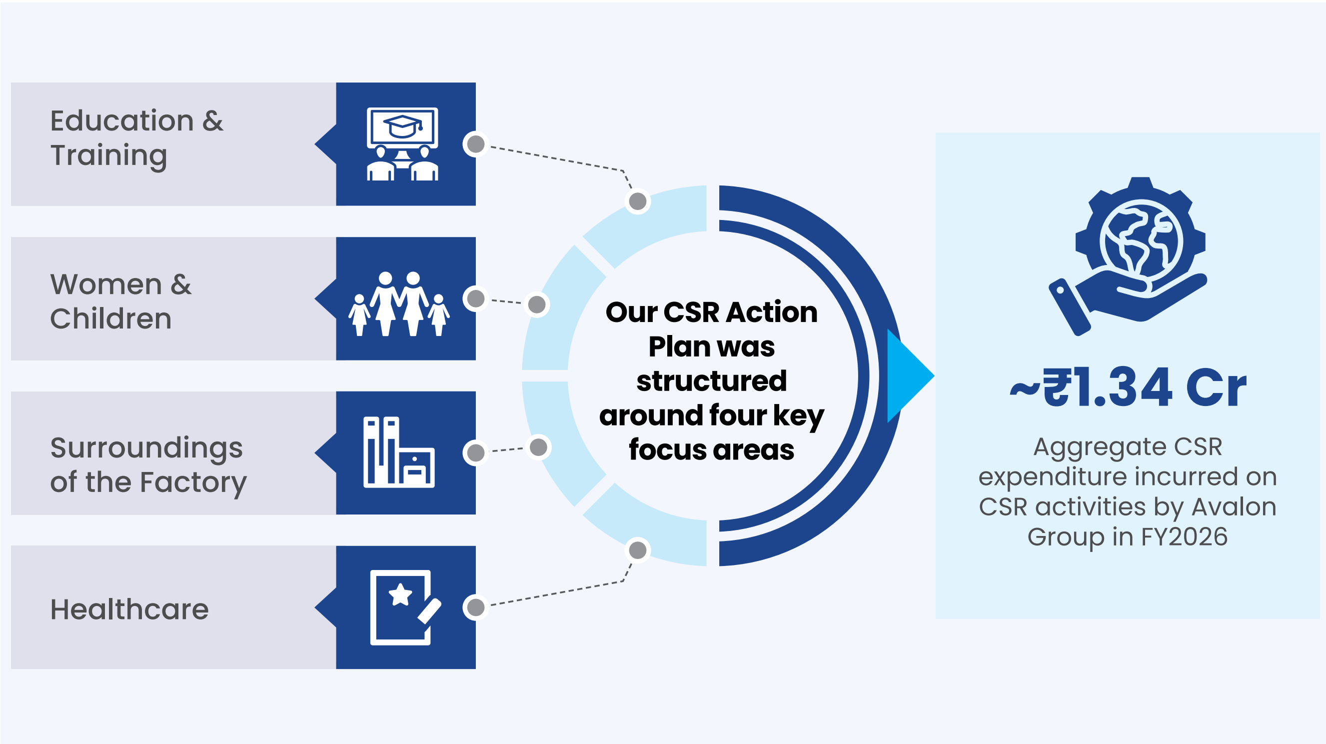
LOOKING AHEAD

Building on the FY2026 momentum, our people initiatives will continue to focus on capability building, nurturing young talent, and engagement initiatives. We shall invest further in safety and well-being - supporting Avalon's growth as a high-performing, inclusive and future-ready workplace for its global stakeholders.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

DRIVING SOCIETAL COMMITMENT WITH CONVICTION

At Avalon, we believe responsible growth extends beyond business performance. Our CSR initiatives focus on creating meaningful and lasting impact for the society. We support various programs aimed at the welfare of the communities. Our corporate social responsibility (CSR) ethos is focused on building a stronger and more sustainable future for all.



CSR INITIATIVES IN FY2026

During the year, Avalon CSR supported various programs covering the four identified focus areas A summary of some of the projects are highlighted below:

Action Foundation - Menstrual Health Initiative

Avalon Technologies supported a menstrual health initiative that provided menstrual health education and reusable Asan menstrual cups to many women and girls across six villages in Kanakapura (Karnataka). The project improved menstrual hygiene and health awareness, increased school and work attendance, reduced household expenses, and promoted environmental sustainability by significantly reducing sanitary pad waste.

MEPZMA Annual Health Check Camp

Avalon Technologies contributed towards the MEPZMA Annual Health Check Camp - a CSR initiative that provided preventive healthcare screenings and health awareness programs to over 10,000 beneficiaries in the MEPZ Special Economic Zone. The initiative promoted community wellbeing, preventive healthcare, and a healthier industrial community through collaboration with leading healthcare institutions.

OSAAT – ODiSI Digital Learning Initiative

Avalon Technologies provided ₹ 7.5 Lakhs in financial aid to support the implementation of the ODiSI Digital Learning platform at a government school, benefiting students and equipping teachers with digital teaching capabilities. The initiative bridged the rural digital divide by providing digital infrastructure, enhancing classroom learning, improving student engagement and academic outcomes, and fostering technology-enabled education in underserved communities.

CMCA – My Library for a Better Me & Makkala Grama Sabha Programs

As part of this initiative, we supported CMCA's My Library for a Better Me program, which enrolled 249 children across five community libraries, and the Makkala Grama Sabha program, which engaged children in civic awareness and participation activities. The initiative fostered reading, life skills, and citizenship values, while encouraging children to participate constructively in their communities.

Concerns Community College – NSDC Certification Program

Avalon Technologies supported Concerns Community College in providing NSDC-certified vocational training to students, enhancing their employability through industry-recognized skill development. The initiative equipped students with practical skills and nationally recognized certifications, improving their access to sustainable employment opportunities.

Ottapalam Eye Care Hospital – Digital Transformation

We supported the digital transformation of Ottapalam Eye Care Hospital by enabling the implementation of a cloud-based Eye Hospital Management System (EHMS), replacing an outdated legacy system. The upgrade strengthened the hospital's capacity to efficiently serve 300–400 patients per day, improve patient care through integrated digital records and streamlined operations, and enhance access to affordable and free eye care for underserved communities.

Swabhimaan Trust Daycare Centre

Avalon's CSR contribution enabled the establishment of a daycare centre, benefiting 28 children from underserved communities. The program provided the children with safe childcare, nutritious meals, and early childhood education. The initiative has also empowered the beneficiary mothers to continue or return to work, improving household incomes while fostering children's holistic development and school readiness.

CUSTOMER SUCCESS STORIES

#1 Success Story

DRIVING DEFENCE INNOVATION THROUGH ENGINEERING EXCELLENCE

The Challenge

A major U.S. defence prime contractor needed to manufacture a complex, full box-build warning system for the Integrated Battle Command System (IBCS). However, the design documentation was legacy, riddled with obsolete components.

Our Approach

Leveraging our vertical integration and advanced technical capabilities, our engineering teams successfully redesigned the critical printed circuit board assemblies (PCBAs) and components, modernizing the entire system architecture.

The Impact

We delivered a fully upgraded, production-ready solution, establishing Avalon as the client's preferred vendor for all future product iterations.

The Strategic Significance

This success cements our engineering authority in the high-barrier defence sector, securing a multi-year, high-value manufacturing pipeline.

#2 Success Story

ENGINEERING PRECISION AT SPEED

The Challenge

Our sourcing and program management teams rapidly interpreted the blueprints, identifying and replacing incorrect and obsolete components with high-quality, cost-effective alternatives to fast-track prototyping in record time.

Our Approach

Our sourcing and program management teams rapidly interpreted the blueprints, identifying and replacing incorrect and obsolete components with high-quality, cost-effective alternatives to fast-track prototyping in record time.

The Impact

We successfully delivered 35 flawless units under budget, securing a future pipeline of up to 200 units annually.

The Strategic Significance

Partnering with this dominant industry leader validates our operational agility and opens expansive growth opportunities across multiple new industrial sectors.

#3 Success Story

DRIVING INNOVATION IN LOCOMOTIVE TECHNOLOGY

The Challenge

A global rail transportation leader required a vertically integrated manufacturing partner to produce complex auxiliary low-voltage cabinets for locomotives. The highly intricate system demanded advanced technical expertise in cable harnessing, PCB assembly, and electromechanical integration.

Our Approach

Leveraging our end-to-end capabilities, we engineered a unified production strategy. Despite initial technical roadblocks during the transition phase, our engineering teams optimized processes, moving seamlessly from prototyping to high-volume production.

The Impact

We delivered a flawless, production-ready solution, scaling manufacturing efficiency and ensuring robust supply chain reliability for critical rail components.

The Strategic Significance

This success solidifies our position as a premier, high-competency partner for critical mass-transit infrastructure.

#4 Success Story

POWERING SEMICONDUCTOR MANUFACTURING EXCELLENCE

The Challenge
A global semiconductor equipment leader required an Indian manufacturing partner to produce highly critical power boxes meeting stringent quality and safety standards.

Our Approach
We dedicated 12,000 sq. ft. of our facility, embedding the client's workmanship and quality methods into our DNA. Supported by a custom Manufacturing Execution System, our Singapore-trained testing team utilized advanced Automated Test Equipment to validate every unit.

The Impact
Achieving a 3.83 QMS audit rating and formal regional approval, we transitioned to high-volume manufacturing. The first 300 units delivered a 100% field yield.

The Strategic Significance
This milestone establishes our capability to execute high-precision manufacturing for the global semiconductor industry.

#5 Success Story

ACCELERATING MISSION-CRITICAL PRODUCT LAUNCH

The Challenge
A global leader in motion control and gas spring solutions faced an aggressive timeline for a mission-critical cable harness supporting a major automotive OEM program, risking severe launch delays.

Our Approach
Avalon mobilized a cross-functional team to expedite long-lead procurement globally. We hand-carried critical validation components and transitioned the project from prototype to mass production within six months.

The Impact
Our proactive logistics eliminated supply chain bottlenecks, ensuring the customer met the OEM's strict schedule while maintaining flawless quality.

The Strategic Significance
This success cements Avalon's position as a vital Tier-1 automotive aerospace supplier, demonstrating elite New Product Introduction (NPI) speed and supply chain agility.

#6 Success Story

ENGINEERING THE FUTURE: POWERING COMPLEX INFRASTRUCTURE

The Challenge
A major global energy leader needed project-specific, highly customized electrical upgrade solutions for national utilities and data centers. This demanded advanced engineering depth to translate intricate electrical schematics into practical, buildable physical systems.

Our Approach
Following one year of continuous engagement, we demonstrated our specialized engineering expertise and high-reliability manufacturing infrastructure to match their rigorous bespoke designs.

The Impact
We secured our first landmark order to manufacture three sets of controller cabinets for transformers.

The Strategic Significance
This pivot from volume-based standard products to high-margin, complex project-specific solutions establishes Avalon as a trusted partner for critical global infrastructure.

BOARD OF DIRECTORS

KUNHAMED BICHA

Promoter, Chairman & Managing Director

- Recipient of "CII Connect 2017 Award for Entrepreneur of the Year (Manufacturing)[1]".
- Bachelor's degree in Mechanical Engineering from PSG College and Master's degree in Science (Industrial Engineering) from Wichita State University, U.S.

LUQUMAN VEEDU EDIYANAM

Non-Executive Director

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

VENKATARAMANI ANANTHARAMAKRISHNAN

Independent Director

- MBA from University of Chicago, U.S.
- 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, U.S.
- Worked at Intel Corporation for 20 years in various roles. He was also co-founder, CFO, and then CEO at Ezetap between 2014 and 2024.

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.
- Programme 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.

[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, Chennai), an MS (Mechanical) from the University of Michigan Ann Arbor, U.S, and an MBA from the Kellogg School of Management, U.S.
- 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, U.S.
- 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.

SAVITA R GANJIGATTI

Senior Vice President, Engineering

Head of PCB Design and Analysis team

- 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 TLP1 of IPC Design, U.S.

ARJUN BALAKRISHNAN

Senior Vice President, Business Development

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

DAVID WHITE

Vice President, U.S. Operations

- Responsible for manufacturing operations in the U.S.
- Holds a Bachelor's degree in Industrial and Systems Engineering from University of Florida, U.S.
- 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 organizational 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 Programme from IIM.
- Prior experience: TAFE, Idea Cellular, Malayala Manorama & Crayon Data Pte Ltd.

Footnote:

ISB = Indian School of Business; MS = Masters in Science;
B.Tech = Bachelors in Technology; MBA = Masters in Business Administration

AWARDS & RECOGNITION

PRECISION SHEET METAL TECHNOLOGY FAIR

Avalon Technologies was recognized at the 38th Precision Sheet Metal Technology Fair with the Technical Award and Special Commendation Award for excellence in precision sheet metal engineering and innovation.

3M COMPETITION NATIONAL LEVEL - CII

Platinum, Gold and Silver Awards at the National 3M Competition issued by Confederation of Indian Industry to the PCBA , Cables and Plastic Divisions of Avalon.



ACMA EXCELLENCE AWARDS

Avalon Technologies earned multiple ACMA Mobility Foundation recognitions for manufacturing excellence, including awards for Tooling Improvement, Productivity Improvement and recognition as a Star Performing Company under the Engineering Excellence Cluster 7 Program (2025–26).

KAIZEN AWARDS NATIONAL LEVEL - CII

Platinum Award at the 55th CII National Kaizen Competition under the Innovative category issued by Confederation of Indian Industry.

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

The global economy navigated a complex operating environment in FY2026 as the momentum seen in 2025 supported by technology-led investment, fiscal expenditure, and moderating inflation was disrupted by rising geopolitical tensions, shifts in trade policies, and tighter financial conditions. According to the International Monetary Fund, global GDP growth moderated from approximately 3.4% in 2025 to about 3.1% in 2026, reflecting varied regional dynamics. Growth in advanced economies remained subdued at around 1.8% in 2026, with the U.S. economic growth projected to remain relatively resilient, edging up from 2.1% in 2025 to 2.3% in 2026. Emerging market and developing economies are projected to maintain relatively stronger growth, although growth is expected to moderate from 4.4% in 2025 to 3.9% in 2026. A major escalation of conflict in the Middle East, including disruptions to energy transit through the Strait of Hormuz, led to sharp volatility in oil, gas, fertilizer, and logistics costs, interrupting the global disinflation trajectory. Concurrently, the global economy navigated significant trade realignments alongside the continued build-out of artificial-intelligence-related infrastructure investment, which partly offset broader macroeconomic headwinds. Despite near-term challenges, the medium-term global outlook continues to be supported by sustained public investment in infrastructure, energy security, and transportation networks, which remain central to economic resilience and long-term growth.

Sources:

IMF World Economic Outlook (April 2026)

World Economic Outlook, April 2026: Global Economy in the Shadow of War, World Economic Outlook - All Issues

World Economic Outlook (%)

Real GDP, annual percent change	2025	2026	2027
World Output	3.4	3.1	3.2
Advanced Economies	1.9	1.8	1.7
United States	2.1	2.3	2.1
Euro Area	1.4	1.1	1.2
Emerging Market and Developing Economies	4.4	3.9	4.2
Emerging and Developing Asia	5.5	4.9	4.8
China	5.0	4.4	4.0
India	7.6	6.5	6.5

UNITED STATES ECONOMIC OVERVIEW

The United States economy remained resilient during 2025 despite heightened policy uncertainty and evolving global geopolitical conditions. Economic activity was supported by continued investment in technology-related sectors, while domestic demand remained broadly stable. The GDP growth in the United States remained at 2.1% during 2025. The U.S. economy is projected to expand by 2.3% in 2026, supported by fiscal measures and the lagged effects of monetary policy easing undertaken in 2025.

The U.S. economy also continued to navigate a changing trade environment. The ongoing realignment of global supply chains and trade relationships remained evident during the year, with shifts in import sourcing patterns and continued investment in technology and digital infrastructure. Strong demand for semiconductors and related technologies supported trade activity, while technology-driven investment remained an important contributor to economic performance.

Private consumption remained a key pillar of economic activity. According to the IMF's Statistical Appendix, private consumer expenditure in the United States is estimated at 2.6% in 2025, reflecting continued household spending despite a more moderate growth environment. The IMF notes that while higher trade barriers introduced since April 2025 are expected to continue weighing on activity, this impact is likely to be partially offset by stronger productivity growth, a rebound in economic activity following the conclusion of the federal government shutdown, and the carryover effects of stronger-than-previously-anticipated growth momentum. While technology-driven growth is expected to moderate from recent levels, it is projected to continue contributing positively to economic activity over the forecast period. The IMF also expects productivity gains to gradually converge towards historical norms over the medium term.

Source: World Economic Outlook (IMF), WEO- April (IMF)

INDIAN ECONOMIC OVERVIEW

India continues to remain one of the world's fastest-growing major economies, supported by resilient domestic demand, strong investment activity, and ongoing structural reforms.

Private consumption continues driving growth, supported by declining inflation and rising real incomes that enhance household purchasing power. Public capital expenditure of ₹ 12.2 Lakhs Cr, as allocated in the Union Budget 2026-27, catalyses infrastructure development while stimulating manufacturing, construction, and energy sectors; government initiatives like Viksit Bharat 2047 further promote self-reliance and capacity enhancement amid global pressures. Private consumption and public expenditure registered healthy gains during the year. Following a total of 125 basis points of calibrated rate cuts delivered during the previous easing cycles to enhance liquidity, the Reserve Bank of India's Monetary Policy Committee (MPC) held the benchmark repo rate steady at 5.25%. The MPC maintained a neutral policy stance to retain operational flexibility.

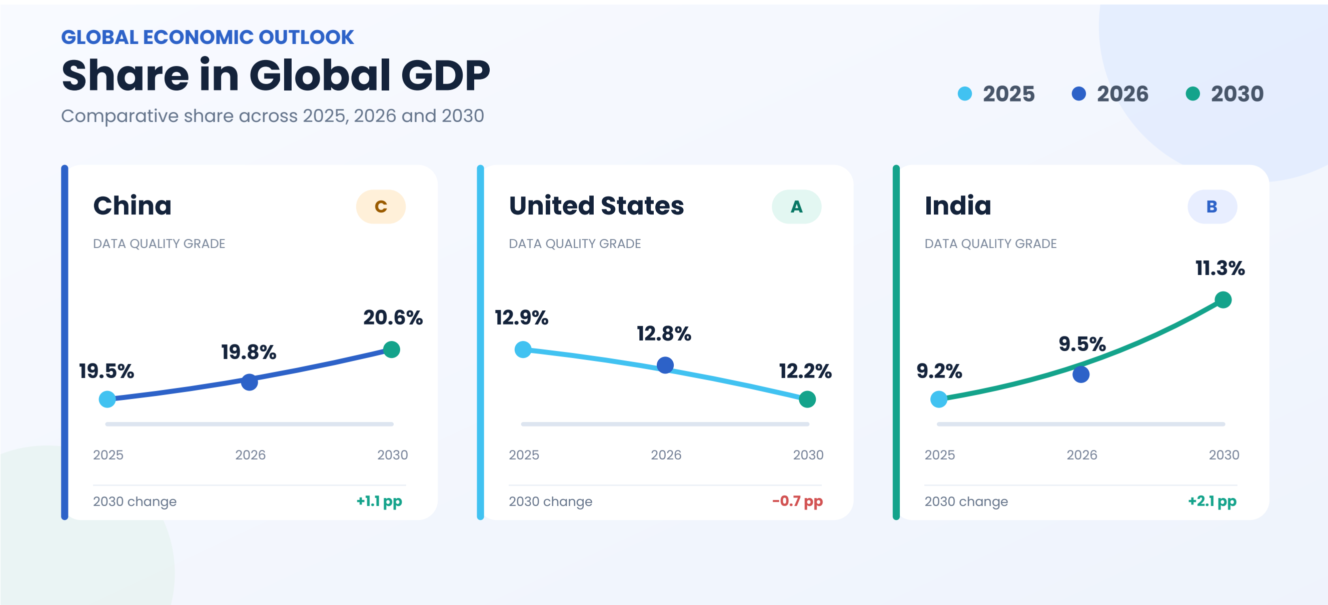
Looking ahead into FY2027, the RBI has projected a real GDP growth rate of 6.9%. This calculation reflects a cautious baseline accounting for external supply shocks, such as the West Asia conflict and its subsequent pressure on global shipping routes and raw material costs. Concurrently, full-year CPI inflation for FY2027 is projected to rise to 4.6% due to unfavorable base effects, volatile global crude assumptions (pegged at USD 85 per barrel), and potential climate risks like El Niño. In a first, the RBI also introduced a Core CPI inflation forecast of 4.4% for FY2027, signaling that underlying non-food, non-fuel inflation pressures remain comfortably range-bound.

The conclusion of the India–EU Free Trade Agreement is expected to strengthen India's export competitiveness and deepen its integration with European value chains, with preferential access covering over 99% of Indian exports by trade value. This positions India and the European Union as trusted partners committed to open markets, predictability, and inclusive growth.

India's share of global GDP, measured in purchasing power parity (PPP) terms, has reached 8.25% and is structural on its path to cross 10% by 2030. This upward trend highlights the country's economic expansion, aided in part by the competitive positioning of the rupee, which enhances its structural status in PPP-based global rankings.

Sources:

- Macro Policy & Yield Impact Trackers: Finnovate Markets Insights (April 2026 Policy)
- Institutional Credit & Economic Risk Analysis: Acuite Macro Research - RBI Review
- PIB, PIB 2, MoSPI
- India–EU Free Trade Agreement Concluded



Key:
Data quality grade definitions: A: As good as it gets B: Good C: Use with caution
India's Share of Global GDP | 2025-2030 | Data | World Economics
Share of global GDP adjusted for PPP India| Statista

Exports

India's export sector demonstrated notable structural resilience during the year, despite a challenging global trade environment and persistent logistical constraints. Total cumulative exports reached over USD 860.09 billion, underscoring the economy's capacity to sustain external demand through a diversified and evolving export base.

A key highlight of the year was the strong growth in electronics exports. Electronic goods exports surged by 40.31% year-on-year to USD 5.18 billion in April 2026, reflecting robust momentum in the sector.

India's electronics and semiconductor industry is increasingly emerging as a critical growth driver. Supported by targeted government initiatives, including the Production Linked Incentive (PLI) schemes and broader ecosystem development measures, the sector has witnessed accelerated investments and capacity expansion. These developments have strengthened India's integration into global value chains, while enhancing both domestic manufacturing resilience and export competitiveness.

Sources:

India's total exports hit record USD 863 billion in FY2026, services surge 8.7%

India Electronics Exports Surge 40% in April 2026

Union Budget 2026: Electronics is one bet India just can't underplay - The Economic Times

INDUSTRY OVERVIEW

Global EMS Industry

The Electronics Manufacturing Services (EMS) industry forms an integral part of the global electronics value chain, providing a broad range of manufacturing and support services to original equipment manufacturers (OEMs) across industries. EMS providers undertake activities spanning electronics manufacturing, engineering services, testing and development, logistics management and supply chain support, enabling customers to focus on product design, innovation and market development.

The global EMS market has witnessed steady expansion as manufacturers increasingly outsource production activities to specialized partners capable of delivering scale, quality and operational efficiency. The industry supports a diverse range of end-use sectors, including information technology and telecommunications, automotive, aerospace and defence, healthcare, consumer electronics, semiconductor manufacturing, robotics and industrial applications.

The global EMS market was valued at USD 617.90 billion in 2025 and is projected to increase from USD 661.34 in 2026 to USD 1,201.16 billion by 2035, registering a CAGR of 6.87% during the forecast period from 2026 to 2035. The sustained growth reflects the increasing integration of electronics across industries and the growing complexity of electronic products, which continue to drive demand for specialized manufacturing and engineering capabilities.

The industry is evolving beyond traditional contract manufacturing towards higher-value services encompassing engineering support, product development, testing and supply chain management. Electronics manufacturing services are expected to be among the fastest-growing service segments over the forecast period.

Sources:

Fortune Business Insights: Electronic Manufacturing Services Market Report

Precedence research: EMS Market Analysis

US EMS Industry

The United States Electronics Manufacturing Services (EMS) industry represents a critical component of the country's electronics and advanced manufacturing ecosystem.

The U.S. EMS market was valued at USD 172.85 Billion in 2025 and is estimated to reach USD 185.30 Billion in 2026. The market is projected to grow to USD 267.44 Billion by 2031, registering a CAGR of 5.91% during the period from 2026 to 2031. The growth outlook reflects increasing demand for sophisticated electronic systems across industrial, automotive, communications, medical and defence applications, alongside the expanding role of EMS providers in supporting product development and manufacturing activities.

The industry is witnessing a gradual transition towards higher-value manufacturing services, supported by growing demand for advanced assembly technologies and integrated manufacturing solutions. Surface-mount technology (SMT) continues to represent a significant share of manufacturing activity, while advanced packaging solutions are gaining prominence as electronics systems become more compact and performance requirements increase. EMS providers are also expanding their engineering, testing and supply chain capabilities to address evolving customer requirements and support increasingly complex product architectures.

The U.S. EMS industry remains an important manufacturing hub for customers requiring advanced engineering capabilities, high-quality manufacturing standards and specialized production expertise. The continued expansion of electronics content across industrial and technology-driven sectors is expected to support sustained demand for EMS services over the medium term.

Source: Mordor Intelligence

Indian EMS Industry

The Indian Electronics Manufacturing Services (EMS) industry has emerged as an important component of the country's electronics manufacturing ecosystem, providing end-to-end manufacturing solutions to original equipment manufacturers (OEMs) across a broad range of industries.

India's electronics growth since 2019 represents one of the most rapid capacities build-outs in the sector's modern history. The PLI scheme for large-scale electronics and IT hardware has been the primary catalyst, attracting both domestic conglomerates and global EMS players to scale manufacturing operations. India's EMS market has expanded from USD 10–12 billion in FY20 to USD 40–45 billion in FY25, driven by domestic demand, export growth and outsourcing trend. India's share of global EMS manufacturing remains relatively modest at 5–6 %. However, this is set to expand over the coming decade as manufacturing investments accelerate, and export capacity expands.

Source: KPMG-India’s-electronic-manufacturing-services-ems-opportunity

India’s Electronics Boost

India has rapidly evolved into a major centre for electronics production, achieving exceptional growth in both output and exports. Successive policies like the National Policy on Electronics, SPECS, EMC 2.0, and PLI have reshaped electronics manufacturing. Schemes such as Electronics Components Manufacturing Scheme (ECMS) further strengthened India’s Electronics ecosystem, driving growth and competitiveness. Electronics production rose from ₹ 11.32 Lakhs Cr in FY 2024–25 to ₹ 13.11 Lakhs Cr in FY 2025–26, a 15.8% year-on-year increase.

Indicator	2014–15	2025–26	Growth
Production of electronics goods	~₹ 1.9 Lakhs Cr	~₹ 13.11 Lakhs Cr	7 times
Exports of electronics goods	~₹ 38,000 Cr	~₹ 4.24 Lakhs Cr	11 times

Source: PIB-Manufacturing Momentum:Building a Self-Reliant India

Semiconductors

The Government of India (GoI) has taken decisive steps through the India Semiconductor Mission (ISM) to build domestic capabilities across semiconductor design, manufacturing and the broader ecosystem. Initial traction has emerged in mobilizing investments across fabrication, assembly and testing, while leveraging India’s established strength in semiconductor design and engineering talent. Building on this momentum, the Union Budget 2026 announced ISM 2.0 with a total budget outlay of ₹ 1,27,500 Cr, signalling a shift from ecosystem creation towards deeper capabilities, greater scale and long-term competitiveness. ISM 2.0 places greater emphasis on advanced packaging, compound semiconductors, critical design infrastructure, policy stability and sustained capital mobilization.

India’s semiconductor demand trajectory is underpinned by strong surge in demand from electronics manufacturing, accelerated rollout of data centres and cloud infrastructure, rising semiconductor content in automotive, particularly electric vehicles and ADAS and the widespread adoption of AI across consumer devices and enterprise workloads.

Our opportunity is further supported by the broadening and deepening of semiconductor content across key end-use sectors:

- In automotive, the transition towards electric and software-defined vehicles, ADAS and vehicle connectivity is driving demand for power semiconductors, automotive microcontrollers, sensor ICs and AI-enabled chips.
- In telecom, the transition towards 5G and emerging 6G networks is increasing demand for RF and baseband chips, high-speed connectivity solutions and advanced photonic technologies. At the same time, the rapid expansion of data centres and AI infrastructure is accelerating demand for AI accelerators, high-bandwidth memory, chiplets and high-speed interconnects.
- Industrial and manufacturing applications, driven by Industry 4.0 and automation, are creating opportunities for industrial microcontrollers, edge-AI solutions and motor-control and power-management chips.

Source: Future of India’s Semiconductor Industry

KEY DRIVERS SHAPING THE INDIAN EMS INDUSTRY

KEY DRIVERS SHAPING THE INDIAN EMS INDUSTRY

Government incentives and regulatory push

USD 8 billion+ outlay under PLI, SPECS, Semicon India, EMC 2.0, and Design Linked Incentive schemes

Increase in Domestic Demand

Increasing digitization in consumer durables, automotive, telecom, and industrial applications

China + 1 strategy

Global OEMs diversifying supply chains away from China; India emerging as a preferred EMS hub due to cost competitiveness and policy support

Make in India

Strong policy push for domestic value addition and import substitution and reopening of PLI for white goods and expansion of component manufacturing schemes

Emerging High-Value Segments

Indian EMS is increasingly shifting toward high-value sectors such as aerospace, defence, industrial & automotive driven by complex products, stringent quality standards, and longer product lifecycles

Exports the next frontier

Electronics exports grew at ~127 times between FY2015-FY2025; Domestic EMS players expanding global footprint

Source: https://assets.kpmg.com/content/dam/kpmgsites/in/pdf/2026/06/indias-electronic-manufacturing-services-ems-opportunity.pdf

OPPORTUNITIES

Emergence of India and the U.S. as Manufacturing Powerhouses: The ongoing diversification of global supply chains, driven by geopolitical shifts and friend-shoring strategies, is strengthening the position of India and the U.S. as key manufacturing hubs. India's cost competitiveness, policy support, and improving infrastructure, along with the U.S. focus on domestic high-tech manufacturing, are creating significant growth opportunities for EMS companies to integrate into global value chains.

Source: India Electronics Manufacturing Services Market Size, Share & 2031 Growth Trends Report

Increasing Outsourcing by OEMs: Original equipment manufacturers (OEMs) are increasingly outsourcing manufacturing activities to specialized partners, creating opportunities for EMS providers offering integrated manufacturing, engineering, testing and supply-chain solutions. The adoption of turnkey and product lifecycle support services is further expanding the scope of outsourced manufacturing.

Trends in the Industrial Segment: The industrial electronics segment is experiencing robust growth driven by increasing automation, Industry 4.0 adoption, and digital transformation across manufacturing environments. Companies are investing in smart factories, robotics, IoT-enabled systems, and predictive maintenance technologies to enhance operational efficiency and productivity. This shift is driving demand for complex electronic assemblies and control systems, positioning the EMS industry as a key enabler of industrial modernization. The segment's focus on reliability, precision, and customization is also fostering long-term, high-margin opportunities for EMS providers.

Growing Opportunities in the Automotive Industry: The automotive sector is undergoing a transformational shift toward electrification, connectivity, and autonomous technologies, significantly increasing the electronics content per vehicle. Electric vehicles (EVs), in particular, require advanced electronic systems such as battery management systems, power electronics, and onboard computing units. Additionally, the rise of connected vehicles and advanced driver assistance systems (ADAS) is further driving demand for high-performance electronics. This evolution is expanding the opportunity landscape for EMS players to participate in next-generation mobility ecosystems.

Advancements in the Communication Sector: The communication sector is witnessing rapid advancements driven by the rollout of 5G networks, expansion of data centres, and increasing adoption of cloud and edge computing. These trends are driving demand for telecom infrastructure, networking equipment, and high-speed data processing systems. As digital connectivity becomes a critical backbone of the global economy, the EMS industry is playing a vital role in manufacturing the hardware that supports communication networks, enabling faster, more reliable, and scalable connectivity solutions.

Advancement in the Medical Industry: The medical electronics segment is witnessing steady growth driven by increasing healthcare expenditure, technological advancements, and the adoption of digital health solutions. Demand for diagnostic equipment, wearable devices, remote monitoring systems, and advanced medical instruments is rising globally. These products require high precision, reliability, and compliance with stringent regulatory standards, creating opportunities for EMS providers to cater to this specialized and high-value segment. The increasing integration of electronics in healthcare delivery systems is expected to further expand the scope of EMS participation in the medical industry.

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 end-to-end, vertically integrated solutions. The Company acts as a trusted one-stop partner to global OEMs, specializing in high-mix, flexible volume manufacturing supported by strong engineering capabilities for complex and mission-critical product requirements.

Avalon's manufacturing strength is supported by over 575K+ sq. ft. of design and production space across 15 facilities and 65 production lines, with built-in capacity for scale-up.

Avalon serves a diversified set of industries, including industrial, communications, clean energy, mobility, defence and others. Its capabilities span the entire value chain from individual component manufacturing to full system integration underpinned by a strong focus on design-for-manufacturing (DFM) and design-for-assembly (DFA) to enhance efficiency, reliability, and time-to-market for customers.

The Company's flexible manufacturing systems and integrated service offerings enable it to deliver customized, high-quality solutions across a broad spectrum of applications globally. Avalon operates through a hybrid delivery model, leveraging its manufacturing footprint in both India and the United States - two high-growth and strategically important markets. This global presence enhances operational agility, strengthens customer proximity, and enables the Company to effectively support evolving customer needs across geographies.

Manufacturing

Avalon's manufacturing strength is supported by over 575K+ sq. ft. of design and production space across 15 facilities and 65 production lines, with built-in capacity for scale-up.

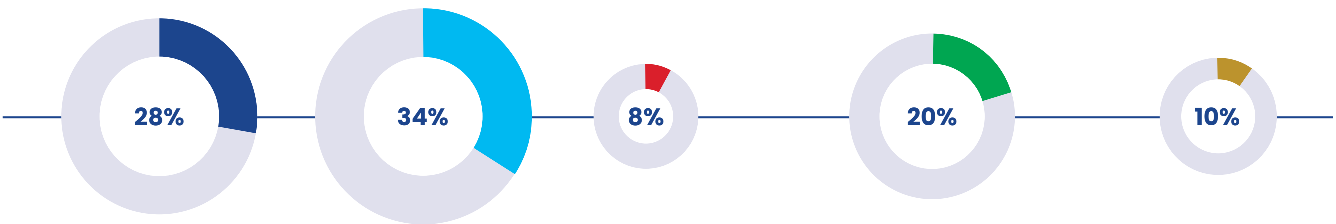
The Company maintains a unique dual-shore presence in India and the United States, enabling localized manufacturing for global customers. Its facilities meet key international quality standards, including AS 9100, IATF 16949, and ISO 13485.

Guided by a 'Build Local. Serve Global.' approach, Avalon's India operations cater to both domestic and export markets, while its U.S. facilities focus on serving local customers, enhancing agility and proximity.

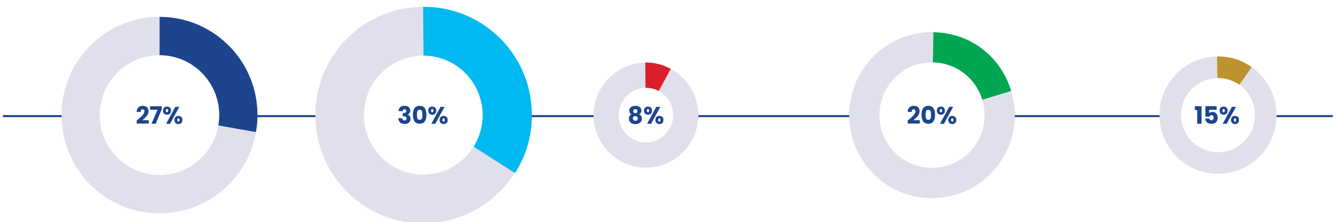
SEGMENT OVERVIEW AND PERFORMANCE

Mobility/Transportaton	Industrials	Communication	Clean Energy	Medical & Others
Railways Automotive Aerospace	Power & Automation	Telecom & Satellite Digital Infrastructure	Solar Electric Vehicle Energy Storage System	Medical Defence & Others

FY26 REVENUE %



FY25 REVENUE %



The Industrials segment, which covers power and automation, remained the largest contributor to Avalon's revenue. The segment's share increased from 30% in FY2025 to 34% in FY2026, reflecting the Company's strong execution capabilities and growing focus on industrial automation and power solutions. The revenue contribution from the Mobility / Transportation segment, comprising railways, automotive, and aerospace, also witnessed a marginal increase from 27% in FY2025 to 28% in FY2026, indicating sustained momentum across transportation-related industries. The Clean Energy segment maintained a stable contribution at 20% in FY2026, unchanged from FY2025, supported by continued opportunities in solar, electric vehicle, and hydrogen-related applications. Avalon's revenue share from the Communications segment remained stable at 8% in FY2026, reflecting consistent demand from telecom, satellite, and digital infrastructure markets. The revenue contribution from the Medical & Others segment, covering medical technologies, defence, and miscellaneous categories, declined from 15% in FY2025 to 10% in FY2026. Despite this moderation, Avalon's diversified industry presence continues to reinforce its resilience and balanced positioning across end-user markets.

MOBILITY

Avalon continues to strengthen its presence in the mobility sector by developing durable and technologically advanced systems for the railways, automotive, and aerospace industries. The Company collaborates closely with global OEMs and transportation partners to deliver high-performance solutions aligned with evolving mobility requirements. Avalon's expertise spans precision manufacturing, electronic systems integration, and mission-critical applications, enabling it to address increasing demand across transportation infrastructure and next-generation mobility platforms.

In the railways segment, Avalon collaborates with global rail operators and transport manufacturers to support railway modernization and safety enhancement initiatives. The Company caters to braking systems, interlocking systems, engine controls, and electronic safety systems. Progress in advanced railway technologies, including Kavach systems, further strengthens Avalon's positioning within India's rapidly expanding rail ecosystem.

In the aerospace sector, Avalon specializes in intricate sheet metal structures, precision-machined components, and injection-moulded plastic parts for mission-critical applications. With certifications including AS9100 and NADCAP accreditation for fusion and resistance welding, the Company supports diverse aerospace applications such as aircraft seating, cargo systems, smoke detectors, and engine components. Its vertically integrated manufacturing capabilities ensure high precision, stringent quality control, and scalable production.

Product offerings

- **Aerospace:** Seating systems, cabin systems, smoke detectors, combustion liners, engine parts, wiper assemblies, and lighting enclosures.
- **Railway:** Electronic interlocking systems, anti-collision systems (Kavach), braking systems, wheel slide protection systems, engine control systems, emergency braking systems, and traction systems.
- **Automotive:** GPS trackers, camera systems, electronic dashboards, actuation systems, battery management systems, converters, controllers, and motion control systems.

INDUSTRIALS

Avalon's end-to-end design-led manufacturing capabilities enable innovation across industrial applications, including power electronics, automation systems, transformers, and energy infrastructure solutions. By combining deep domain expertise with advanced electronics manufacturing capabilities, the Company supports leading players across the power value chain, including generation, transmission, distribution, storage, and conditioning.

The Industrials segment remained the largest contributor to Avalon's revenue in FY2026, with its share increasing from 30% in FY2025 to 34% in FY2026. The growth reflects increasing demand for industrial automation, power management systems, and precision electronic solutions, reinforcing Avalon's strong positioning in the industrial ecosystem. The Company's integrated manufacturing approach enables customers to develop advanced and intelligent energy systems while enhancing operational efficiency and reliability.

Product offerings

The Company's key offerings in this segment include PCBAs, magnetics for CNC machines, power cables, controllers for power pumps, control panels, fuel dispenser systems, and power management solutions.

COMMUNICATION

Avalon supports telecom, satellite, and digital infrastructure customers through end-to-end manufacturing solutions ranging from concept development to full-scale production. Its vertically integrated capabilities cover mission-critical communication components such as antenna boxes, remote radio heads (RRH), baseband units (BBU), and digital communication systems, catering to the evolving requirements of the telecom and satellite ecosystem.

The Communication segment contributed 8% to total revenue in FY2026, remaining stable compared to FY2025. This performance reflects consistent demand from telecom infrastructure, satellite communication systems, and digital connectivity solutions. Avalon continues to collaborate with industry leaders by leveraging expertise in telemetry, geolocation technologies, and integrated manufacturing to deliver reliable communication-enabled solutions.

Product offerings

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

CLEAN ENERGY

Avalon remains actively engaged in the rapidly evolving clean energy sector, serving high-growth applications such as electric vehicles (EVs), and energy storage system. The global transition towards clean energy, favourable policy support, and increasing adoption of sustainable technologies continue to create strong demand for advanced electronics manufacturing solutions.

Avalon continues to strengthen its presence in this segment by supporting customers with critical components and systems used across renewable energy and EV ecosystems. The Company remains well-positioned to benefit from growing investments in energy transition and decarbonization initiatives.

Product offerings

- Solar trackers, solar inverters, solar chargers, solar pump controllers, energy storage systems
- DC power supply, AC/DC converters, inverter systems, subsystem solutions for electrolysers home electrification systems, power drivers.
- Onboard charging units, converters, motor controllers, electronic dashboards, management systems, and sensor boards

MEDICAL & OTHERS

Avalon is well-positioned to address the complexities of medical device manufacturing and high-reliability electronic applications through advanced engineering capabilities, strict regulatory adherence, and collaborative product development. The Company delivers precision-engineered solutions that support high standards of safety, reliability, and performance.

The Medical & Others segment contributed 10% to total revenue in FY2026, compared to 15% in FY2025. The moderation in contribution reflects a changing revenue mix, while the Company continues to maintain a diversified presence across medical technologies, defence, and specialized industrial applications. Avalon remains focused on expanding capabilities in advanced electronics and high-value precision manufacturing to cater to evolving customer requirements.

Product offerings

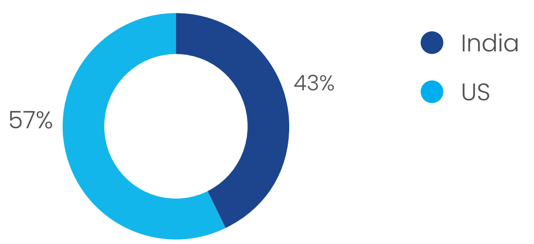
The Company provides products such as PCBAs for oxygen concentrators and blood analysers, cables for flow meters, defence-related electronic solutions, and advanced server technologies through strategic collaborations.

GEOGRAPHY MIX

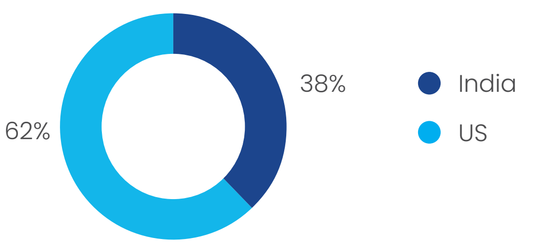
Avalon's revenue from U.S. customers rose to 62%, compared to 57% in FY2025, showing stronger traction in international markets. The share from Indian customers was 38% during FY2026.

Geographical Revenue Mix

FY25



FY26



Business Highlights FY2026

- Revenue from operations grew by 46% year-on-year, increasing from ₹ 1,098 Cr in FY2025 to ₹ 1,603 Cr in FY2026.
- Net Working Capital improved by 12 days year on-year, reducing from 124 days in FY2025 to 112 days in FY2026.
- Added three large U.S.-based customers during the year, with programs progressing from prototype to commercialization.
- Maintained a strong order visibility with an order book of ₹ 2,196 Cr and long-term contracts of ₹ 1,245 Cr.
- Achieved strong progress in energy storage system (BESS) programs, positioning the Company to benefit from increasing clean energy adoption.
- Advanced aerospace programs, with cabin subassemblies moving toward volume production and new opportunities in cockpit and landing gear components.
- Progressed railway mobility solutions, including developments in the Kavach anti-collision system and locomotive subsystem programs.
- Strengthened presence in Europe and Southeast Asia, supporting customer diversification and export growth.
- Increased share of high-value box-build solutions, reflecting a strategic shift toward complex and value-added manufacturing.
- Expanded manufacturing and engineering capabilities through capacity additions and strategic technology collaborations.
- Awarded Best Performer for Lean Electrical production by the ACMA Engineering Excellence Cluster
- ISM 2.0 aligns with our recent wins in semiconductor equipment manufacturing for Industry 4.0 compliant complex systems
- Won supplier of the year award by a leading railway OEM for driving significant cost reduction initiatives
- Progressing steadily in semiconductor equipment manufacturing space partnering with a global major to deliver industry 4.0 compliant complex box-build systems
- AS9100D (Aerospace quality certification for PCBA and chemical processing) secured

- IPC A-610 J, A-600 K & WHMA-A-620 E (Assembly & wiring harness quality) Certifications secured

Business Outlook

Avalon Technologies delivered a resilient performance in FY2026, supported by diversified growth across key industry verticals and continued momentum in new business wins. The Company witnessed robust customer engagement across India and international markets, reinforcing confidence in its strategy focused on sustainable and profitable growth. During the year, Avalon continued to strengthen its presence across industrials, clean energy, mobility, aerospace, communication, medical, and defence sectors, while also advancing into high-technology segments such as semiconductor equipment.

In FY2026, the Indian manufacturing operations, which serve both domestic and global clients, accounted for 79% of the Company's revenue. EBITDA margins improved to 10.8% in FY2026, while PAT margins rose to 6.9% from 5.7% in FY2025, reflecting efficiency and scale.

Growth continues to be supported by three key pillars — expansion of existing customer relationships, new business wins across verticals, and conversion of a strong opportunity pipeline into production programs. The Company also onboarded new global customers, particularly in industrial and defence sectors, creating a strong foundation for medium-term growth.

Avalon's diversified manufacturing presence across India and the U.S. continues to position the Company favourably amidst evolving global supply chain dynamics and increasing preference for geographically resilient sourcing models. The Company is also expanding its market presence in Europe and Southeast Asia, further diversifying its customer base and strengthening export opportunities.

The Company continues to benefit from structural tailwinds in sectors such as clean energy, railways, aerospace, industrial automation, and defence. Progress in energy storage systems (BESS), railway safety systems including Kavach, advanced aerospace components, and communication solutions is expected to support future growth. Additionally, Avalon's entry into the semiconductor equipment segment represents a significant long-term opportunity, with validations progressing and volume production expected from FY2027.

Avalon remains focused on strengthening its capabilities through investments in advanced manufacturing, high-value box-build solutions, precision engineering, and capacity expansion initiatives. Supported by a strong order pipeline and long-term customer programs, the Company remains well-positioned to drive sustainable growth while deepening customer relationships and enhancing operational efficiencies. As of FY2026, the order book stood at ₹ 2,196 Cr, with an execution cycle of 12–14 months, in addition to long-term contracts of ₹ 1,245 Cr, providing strong revenue visibility over the medium term.

FINANCIAL OVERVIEW

Financial Performance

Some of the key financial highlights for the Fiscal Year 2025-26 are provided below:

Particulars (₹ in Cr.)	FY2026	FY2025	YoY Change
Revenue from Operations	1603	1098	46%
Gross Margin	550	393	40%
Gross Margin (%)	34.3%	35.8%	-143 bps
EBITDA	173	115	51%
EBITDA (%)	10.8%	10.5%	35 bps
Depreciation	34	29	17.6%
Finance Cost	15	17	-10.2%
Profit before tax (PBT)	154	87	77%
Profit after tax (PAT)	113	63	78%
PAT (%)	6.9%	5.7%	123 bps

The Company delivered another strong year of financial performance in FY2026, driven by robust revenue growth, strong execution, and continued ramp-up of key programs.

Revenue from operations grew significantly by 46% to ₹ 1,603 Cr, compared to ₹ 1,098 Cr in FY2025, reflecting sustained business momentum and strong customer traction.

Gross profit increased by 40% to ₹ 550 Cr, led by higher volumes and improved project execution. However, gross margin moderated slightly to 34.3% from 35.8%, primarily due to business mix and scaling of new programs.

The Company continued to deliver strong operational performance, with EBITDA rising by 51% to ₹ 173 Cr. EBITDA margin improved to 10.8% from 10.5%, demonstrating operating leverage benefits and cost efficiencies as revenues scaled.

Profitability saw a sharp improvement, with:

- Profit before tax (PBT) increasing by 77% to ₹ 154 Cr
- Profit after tax (PAT) rising by 78% to ₹ 113 Cr

The PAT margin expanded to 6.9%, compared to 5.7% in FY2025, reflecting improved operating performance, better cost absorption, and enhanced margin profile. Overall, Avalon delivered a strong and well-rounded performance in FY2026, marked by robust revenue growth, improving profitability, and stable margins.

Financial Ratios

Particulars	FY2026	FY2025	Explanation
ROCE (%)	20.6	15.7	Improved due to higher profitability and better capital utilization.
Asset Turnover (x)	9.9x	7.5x	Increased due to higher revenue generation from existing asset base.
Net Debt to EBITDA (x)	0.2x	0.1x	Slight rise due to marginal increase in borrowings; remains low and comfortable.
Inventory Days	84	86	Inventory days improved due to easing of supply chain issues and our conscious effort to optimize inventory.
Trade Receivables Days	72	84	Trade receivable days decreased to 72 days from 84 days in FY2025.
Trade Payables	45	46	Slight decrease due to stable supplier terms and normalized payment cycle.
Net Working Capital Days	112	124	The reduction in net working capital days highlights enhanced operational efficiency and better working capital cycle management, supported by lower inventory and improved collection efficiency.

HUMAN RESOURCES

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

During the Financial Year, Avalon continued to maintain a diverse and capable workforce across technical, operational and support functions. Our focus on inclusive hiring, talent retention and employee development contributed to a balanced workforce that supports organizational growth and business objectives.

Key Metrics

	Male	Female
Headcount (As on 31.03.2026)	2,538	592
Total Headcount	3,130	
Diversity (%)	81%	19%

NURTURING TALENT

People Transformation across Talent, Culture and Safety

a. Hiring, Campus & Diversity

Our workforce grew by 15.8% during the year, with strategic hiring initiatives, including campus, helping strengthen our employee base to aid business growth. Our focus remained on attracting diverse talent, enhancing candidate experience, and building an inclusive workforce to support long-term organizational success.

Workforce diversity and inclusion remained a standing priority across white-collar and blue-collar roles.

b. Capability Building

Over 40,000 manhours of training were clocked in FY2026, enhancing employee capability across technical, functional, behavioural and leadership development areas.

Internal Training: In-house learning programs were conducted across technical topics, various functional processes, safety operations, and behavioural competencies, enabling employees to build role-specific competence and strengthen day-to-day performance.

External Training: As part of our efforts to build a future-ready organization, we continued to invest in equipping our managerial workforce with key behavioural and leadership competencies.

1. Functional Work Groups – Competencies targeted through this initiative focused on enhancing stakeholder relationship and inter-personal effectiveness while effectively managing customer expectations. Intense 2-day experiential learning workshops were conducted throughout the year, covering major functional groups like Program Management, Supply Chain, Quality, Finance, HR & Engineering.

2. Enabling People Managers for Scale and Impact - Focused L&D interventions were rolled out for ~120 people managers across all levels to strengthen leadership effectiveness. The program covered: building high-performance teams, managing diverse and millennial talent, and applying structured feedback and review frameworks. It also emphasized expectation management to enable more consistent, inclusive, and outcome-driven people leadership.

   These interventions were designed with leading L&D practitioners and customized, to Avalon's needs.

Culture Build – Performance-driven & Value-based

As part of its 2025 strategic agenda, Avalon has tweaked its Performance Management Process that connects individual ambition to the Company's strategic momentum and foundational values. The framework evaluates talent across two complementary dimensions — the measurable business outcomes our people achieve, and the behavioural competencies through which such outcomes are earned. This approach ensures that results are delivered with commensurate integrity, accountability, collaboration, and customer focus. By applying transparent and consistent standards across every level of management, Avalon reinforces the operational discipline and governance culture that empower teams to raise the bar, scale what works, and convert everyday performance into compounding, long-term value. More than a policy, this initiative is a deliberate investment in the talent, culture, and execution capability that will power Avalon's next phase of sustainable growth while upholding the principles essential to preserving stakeholder confidence.

Life @ Avalon

Celebrating our people, culture, and milestones

- VIBE'25 - an organization-level engagement initiative to promote innovation across Engineers - was launched to channel young engineers' ideas into process improvements.

- Beyond the workplace, Avalon's calendar was rich with moments that brought colleagues together - from Diwali, Pongal, Christmas, Independence Day, Republic Day, Navaratri, Karnataka Rajyotsava, Ayudha Pooja, Factory Day, Women's Day and birthday celebrations. These moments of celebration and connection continue to shape a workplace culture our people are proud to be part of.

- Service Anniversary Awards honoured employees for long-term commitment and loyalty across the organization.

- Avalon continued to strengthen its culture of innovation, and drove continuous improvement through participation in multiple national and industry forums. These efforts were recognized with several prestigious awards and accolades, reflecting the organization's commitment to operational excellence, employee-driven innovation, and best practices.

RISK MANAGEMENT

The Company follows a structured approach to risk management, with a focus on identifying, assessing and mitigating risks that may affect its operations, financial performance and strategic objectives. This approach is supported through business planning, customer and market diversification, technology investments and collaboration with key stakeholders. The key risks faced by the Company and the corresponding mitigation measures are outlined below.

Risk	Impact	Mitigation
Macroeconomic Risk	An economic slowdown, elevated inflation and other adverse macroeconomic conditions could affect demand for electronics products and electronics manufacturing services (EMS). Such developments may also impact the Company's import and export activities, potentially affecting business volumes and operational performance.	While global macroeconomic conditions continue to present challenges for the EMS industry, India's economic growth and moderating inflation provide a supportive environment for sectoral expansion. The continued adoption of digital technologies across industries is creating opportunities for EMS providers. The Company remains focused on strengthening customer relationships and maintaining regular engagement with its customers to support business continuity and address evolving market requirements.
Regulatory Risk	Changes in applicable laws, regulations and statutory requirements, or any instance of non-compliance, could affect the Company's operations, business prospects and reputation. In addition, regulatory benefits and incentive schemes available to the industry may be delayed, modified or withdrawn due to changes in the regulatory environment, which could impact the Company's business and financial performance.	The Company maintains processes to monitor compliance with applicable regulatory requirements and industry standards across its operations. Avalon also benefits from a diversified business portfolio spanning multiple products, markets and revenue streams, which helps reduce reliance on any single regulatory incentive or benefit. This diversification supports operational stability and mitigates the potential impact of changes in the regulatory landscape.
Raw Material Risk	The availability, quality and cost of raw materials, including metals, electronic components, polymers and specialized inputs, are critical to the Company's manufacturing operations. Price volatility arising from supply chain disruptions, geopolitical developments, changes in trade policies or supplier concentration may increase procurement costs and affect margins. In addition, shortages or delays in the supply of critical materials could disrupt production schedules, impact order fulfilment, and affect customer commitments.	The Company follows a strategic sourcing approach and maintains relationships with multiple suppliers across geographies to reduce dependence on any single vendor. Avalon also enters into long-term procurement arrangements, where appropriate, to support supply continuity and manage input cost volatility. In addition, the Company continuously evaluates alternative materials and sourcing options to mitigate supply risks while maintaining product quality and compliance requirements.

Risk	Impact	Mitigation
Currency Fluctuations Risk	Given the Company's global operations and cross-border transactions, fluctuations in foreign exchange rates, particularly in the U.S. Dollar, Euro and other key currencies, may affect revenue realization, import costs and profitability. Adverse currency movements can impact financial planning, pricing decisions and the translation of foreign currency transactions and balances. Unhedged exposures may also result in foreign exchange losses during periods of heightened currency volatility.	The Company follows a structured foreign exchange risk management framework that includes natural hedging by aligning foreign currency inflows and outflows, as well as the use of forward contracts and other derivative instruments, where appropriate. The finance team regularly monitors currency exposures and works closely with business units to align cash flows and manage foreign exchange risks. In addition, multi-currency invoicing arrangements and pricing adjustment mechanisms in long-term contracts help mitigate the impact of currency fluctuations.
Operational Risk	Operational risks may arise from disruptions in manufacturing processes, supply chain inefficiencies, equipment breakdowns, quality control issues, information technology system failures or workforce-related challenges. Such events could result in production interruptions, delays in order fulfilment, increased operating costs, regulatory non-compliance and reputational impact, thereby affecting operational efficiency and financial performance.	The Company has established operational processes and standard operating procedures across its manufacturing and business functions. Avalon continues to invest in automation and workforce development initiatives, including training and cross-functional skill enhancement programs, to support operational continuity. In addition, the Company undertakes periodic audits and implements continuous improvement initiatives, including lean manufacturing and Six Sigma practices, to identify process inefficiencies and enhance operational performance. These measures support productivity, quality and operational reliability.
Customer Concentration Risk	A significant proportion of the Company's revenue is derived from a limited number of customers. Consequently, the loss of a key customer, reduction in order volumes, changes in customer procurement strategies or termination of commercial arrangements could result in revenue volatility and may adversely affect the Company's business performance.	The Company seeks to mitigate customer concentration risk by expanding its customer base across multiple industries and end markets. Avalon focuses on strengthening long-term customer relationships through the delivery of integrated manufacturing solutions and sustained customer engagement. The Company also continues to pursue opportunities with new customers across existing and emerging market segments and geographies, supporting revenue diversification and reducing dependence on any single customer or customer group.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has designed and instituted an adequate internal control system that comprises well-defined organization 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 unauthorized access or loss, proper authorization 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 Protiviti India Member Private Limited was appointed as the internal auditor of the company under section 138 of the Companies act 2013, for conducting internal audit for FY2026. The Internal audit framework is designed to assess the adequacy and effectiveness of internal control mechanisms and covers 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 of the Company reviews the internal audit findings and monitors the implementation of agreed corrective actions. The Committee also engages with the Statutory Auditors to understand their assessment of the adequacy of the internal control systems. The Statutory Auditors have independently audited the internal financial controls over financial reporting as at March 31, 2026, and have issued an unmodified opinion, confirming that adequate internal controls were in place and that such controls were operating effectively.

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.

NOTICE OF THE 27th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the members of Avalon Technologies Limited ("the **Company**") will be held on Monday, September 28, 2026, 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, 2026 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, 2026, 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. KUNHAMED BICHA (DIN: 00819707) AS A CHAIRMAN AND MANAGING 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 or reenactment for the time being in force, and pursuant to Clause 110 of Articles of Association ("AOA") of the Company, Mr. Kunhamed Bicha (DIN:00819707), 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 MR. CG BALAJI (DIN:11879293) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the relevant Rules made there under and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee, Mr. CG Balaji (DIN:11879293), who was appointed by the Board of Directors, as an Additional Director designated in Independent Category, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, in respect of whom the Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years with effect from September 03, 2026.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act read with the Rules made there under and Regulation 17(6) of the SEBI Listing Regulations, Mr. CG BALAJI, be paid such fees and remuneration and profit-related commission as the Board or Shareholders may approve from time to time and subject to such limits prescribed and approvals under the applicable Act and Regulations from time to time.

   RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

4. **REAPPOINTMENT OF MR. KUNHAMED BICHA (DIN: 00819707) AS THE CHAIRMAN AND MANAGING DIRECTOR 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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and read with Schedule V, as amended from time to time ("Act") and pursuant to Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), including any statutory modifications or re-enactments thereof for the time being in force, and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kunhamed Bicha (DIN: 00819707) as the Chairman and Managing Director of the Company for a period of five years with effect from July 12, 2027, upon the terms and conditions including remuneration in such manner as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the above resolution and the Board is also authorised to alter and vary the terms and conditions of the said re-appointment including remuneration, in such manner as may be agreed to between the Board and Mr. Kunhamed Bicha, and within the overall limits specified under Section 197 read with Schedule V to the Act."

5. **REAPPOINTMENT OF MR. VENKATARAMANI ANANTHARAMAKRISHNAN (DIN: 00277816) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory amendments or re-enactments thereof for time being in force and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Mr. Venkataramani Anantharamakrishnan (DIN: 00277816), who was appointed as an Independent Director of the Company for a term of five consecutive years with effect from July 7, 2022 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the Rules framed thereunder and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing in terms of Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from July 7, 2027."

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. **REAPPOINTMENT OF MR. BYAS UNNIKRISHNAN NAMBISAN (DIN: 01342141) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory amendments or re-enactments thereof for time being in force and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Mr. Byas Unnikrishnan Nambisan (DIN: 01342141), who was appointed as an Independent Director of the Company for a term of five consecutive years with effect from July 19, 2022 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the Rules framed thereunder and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing in terms of Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from July 19, 2027."

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. **PAYMENT OF COMMISSION TO THE INDEPENDENT DIRECTORS OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the rules made thereunder, and Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, approval of the members of the Company be and is hereby accorded for payment of commission to the Independent Directors of the Company, in such sum and in such proportion as may be determined by the Board of Directors from time to time, to be divided amongst the Independent Directors, provided that the aggregate commission payable shall not exceed 0.5% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, and such payment shall be made with respect to the profits of the Company for each financial year commencing from April 1, 2026.

RESOLVED FURTHER that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the above resolution."

by Order of the Board of Directors
For **Avalon Technologies Limited**

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

Place: Chennai
Date: September 03, 2026
Registered Office:
AVALON TECHNOLOGIES LIMITED
CIN: L30007TN1999PLC043479
B-7, First Main Road,
MEPZ-SEZ, Tambaram
Chennai – 600045

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, the latest being 03/2025 dated September 22, 2025 (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 **27th 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 27th AGM along with the Annual Report for the FY 2025-26 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 2025-26 in electronic mode.

   In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2025-26, 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 available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e., **September 28, 2026**. 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 21, 2026, may cast their votes electronically. The e-voting period commences on Thursday, September 24, 2026 (9:00 a.m. IST) and ends on Sunday, September 27, 2026 (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 21, 2026. 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 21, 2026, 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 21, 2026, 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 27th AGM along with the Annual Report for the year 2025-26 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 INTRUCTIONS 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 Thursday, September 24, 2026, at 9.00 a.m. and ends on Sunday, September 27, 2026, at 5.00 p.m**. During this period, shareholders of the Company, holding shares in dematerialized form, as on the cut-off date (record date) of **September 21, 2026** 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	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
	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. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in DEMAT mode with NSDL Depository	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. 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 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. 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.
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) • 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 21, 2026)** 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 21, 2026)** 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, Assistant Vice President, (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**

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

Place: Chennai
Date: September 03, 2026
Registered Office:
AVALON TECHNOLOGIES LIMITED
CIN: L30007TN1999PLC043479
B-7, First Main Road,
MEPZ-SEZ, Tambaram
Chennai – 600045

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 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 MR. CG BALAJI (DIN: 11879293) AS AN INDEPENDENT DIRECTOR (NON-EXECUTIVE) OF THE COMPANY

The Board of Directors of the Company at their meeting held on September 3, 2026, based on the recommendations of Nomination and Remuneration Committee, considered and approved the appointment of Mr. CG Balaji (DIN: 11879293) as Additional Director (Non-Executive, Independent) with effect from September 3, 2026.

Pursuant to Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17(1C), 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Mr. CG Balaji as the Independent Director of the Company for a period of 5 consecutive years with effect from September 3, 2026.

Mr. C.G. Balaji is a senior technology executive with over 25 years of experience in enterprise technology governance, digital transformation, business applications and risk management. He has held leadership roles with reputed global organisations including Databricks, Palo Alto Networks, Hewlett Packard Enterprise and Deloitte Consulting. He has significant experience in advising executive leadership on technology strategy, AI governance, compliance, internal controls, automation and large-scale business transformation.

Mr. C.G. Balaji possesses appropriate skills, experience and knowledge in the fields of Information Technology, Risk Management, Compliance and Business Operations relevant to the Company's business.

His experience complements the skills, expertise and competencies identified by the Board, particularly in the areas of technology and digital transformation, risk management, governance, cybersecurity and enterprise-scale operations, and is expected to contribute meaningfully to the Board's deliberations and oversight. The Board believes that his knowledge and experience will provide an independent and informed perspective on technology strategy, technology and enterprise risks, governance and long-term business transformation, thereby complementing the existing skills and experience of the Board. Accordingly, the Board considers Mr. Balaji's appointment to be in the best interests of the Company and its stakeholders.

In terms of Section 149 and Regulation 16(1b) of the SEBI Listing Regulations, 2015 any other applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, as amended, Mr. CG Balaji, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director (Non-Executive) with effect from September 3, 2026 and shall hold office up to a term of 5 consecutive years.

In the opinion of the Board, Mr. CG Balaji fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder as well as the SEBI Listing Regulations, 2015, as amended, for appointment as Independent Director (Non-Executive) of the Company and is independent of the management. The Board considers that his association would be of immense benefit to the Company, and it is desirable to avail his services as Independent Director. Further, in accordance with the SEBI Instructions, NSE Circular No. NSE/CML/2018/02 and BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, we confirm that Mr. CG Balaji is not debarred from holding the office of Director by virtue of any order passed by SEBI or any other such authority.

Pursuant to Section 149(9) read with Section 197(5) of the Companies Act, 2013, Mr. C.G. Balaji shall be entitled to receive sitting fees for attending meetings of the Board and Committees thereof, and such profit-related commission, if any, as may be approved by the members, in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations. Mr. C.G. Balaji does not hold any directorship in, or membership/chairmanship of any Board Committees of, any other company in India. He does not hold any shareholding in the Company and does not have any relationship with any of the other Directors, Manager or Key Managerial Personnel of the Company.

Except Mr. CG Balaji, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out at Item No.3.

The Board of Directors recommend passing of resolution in the manner proposed in Item No. 3, to be passed by way of a Special Resolution. Members are requested to approve the same by way of special resolution.

ITEM NO.4

RE-APPOINTMENT OF MR. KUNHAMED BICHA (DIN: 00819707) AS THE CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

Mr. Kunhamed Bicha has been appointed as the Chairman and Managing Director of Avalon Technologies Limited, with effect from July 12, 2022, for a period of five consecutive years. The same was also approved by the shareholders of the Company at their Extraordinary General Meeting held on July 12, 2022.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors, at its meeting held on September 03, 2026, considered and approved the re-appointment of Mr. Kunhamed Bicha (DIN: 00819707), as the Chairman and Managing Director of the Company for a further period of five years, with effect from July 12, 2027, on such terms and conditions, including remuneration, as may be approved by the Board, within the limits prescribed under the Companies Act, 2013 and the rules made thereunder.

Profile:

Kunhamed Bicha holds a bachelor's degree in mechanical engineering from PSG College of Technology and a master's degree in science (industrial engineering) from Wichita State University. He was awarded the "CII Connect 2017 Award for Entrepreneur of the year (Manufacturing)" by the Confederation of Indian Industry. He has been associated with the Company since its incorporation and has been serving as the Chairman and Managing Director of the Company since July 12, 2022. He has been instrumental in the growth and development of the Company. Considering his knowledge, experience, leadership and contribution, the Board is of the view that his continued association as the Chairman and Managing Director would be in the best interests of the Company.

A brief Profile of Mr. Kunhamed Bicha in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, has been provided in Annexure attached to this explanatory statement.

Explanation for proposed re-appointment and remuneration:

The Nomination and Remuneration Committee and the Board of Directors have recommended the re-appointment of Mr. Kunhamed Bicha as Chairman and Managing Director, considering his long term association with the Company, leadership experience and contribution to the growth of the business.

Mr. Kunhamed Bicha is one of the Promoters of the Company and has been associated with the Company since its incorporation. His knowledge of the Company's business, operations and industry has been valuable in guiding the Company's growth and strategy.

The Board believes that his continued leadership will provide stability and support the Company in implementing its future business plans. Under his leadership, the Company has demonstrated consistent revenue growth, expansion of its manufacturing capacities and client base, and successfully executed its transition into a publicly listed entity, delivering value to stakeholders.

The Committee reviewed his remuneration in the context of the Company's financial performance, performance of the individual and within the overall limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and other applicable rules and regulations.

Therefore, on the basis of the recommendation of the Nomination and Remuneration Committee (NRC), the Board has approved the following remuneration to Mr. Kunhamed Bicha. The details of remuneration are provided below:

Proposed Remuneration:

Mr. Kunhamed Bicha, shall be entitled to receive an annual fixed remuneration of INR 2,74,96,500 for the Financial Year 2026-27, which includes basic salary, allowances and perquisites. The breakup of the annual remuneration is provided below:

Particulars	Amount in INR
Basic Salary	1,37,28,450
House Rent Allowance	68,64,225
Other Allowance like Special Allowance	68,64,225
Perquisites – Car conveyance	39,600
Total Fixed Remuneration	**2,74,96,500**

The annual increments will be decided by the Board based on the recommendations of the NRC & Audit Committee and considering the Company's performance as well, within the limit permissible under Section 197 of the Act read with Schedule V of the Act and any other applicable provisions of the Act.

Performance Incentive:

In addition to the aforesaid fixed remuneration, Mr. Kunhamed Bicha shall be entitled to receive performance incentive , the actual quantum of which may vary from year to year depending on the Company's performance, individual performance, and such other parameters as the Board may determine, based on the recommendation of the Nomination and Remuneration Committee ("NRC"). The performance-linked incentive payable in any given financial year shall not exceed the overall limits prescribed under

Section 197 of the Act read with Schedule V of the Act and any other applicable provisions of the Act and subject to such approvals as may be required. The Board has approved performance linked bonus upto a maximum of INR 1.5 Crores for the FY 2026-27, which shall be payable in FY 2027-28. The payment shall be subject to factors as may be decided by the Nomination Remuneration Committee and the Board from time to time, such as company performance on certain defined qualitative and quantitative parameters, industry benchmarks of remuneration and performance of the individual.

The Chairman & Managing Director shall exercise and perform such powers and duties as the Board of directors of the company shall, from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board and subject to the restrictions contained hereinafter, he shall have general control, management, and superintendence of the business of the company and to do and perform all other acts and things, which in the ordinary course of business he may consider necessary or proper or in the interest of the company.

The terms and conditions of re-appointment including remuneration of the Chairman & Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, subject to the limits/conditions stipulated in the Act or any limits as approved by the members of the Company, in such manner as may be agreed to between the Board and Chairman & Managing Director, and subject to such other approvals as may be required.

The terms as set out in the explanatory statement may be treated as an abstract of the terms of re-appointment pursuant to Section 190 of the Act.

The Company has received from Mr. Kunhamed Bicha (i) Consent in writing to act Managing Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. He has confirmed that he has not been debarred or disqualified by SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of companies.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, as amended, approval of the Members is being sought for the re-appointment of Mr. Kunhamed Bicha as Chairman and Managing Director of the Company, upon such terms and conditions including remuneration as set above.

The Board of Directors recommends the resolution as set out at Item No.4 for approval of the Members to be passed as an Ordinary Resolution.

Except for Mr. Kunhamed Bicha and his relatives, none of the other Director or Key Managerial Personnel of the Company and their respective relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO.5

REAPPOINTMENT OF MR. VENKATARAMANI ANANTHARAMAKRISHNAN (DIN: 00277816) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Venkataramani Anantharamakrishnan was appointed as an Independent Director of the Company with effect from July 07, 2022, for a term of five years pursuant to the approval of the Members of the Company at the Extraordinary General Meeting.

As per the provisions of Section 149 of the Act, an Independent Director may hold office for two consecutive terms of up to five consecutive years each. Accordingly, the first term of Mr. Venkataramani, as a Non-Executive Independent Director of the Company shall end on July 06, 2027.

Mr. Venkataramani Anantharamakrishnan holds a master’s degree in business administration from University of Chicago. He has been serving as the managing director of IP Rings Limited, a front line automotive components manufacturer since 2010.

He also serves as an Independent Director on the Boards of LMW Limited and Shanthi Gears Limited and is associated with several other companies, including India Pistons, George Oakes, Amalgamations Repco. He has also served as President of both the Madras Management Association and the Merchants’ Chamber of Commerce & Industry, reflecting his active engagement in industry advancement and management excellence.

Mr. Venkataramani has made continued and valuable contributions to the deliberations of the Board and Audit Committee, bringing independent perspective to key decisions. His expertise, knowledge, and professional experience continue to be relevant and beneficial to the Company’s business and governance requirements.

Considering his leadership experience, knowledge, strategic guidance and contribution to the Company and based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board is of the opinion that his continued association will be beneficial to the Company.

Therefore, the Board of Directors at its Meeting held on September 3, 2026, has proposed the re-appointment of Mr. Venkataramani as an Independent Director of the Company for a second term of five consecutive years with effect from July 7, 2027, not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

In the opinion of the Board, he fulfils the conditions specified in the Act, the Companies (Appointment and

Qualification of Directors) Rules, 2014 ("Appointment Rules") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for his re-appointment as an Independent Director and is independent of the management.

The Company has received from Mr. Venkataramani Anantharamakrishnan (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to the Appointment Rules, (ii) intimation in Form DIR-8 pursuant to the Appointment Rules, to the effect that he is not disqualified under Section 164(1) and 164(2) of the Act, and (iii) a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulations 16(1)(b) & 25(8) of the Listing Regulations. He has confirmed that he has not been debarred or disqualified by SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of companies. He has also confirmed that he is in compliance with Rule 6(1) and 6(2) of Appointment Rules with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the approval of the Members by a Special Resolution is being sought for the re-appointment of Mr. Venkataramani Anantharamakrishnan as an Independent Director of the Company.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') are annexed to this Notice.

The Board of Directors recommends the resolution as set out at Item No.5 for approval of the Members to be passed as a Special Resolution.

Except Mr. Venkataramani Anantharamakrishnan and his relatives, to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out above.

ITEM NO.6

REAPPOINTMENT OF MR. BYAS UNNIKRISHNAN NAMBISAN (DIN: 01342141) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Byas Unnikrishnan was appointed as an Independent Director of the Company with effect from July 19, 2022, for a term of five years pursuant to the approval of the Members of the Company at the Extraordinary General Meeting.

As per the provisions of Section 149 of the Act, an Independent Director may hold office for two consecutive terms of up to five consecutive years each. Accordingly, the first term of Mr. Byas, as a Non-Executive Independent Director of the Company shall end on July 18, 2027.

Mr. Byas Unnikrishnan Nambisan has extensive experience in finance, technology and business management. He is a Mechanical Engineer who also has an MBA in Production and Operations Management from Carnegie-Mellon University. He has around 20 years of experience with Intel Corporation, where he held various leadership positions and served on different roles. He was the co-founder of Ezetap and has served as the Chief Financial Officer, and then Chief Executive Officer between 2014 and 2024. He has held the position of Director at companies like, Intel, Ezetap, and Razorpay which acquired Ezetap in 2022.

His expertise and knowledge in technology, finance, business leadership, operations and strategic management enables him to provide valuable guidance and independent oversight to the Board. Mr. Byas has contributed effectively to Board and committee discussions by bringing independent judgment. His experience and balanced perspective has added value to key decisions.

Based on the performance evaluation, skills, experience, expertise, integrity and continued contribution of Mr. Byas Unnikrishnan Nambisan, and taking into consideration the recommendation of the Nomination and Remuneration Committee, the Board of Directors is of the opinion that his continued association would be beneficial to the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on September 3, 2026, has proposed the re-appointment of Mr. Byas as an Independent Director of the Company for a second term of five consecutive years with effect from July 19, 2027, not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

In the opinion of the Board, he fulfils the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Appointment Rules") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for his re-appointment as an Independent Director and is independent of the management.

The Company has received from Mr. Byas Unnikrishnan Nambisan (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to the Appointment Rules, (ii) intimation in Form DIR-8 pursuant to the Appointment Rules, to the effect that he is not disqualified under Section 164(1) and 164(2) of the Act, and (iii) a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulations 16(1)(b) & 25(8) of the Listing Regulations. He has confirmed that he has not been debarred or disqualified by SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of companies. He has also confirmed that he is in compliance with Rule 6(1) and 6(2) of Appointment Rules with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the approval of the Members by a Special Resolution is being sought for the re-appointment of Mr. Byas Unnikrishnan Nambisan as an Independent Director of the Company.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') are annexed to this Notice.

The Board of Directors recommends the resolution as set out at Item No.6 for approval of the Members to be passed as a Special Resolution.

Except for Mr. Byas Unnikrishnan Nambisan and his relatives, to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out above.

ITEM NO. 7

PAYMENT OF COMMISSION TO THE NON-EXECUTIVE INDEPENDENT DIRCETORS OF THE COMPANY

The Independent Directors play an important role in providing independent oversight, objective guidance and strategic direction to the Company. They are professionals with high level of expertise and have rich experience in functional areas such as business strategy, business development, corporate governance, finance, operations, risk management amongst others. They contribute significantly to the deliberations of the Board of Directors and its Committees and provide valuable inputs on the Company's long-term strategy, business performance, risk management framework, corporate governance practices, regulatory compliances and other matters placed before the Board and its Committees. In recognition of their valuable contributions to the Company, the enhanced corporate governance responsibilities and the increased duties and obligations envisaged under the prevailing statutory and regulatory framework, it is considered appropriate to adequately compensate them, in addition to the sitting fees, by way of payment of commission in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

Pursuant to Section 149(9) of the Companies Act, 2013, an Independent Director may receive remuneration by way of sitting fees for attending meetings of the Board or Committees thereof, as may be prescribed under Section 197(5) of the Act, reimbursement of expenses for participation in such meetings and profit-related commission as may be approved by the Members, subject to the limits as specified under Section 197 of the Companies Act, 2013.

In addition to sitting fees, the Company proposes to pay profit-related commission to the Independent Directors, up to a maximum of 0.5% of the net profits of the Company, for each financial year, commencing from April 01, 2026, in compliance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, as applicable.

The Board of Directors, at its meeting held on September 03, 2026, approved the payment of profit related commission to the Independent Directors of the Company, provided that the specific amount of commission payable in each year, shall be determined by the Board, which shall not exceed 0.5% of the net profits of the Company for that year, as computed in the manner referred to in section 198 of the Act.

In accordance with Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors, except sitting fees, require approval of the Members of the Company.

In view of the above, the resolution at Item No. 3 of the notice is placed before the members for their approval.

The Board of Directors recommends the resolution as set out at Item No.7 for approval of the Members to be passed as an Ordinary Resolution.

Except the Independent Directors of the Company, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out above.

ANNEXURE TO NOTICE

Item No. 2 & 4

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. Kunhamed Bicha
2.	Age	58 years
3.	Qualification	He holds a bachelor's degree in mechanical engineering from PSG College of Technology and a master's degree in science (industrial engineering) from Wichita State University.
4.	Experience (Including a brief resume and expertise in specific functional areas)	He is one of the Promotors our Company. He co-founded Sienna and currently serves as its chief executive officer. He has been associated with our Company since its incorporation. He was awarded the "CII Connect 2017 Award for Entrepreneur of the year (Manufacturing)" by the Confederation of Indian Industry.
5.	Terms and Conditions of Re-appointment	Pursuant to section 152 of the Companies Act, 2013, Mr. Kunhamed Bicha is liable to retire by rotation, and being eligible, offers himself for reappointment.
6.	Date of First Appointment on the Board	July 12, 2022
7.	Remuneration last drawn	₹ 2.39 Cr for FY 2025-26
8.	Shareholding in the Company (Including Beneficial Ownership, if any.)	Mr. Kunhamed Bicha directly holds 1,44,26,212 shares and 39,81,993 shares on behalf of trusts, aggregating to 1,84,08,205 equity shares of the Company (as on March 31, 2026)
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Kunhamed Bicha is not related to any of the Directors and Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013 and the Listing Regulations.
10.	Number of Meetings of the Board attended during the year	5 out of 5 meetings held
11.	Directorships of other Boards, including Listed Entities	Mr. Kunhamed Bicha is a director in the below mentioned companies (subsidiaries of Avalon Technologies Limited): 1. Avalon Technology and Services Private Limited - India 2. Sienna ECAD Technologies Private Limited 3. ABV Electronics inc. (D/B/A Sienna Corporation)
12.	Membership/ Chairmanship of Committees of other Boards, including Listed Entities	Member of Audit Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of Avalon Technologies Limited.
13.	Listed Entities from which the person has resigned in the past three years	Nil

Item No. 3

S. No	Details	Particulars
1.	Name of the Director	Mr. CG Balaji
2.	Age	58 years
3.	Qualification	He holds a bachelor's degree in mechanical engineering from PSG College of Technology and a master's degree in science (industrial engineering) from California Polytechnic State University.
4.	Experience (Including a brief resume and expertise in specific functional areas)	Mr. C.G. Balaji is a senior technology professional with over 25 years of experience in enterprise technology governance, digital transformation, AI strategy, compliance, risk management and business applications. He has held leadership positions in reputed global organisations including Databricks, Palo Alto Networks, Hewlett Packard Enterprise and Deloitte Consulting. His expertise includes technology transformation, automation, internal controls, governance and enterprise risk management. The Board believes that his experience and expertise will enhance the Board's decision-making process and strengthen the Company's overall governance framework.
5.	Terms and Conditions of Re-appointment	Mr. CG Balaji (DIN: 11879293) is proposed to be appointed as an Independent Director (Non-Executive) of the Company with effect from September 3, 2026. The term of his appointment as an Independent Director will be for a period of 5 consecutive years and the appointment shall be subject to the approval of shareholders.
6.	Date of First Appointment on the Board	Not applicable, as this is the first appointment.
7.	Remuneration last drawn	Not applicable
8.	Shareholding in the Company (Including Beneficial Ownership, if any.)	Nil
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	No inter-se relationship with the Directors and Key Managerial Personnel of the Company
10.	Number of Meetings of the Board attended during the year	Not Applicable
11.	Directorships of other Boards, including Listed Entities	Nil
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

Item No. 5

S. No	Details	Particulars
1.	Name of the Director	Mr. Venkataramani Anantharamakrishnan
2.	Age	58 years
3.	Qualification	He holds a master's degree in business administration University of Chicago.
4.	Experience (Including a brief resume and expertise in specific functional areas)	He is the Independent Director our Company. He has been serving as the managing director of IP Rings Limited since 2010. He also serves as an Independent Director on the Boards of LMW Limited and Shanthi Gears Limited and is associated with several other companies, including India Pistons, George Oakes, Amalgamations Repco.
5.	Terms and Conditions of Re-appointment	Re-appointment as an Independent Director for a second term of five consecutive years, with effect from July 7, 2027, not liable to retire by rotation.
6.	Date of First Appointment on the Board	July 7, 2022
7.	Remuneration last drawn	Being an Independent Director, Mr. Venkataramani Anantharamakrishnan does not receive any fixed remuneration. He has received sitting fees for attending the Board or its committee meetings. The details of the sitting fees paid during the financial year ended March 31, 2026, have been provided in the Corporate Governance Report which forms part of the Annual Report.
8.	Remuneration sought to be paid	Sitting Fees and Commission, if any, as approved by the Board of Directors
9.	Shareholding in the Company (Including Beneficial Ownership, if any.)	Nil
10.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	There is no inter-se relationship with any Directors and Key Managerial Personnel of the Company.
11.	Number of Meetings of the Board attended during the year	4 out of 5 meetings held
12.	Directorships of other Boards, including Listed Entities	Mr. Venkataramani Anantharamakrishnan is a director in the below mentioned companies: 1. IP Rings Limited 2. LMW Limited 3. Shanthi Gears Limited 4. Amalgamations Private Limited 5. India Pistons Limited 6. Amalgamations Repco Limited 7. George Oakes Limited 8. Parry Enterprises India Limited 9. Edutech NTTF India Private Limited

S. No	Details	Particulars
13.	Membership/ Chairmanship of Committees of other Boards, including Listed Entities	**1. Avalon Technologies Limited** Audit Committee - Member **2. IP Rings Limited** Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member Share Transfer Committee - Member **3. LMW Limited** Risk Management Committee - Member Corporate Social Responsibility Committee - Member **4. Shanthi Gears Limited** Audit Committee - Member Nomination & Remuneration Committee – Chairman **5. Parry Enterprises India Limited** Audit Committee - Chairman Nomination & Remuneration Committee – Chairman **6. George Oakes Limited** Audit Committee - Member Nomination and Remuneration Committee - Member **7. Amalgamations Repco Limited** Audit Committee - Member Nomination and Remuneration Committee - Member
14.	Listed Entities from which the person has resigned in the past three years	Nil

Item No. 6

S. No	Details	Particulars
1.	Name of the Director	Mr. Byas Unnikrishnan Nambisan
2.	Age	58 years
3.	Qualification	He is a Mechanical Engineer who also has an MBA in Production and Operations Management from Carnegie-Mellon University.
4.	Experience (Including a brief resume and expertise in specific functional areas)	Mr. Byas has been an Independent Director of our company since 2022. He worked at Intel Corporation for 20 years in various roles. He was co-founder, CFO, and then CEO at Ezetap between 2014 and 2024. He held Board Director positions while at Intel, at Ezetap, and at Razorpay which acquired Ezetap in 2022.
5.	Terms and Conditions of Re-appointment	Re-appointment as an Independent Director for a second term of five consecutive years, with effect from July 19, 2027, not liable to retire by rotation.
6.	Date of First Appointment on the Board	July 19, 2022
7.	Remuneration last drawn	Being an Independent Director, Mr. Byas Unnikrishnan Nambisan does not receive any fixed remuneration. He has received sitting fees for attending the Board or its committee meetings. The details of the sitting fees paid during the financial year ended March 31, 2026, have been provided in the Corporate Governance Report which forms part of the Annual Report.
8.	Remuneration sought to be paid	Sitting Fees and Commission, if any, as approved by the Board of Directors
9.	Shareholding in the Company (Including Beneficial Ownership, if any.)	Nil
10.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	There is no inter-se relationship with any Directors and Key Managerial Personnel of the Company.
11.	Number of Meetings of the Board attended during the year	5 out of 5 meetings held
12.	Directorships of other Boards, including Listed Entities	Mr. Byas Unnikrishnan Nambisan is a director in the below mentioned company (subsidiary of Avalon Technologies Limited): 1. Avalon Technology and Services Private Limited - India
13.	Membership/ Chairmanship of Committees of other Boards, including Listed Entities	Chairperson of Audit Committee and Risk Management Committee of Avalon Technologies Limited.
14.	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, 2026. 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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from Operations	8,210.19	6,317.79	16,032.05	10,981.28
Other Income	439.39	269.65	289.21	171.06
Total Income	**8,649.58**	**6,587.44**	**16,321.26**	**11,152.34**
Cost of Raw Materials consumed	6,158.27	4,832.64	11,061.41	7,187.85
Change in Inventory	(201.57)	1.09	(532.92)	(133.17)
Employee Benefit Expense	910.47	636.64	2,807.27	1,985.51
Finance Cost	36.07	28.00	150.06	167.04
Depreciation & Amortization	100.05	64.11	335.99	285.69
Other Expenses	447.77	353.46	962.98	792.29
Total Expenses	**7,451.06**	**5,915.94**	**14,784.79**	**10,285.21**
Profit Before Tax & Exceptional Items	**1,198.52**	**671.50**	**1,536.47**	**867.13**
Exceptional Items	-	-	-	-
Profit before Tax	**1,198.52**	**671.50**	**1,536.47**	**867.13**
Tax Expenses	304.78	165.80	407.01	232.74
Profit after Tax	**893.74**	**505.70**	**1,129.46**	**634.39**
Other Comprehensive Income	0.88	(1.09)	(63.02)	(17.12)
Total Comprehensive Income	**894.62**	**504.61**	**1,066.44**	**617.27**
Earnings Per Share				
Basic (In ₹)	13.41	7.67	16.95	9.62
Diluted (In ₹)	13.34	7.56	16.86	9.48

State of Affairs and Financial Overview

During the Financial Year 2025-26, the Company recorded a 29.95% year-on-year increase in standalone revenue from operations, reaching ₹ 8,210.19 million. The consolidated revenue also witnessed a growth of 45.99%, amounting to ₹ 16,032.05 million, as compared to the previous financial year.

During the Financial Year 2025-26, the Company's standalone profit after tax rose by 76.73% to ₹ 893.74 million. The consolidated profit after tax for the same period stood at ₹ 1,129.46 million, marking a substantial increase of 78.04% 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, 2026.

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, 2026, is ₹ 13,35,32,326 consisting of 6,67,66,163 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 2025-26 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 2025-26:

- The Nomination and Remuneration Committee of the Company granted 50,000 Employee Stock Options to eligible employees of the Company and its subsidiaries.

- The Company allotted 6,09,047 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, 2026 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 five (5) 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, 2026, the Board has seven members, consisting of one Executive Director, one Non-Executive and Non-Independent Director 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. Luquman Veedu Ediyanam (DIN: 06493214) was re-appointed (liable to retire by rotation) as a Non-Executive Director under Non – Independent Category by the shareholders in the Annual General Meeting held on September 26, 2025.
- Mr. Bhaskar Srinivasan (DIN: 02561215) resigned from the position of Non-Executive Director under Non – Independent Category on February 10, 2026.

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, 2026, 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 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, 2026, 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 2025-2026 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 2025-2026 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, (LLP Registration Number: L2025TN019200) were appointed as the Secretarial Auditor of the

Company at the 26th Annual General Meeting held on September 26, 2025, for a period of five consecutive financial years, i.e., from Financial Year 2025-2026 till Financial Year 2029-30 as required under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

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 SUSTAINIBLITY 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

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

Place: Chennai
Date: August 04, 2026

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 Ltd	25-09-2019	2025-26	₹	1.30	1,300.24	3,465.42	2,163.88	102.77	3,706.74	184.29	44.38	139.91	0.00	100%
2	Sienna ECAD Technology Private Ltd	19-03-2021	2025-26	₹	35.18	9.14	194.14	149.82	17.77	325.57	24.96	6.14	18.82	0.00	99.9972%
3	ABV Electronics ABV Electronics Inc. (D/B/A Sienna Corporation)	31-01-2022	2025-26	₹ Closing Rate: 94.6543 Average Rate: 88.3572	0.05	(1,614.48)	3,429.90	5,044.33	18.88	7,583.09	137.06	51.71	85.35	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, 2026.

For **Avalon Technologies Limited**

Sd/-
Kunhamed Bicha
Chairman & Managing Director
DIN: 00819707
Date: May 06, 2026

Sd/-
Suresh Veerappan
Chief Financial Officer
M. No: A36992

Sd/-
Ajay Shukla
Company Secretary

ANNEXURE - II

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, 2026, 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, 2026.

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED

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

Place: Chennai
Date: August 04, 2026

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. Promoting gender equality, empowering women.

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, 2026 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 Independent Director	1	1
2.	Anees Ahmed	Member	Non-Executive Independent Director	1	1
3.	Kunhamed Bicha*	Member	Managing Director	NA	NA

* Bhaskar Srinivasan ceased to be a member of Corporate Social Responsibility Committee with effect from February 10, 2026, and Kunhamed Bicha was appointed as a member of Corporate Social Responsibility Committee with effect from February 18, 2026. Mr. Bhaskar Srinivasan attended one out of one meeting held during his tenure.

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	2025-26	1,16,182	41,158

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

a.	Average Net Profit of the Company as per Section 135(5):	47,01,14,133
b.	Two percent of Average Net Profit of the Company as per Section 135(5):	94,02,283
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	1,16,182
e.	Total CSR obligation for the Financial Year (a+b-c)	92,86,101

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
₹ 93,27,259	-	-	-	-	-

b. Details of CSR amount spent against ongoing projects for the financial year:

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.	Funding Education	(ii) Promotion of Educational Activities	No	Karnataka	Bangalore	7,50,000	Indirect	One School at a time	CSR00006940
2.	Promotion of Women Healthcare	Promoting gender equality, empowering women,	No	Karnataka	Bangalore	10,00,000	Indirect	Action Foundation for Social Services	CSR00007485
						3,00,000		Swabhimaan	CSR00010096
3.	Promotion of Environmental Activities	(iii) Protection of Flora and Fauna	Yes	Tamil Nadu	Chennai	18,51,259	Direct	-	-
4.	Promotion of Healthcare	Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care"	Yes	Tamil Nadu	Chennai	10,00,000	Indirect	MEPZMA	CSR00008983
						5,00,000		Schizophrenia Research Foundation	CSR00000884
						15,00,000		Rotary International	CSR00000997
			No	Karnataka	Bangalore	7,50,000		Pray Foundation	CSR00014980
			No	Kerala	Palakkad	16,76,000		Ottapalam Welfare Trust	CSR00039669
	Total					**93,27,259**			

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:** ₹ 93,27,259

g. **Excess amount for set-off, if any:** 41,158

Sl. No.	Particulars	Amount (In ₹.)
1.	Two percent of average net-profits of the Company as per Section 135(5)	94,02,283
2.	Total amount spent for the Financial Year	93,27,259
3.	Amount carried forward from previous financial year	1,16,182
4.	Excess amount spent for the Financial Year (3+2-1)	41,158
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)	41,158

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								

9. **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

10. **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

Place: Chennai
Date: August 04, 2026

Sd/-
Nandita Abraham
Chairperson of CSR Committee
DIN: 01006030

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

ANNEXURE IV

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**	128.08	(14%)
	Non- Executive Directors:		
1.	Bhaskar Srinivasan *	32.87	(0.42%)
2.	Luquman Veedu Ediyanam	-	-
	Independent Directors:-		
1.	Venkataramani Anantharamakrishnan^	3.92	(10%)
2.	Byas Unnikrishnan Nambisan^	4.35	(29%)
3.	Nandita Abraham^	3.92	(10%)
4.	Chandar Pattabhiram^	2.61	(25%)
5.	Anees Ahmed^	3.92	NA
	Key Managerial Personnel		
1.	Suresh V R	35.06	NA
2.	Ajay Shukla	11.75	NA

* 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 31.3.2026

As remuneration paid in FY 2024-25 pertains only to a part of the year, the percentage increase/(decrease) in remuneration over the previous year is not comparable.

2. Percentage decrease in the median remuneration of employees in the financial year is (26.04%).
3. Number of permanent employees on the rolls of company as on March 31, 2026, is 1474.
4. The average decrease in the salary of employees other than Managerial Personnel is (7.92%) and the average decrease in the managerial remuneration is (24.01%).
5. 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

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

Place: Chennai
Date: August 04, 2026

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 2025-26.

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 ₹ 13.34 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. ₹ 700/- per Option is the Exercise Price for Round IV. 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

S. No	Particulars	Details
9.	Method used for Accounting of ESOP (Intrinsic or Fair Value)	Fair Value
	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.
10.	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	9,68,914
2.	Number of options granted during the year	50,000
3.	Number of options forfeited / lapsed during the year	19,941
4.	Number of options vested during the year	2,61,338
5.	Number of options exercised during the year	6,09,047
6.	Number of shares arising as a result of exercise of options	6,09,047
7.	Money realized by exercise of options (₹), if scheme is implemented directly by the company.	₹ 1,64,52,940
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.	3,89,926
10.	Number of options exercisable at the end of the year.	1,00,085

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 weighted-average fair value of Options granted under ROUND IV is ₹ 346.97

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/-.

The exercise price for the grants ROUND IV made during the year was ₹ 700/- and weighted average exercise price of option was ₹700/-.

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

a) Senior Management Personnel : NA

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	Designation	Entity	No. of Options granted	Exercise Price per Option (In ₹)
1	Vice President	Avalon Technologies Ltd	9,000	700
2	Deputy General Manager	Avalon Technologies and Services Pvt Ltd	4,500	700
3	General Manager	Avalon Technologies Ltd	3,250	700
4	General Manager	Sienna Ecad Technologies Private Limited	2,500	700
5	Deputy General Manager	Avalon Technologies Ltd	2,500	700
6	Deputy General Manager	Avalon Technologies and Services Pvt Ltd	2,500	700
7	Assistant General Manager	Avalon Technologies Ltd	2,500	700
8	Deputy General Manager	Avalon Technologies and Services Pvt Ltd	2,500	700

The names have not been disclosed in view of confidentiality considerations. The non-disclosure is solely for reasons of confidentiality and does not affect the accuracy of the information provided.

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 on NSE based on the price data for last 52 weeks up to 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 on NSE based on the price data for last 52weeks up to 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.

S. No	Particulars	ROUND IV
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 based on movement of stock price on NSE based on the price data from the date of listing on NSE i.e. 18th April, 2023 up to the date of grant.
3.	Expected Option Life	1.16 to 3.16 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/-.

IV. Weighted-average values of share price, exercise price ROUND IV – ₹700/-.

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED

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

Place: Chennai
Date: August 04, 2026

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 26th Annual General meeting held on September 26, 2025, by the Shareholders 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, 2026.

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. Resolutions passed at the meeting of the 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. Bank Statements towards application money received under the scheme;
8. Shareholders resolution passed at General Meetings w.r.t variation in the scheme (if any); Not applicable
9. Shareholders resolution passed at General Meeting w.r.t Approval for Implementing the scheme(s) through a trust(s); Not applicable
10. Trust Deed; Not Applicable
11. Details of trades in the securities of the company executed by the trust through which the scheme is implemented; Not applicable
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 and Associates LLP
(Formerly known as M. Alagar & Associates)
Company Secretaries
LLP Reg No: L2025TN019200
Peer Review Certificate No:6814/2025

D Saravanan
Designated Partner
FCS No: 13721
COP No. 22608
UDIN: F013721H001014237

Place: Chennai
Date: August 04, 2026

ANNEXURE - VI

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026
[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 Limited
B-7 First Main Road,
MEPZ-SEZ, Tambaram,
Chennai-600045.

We have conducted the Secretarial Audit of the 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, 2026 (“**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, 2026, 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; (There were no events requiring compliance during 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 (There were no events requiring compliance during 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. Other laws specifically applicable to the Company:

Based on the information provided by the Company, other than general laws like fiscal, labour laws, environmental laws and all other laws, rules, regulations and guidelines which are generally applicable to all Manufacturing Companies, the following laws/Acts are also, inter alia, applicable to the Company:

(a) Special Economic Zones Act, 2005 and the Rules made thereunder

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 of the meetings duly recorded and signed by the Chairman, 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 period under review, the Company has allotted 6,00,147 Equity shares having face value of ₹2 each at an exercise price of ₹20 each and 8,900 Equity shares having face value of ₹2 each at an exercise price of ₹500 each at various dates to the Employees of the Company and its Subsidiary Companies pursuant to Avalon Employees Stock Option Plan – 2022.

ii. During the period under review, the Company at its Nomination Remuneration Committee meeting held on August 05, 2025, has approved the grant of 50,000 options at an exercise price of ₹ 700 each to the eligible employees of the Company and its subsidiaries under the Avalon Employees Stock Option Plan – 2022.

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

Sd/-
D Saravanan
Partner
FCS No: 13721
COP No: 22608
UDIN: F013721H000292274

Place: Chennai
Date: May 06, 2026

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

ANNEXURE - I

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

Sd/-
D Saravanan
Partner
FCS No: 13721
COP No: 22608
UDIN: F013721H000292274

Place: Chennai
Date: May 06, 2026

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, resulting in reduced energy consumption. The Company has improved air-conditioning system efficiency and has also focused on responsible water usage. These initiatives, together with regular maintenance of equipment, have helped optimize resource use and reduce overall operational costs.

(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 has taken steps towards substantially adopting renewable energy sources through a combination of solar and wind power, with the objective of significantly reducing dependence on conventional energy and lowering carbon emissions.".
- Installation of sensor-based faucets and water-saving fixtures to reduce overall water consumption across the facility.
- Reuse of AC condensate water, collected and treated for non-potable applications such as landscaping, cooling tower make-up, and cleaning purposes.
- Upgradation of air-conditioning systems with energy-efficient VFD drive units to optimize HVAC/AC performance and reduce energy usage.

(iii) the capital investment on energy conservation equipment;

Nil during the Financial Year

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption;

- Oil and Gas Industry: Electronic preset delivery systems have been developed. These systems are designed to facilitate safe and accurate measurement and controlled delivery of petroleum products during loading and unloading operations.
- Electric Vehicle (EV) Applications: Power Distribution Units (PDUs) for EV applications have been developed to manage auxiliary power distribution for applications such as climate control, steering and other vehicle electronics.
- Vision Systems – Off-road Vehicle Cameras: IP68K-compliant camera systems for off-road vehicles are intended for applications such as obstacle detection, navigation and operation in challenging terrain.
- Warehouse Robotic Camera Systems: These specialised vision systems are intended to support autonomous navigation, inventory tracking and precision operations in warehouse environments.

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

- Development and qualification of new products and assemblies for applications across the oil and gas, electric vehicle and industrial automation sectors, thereby expanding the Company's product portfolio and market opportunities.

- Development of electronic preset delivery systems for the oil and gas sector and EV Power Distribution Units, supporting product development in specialised applications and reducing dependence on external sourcing for such assemblies

- The Company's technology absorption initiatives are expected to facilitate improved product performance, manufacturing efficiency, reliability and scalability, while enabling the development of products for emerging and high-growth sectors.

(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, 2026	As on March 31, 2025
1.	Foreign Exchange Earnings	6316.04	4137.99
2.	Foreign Exchange Outgo	4957.91	3482.70

For and behalf of the Board of Directors of
AVALON TECHNOLOGIES LIMITED

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

Place: Chennai
Date: August 04, 2026

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, 2026, the Board comprises of seven members, consisting of one Executive Director i.e., Managing Director, one Non – Executive Director 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, 2026, 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(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)
1	00819707	Kunhamed Bicha	KB	Promoter, Executive, Chairperson, Managing Director	Non – Independent	1	0	2	0
2	06493214	Luquman Veedu Ediyanam	LQ	Non - Executive	Non - Independent	1	0	0	0
3	00277816	Venkataramani Anantharamakrishnan	RAM	Non - Executive	Independent	4	3	6	0
4	09606151	Chandar Pattabhiram	CP	Non - Executive	Independent	1	1	0	0
5	01342141	Byas Unnikrishnan Nambisan	BN	Non - Executive	Independent	1	1	1	1
6	01006030	Nandita Abraham	NA	Non - Executive	Independent	1	1	1	0
7	00225648	Anees Ahmed	AA	Non - Executive	Independent	1	1	1	1

* - 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 2025-26

Five Board Meetings were held during the Financial Year 2025-26. The Annual General Meeting ("AGM") was held on September 26, 2025.

BM - Attendance			2025				2026	Held during the tenure	Attended	Attendance at the 26th AGM held on September 26, 2025
Sl. No	DIN	Name of the Director/ Date of the BMs	10-04-2025	06-05-2025	05-08-2025	05-11-2025	04-02-2026			
1	00819707	KB	✓	✓	✓	✓	✓	5	5	Yes
2	02561215	BS*^	✓	✓	✓	✓	✓	5	5	Yes^
3	06493214	LQ	✓	L	L	L	✓	5	2	No

BM - Attendance			2025				2026	Held during the tenure	Attended	Attendance at the 26th AGM held on September 26, 2025
Sl. No	DIN	Name of the Director/ Date of the BMs	10-04-2025	06-05-2025	05-08-2025	05-11-2025	04-02-2026			
4	00277816	RAM	L	✓	✓	✓	✓	5	4	No
5	09606151	CP	L	✓	✓	✓	✓	5	4	No
6	01342141	BN^	✓	✓	✓	✓	✓	5	5	Yes^
7	01006030	NA	L	✓	✓	✓	✓	5	4	Yes
8	00225648	AA^	✓	✓	✓	✓	✓	5	5	No
Total Directors Present			**5**	**7**	**7**	**7**	**8**			

Key:

* - BS was a Non-Executive Director of the Company till February 10, 2026.

^ - BN is the Chairperson of the Audit Committee of the Company.

- BS was the Chairperson of the Stakeholders Relationship Committee of the Company till February 10, 2026.

- AA is the Chairperson of the Stakeholders Relationship Committee of the Company from February 18, 2026.

✓ - 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, 2026, are as follows.

Sl. No	Name of the Personnel	Designation
01.	Mr. Kunhamed Bicha	Managing Director
02.	Mr. Suresh Veerappan	Chief Financial Officer
03.	Mr. Ajay Shukla	Company Secretary

E. FAMILIARIZATION PROGRAM:

The details of familiarization program conducted to the Independent directors for the reporting period (FY 2025-26) is available at the following link: https://www.avalontec.com/investor/governance/2026/codes_policies/Familiarisation-programmes-for-Independent-Directors.pdf

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, 2026
1.	Kunhamed Bicha	1,44,26,212
2.	Luquman Veedu Ediyanam	36,19,291

Note: No convertible instruments are held.

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:

(i) Technical competencies and

(ii) 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, 2026.

Sl. No.	Directors' skills	KB	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

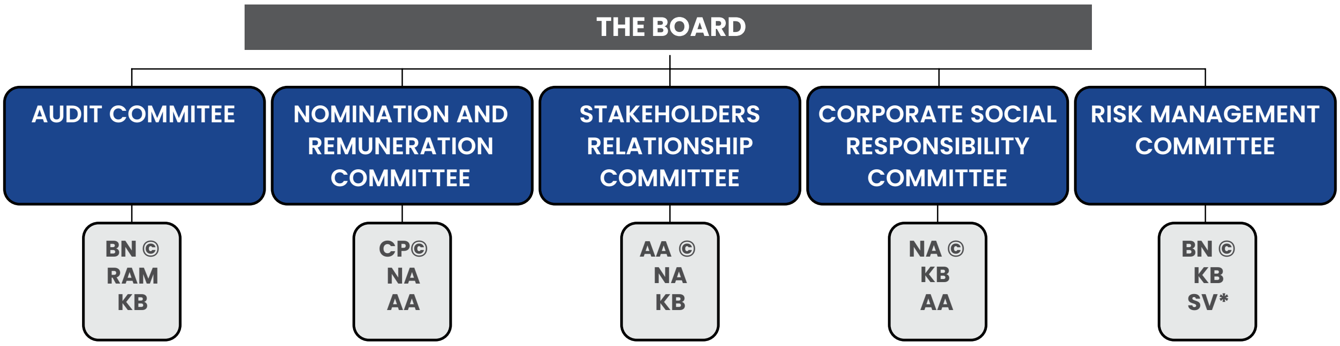
Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder.

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, 2026 is provided below:



© Chairperson

* SV – Shriram Vijayaraghavan – Chief Operating Officer

A. AUDIT COMMITTEE

The Audit Committee was consituted 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, 2026 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 Audit Committee met 4 times during the reporting period and the details are provided below:

Sl. No	DIN	Name of the Director/ Date of the ACMs	06-05-2025	05-08-2025	05-11-2025	04-02-2026	Held during the tenure	Attended	% of attendance
1	01342141	Byas Unnikrishnan Nambisan	✓	✓	✓	✓	4	4	100%
2	00277816	Venkataramani Anantharamakrishnan	✓	✓	✓	✓	4	4	100%
3	00819707	Kunhamed Bicha	✓	✓	✓	✓	4	4	100%
		Total Directors Present	3	3	3	3			
		% of attendance	100%	100%	100%	100%			

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, 2026, 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, 2026 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 2025-26.

Sl. No	DIN	Name of the Director/ Date of the NRCMs	06-05-2025	05-08-2025	Held during the tenure	Attended	% of attendance
1	09606151	Chandar Pattabhiram	✓	✓	2	2	100%
2	01006030	Nandita Abraham	✓	✓	2	2	100%
4	00225648	Anees Ahmed	✓	✓	2	2	100%
		Total Directors Present	**3**	**3**			
		% of attendance	**100%**	**100%**			

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:

(a) act objectively and constructively while exercising their duties;

(b) exercise their responsibilities in a bona fide manner in the interest of the Company;

(c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;

(d) 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

(e) assist the company in implementing the best corporate governance practices;

(f) strive to attend all meetings of the Board of Directors and the Committees;

(g) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(h) strive to attend the general meetings of the company;

(i) keep themselves well informed about the company and the external environment in which it operates;

(j) do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(k) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders' interest.

(l) 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:

(a) 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, 2026 is provided below:

S. No	DIN	Name of the Director	Designation	Chairperson/ Member
1.	00225648	Anees Ahmed	Non-Executive - Independent Director	Chairperson
2.	00819707	Kunhamed Bicha	Managing Director	Member
3.	01006030	Nandita Abraham	Non-Executive - Independent Director	Member

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 2025-26 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	0	0	0

No complaints were received during the year under review.

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

Sl. No	DIN	Name of the Director/ Date of the SRCMs	06-05-2025	Held during the tenure	Attended	% of attendance
1	02561215	Bhaskar Srinivasan*	✓	1	1	100%
2	00819707	Kunhamed Bicha	✓	1	1	100%
3	01006030	Nandita Abraham	✓	1	1	100%
4	00225648	Anees Ahmed*	NA	0		
		Total Directors Present	**3**			
		% of attendance	**100%**			

* Anees Ahmed was appointed as the Chairperson of the SRC Committee with effect from February 18, 2026 in the place of Bhaskar Srinivasan who resigned from the Company on February 10, 2026.

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.

(a) 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;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes.

(c) 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;

(d) 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:

(i) 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;

(ii) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(iv) monitoring and reporting mechanism for the projects or programmes; and

(v) 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.

(e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) 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, 2026 are provided below:

S. No	DIN	Name of the Director	Designation	Chairperson/ Member
1.	01006030	Nandita Abraham	Non-Executive - Independent Director	Chairperson
2.	00225648	Anees Ahmed	Non-Executive - Independent Director	Member
3.	00819707	Kunhamed Bicha	Managing Director	Member

The Meeting details for the Financial Year 2025-26 are provided below:

Sl. No	DIN	Name of the Director/Date of the CSRMs	05-11-2025	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%
4	00819707	Kunhamed Bicha**	NA	0		
		Total Directors Present	**3**			
		% of attendance	**100%**			

* Bhaskar Srinivasan ceased to be a member of Corporate Social Responsibility Committee with effect from February 10, 2026.

** Kunhamed Bicha was appointed as a member of Corporate Social Responsibility Committee with effect from February 18, 2026.

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 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) 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.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) 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, 2026 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 2025-26 are provided below:

Sl. No	DIN	Name of the Director/Date of the RMCMs	05-08-2025	03-02-2026	Held during the tenure	Attended	% of attendance
1	01342141	Byas Unnikrishnan Nambisan	A	A	2	0	0%
2	00819707	Kunhamed Bicha	✓	✓	2	2	100%
3	NA	Shriram Vijayaraghavan	✓	✓	2	2	100%
		Total Directors Present	**2**	**2**			
		% of attendance	**67%**	**67%**			

✓ - Present A – Absent

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. Kunhamed Bicha	Managing Director
2.	Mr. Suresh Veerappan	Chief Financial Officer
3.	Mr. Ajay Shukla	Company Secretary
4.	Mr. Shriram Vijayaragavan	Chief Operating Officer
5.	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

Remuneration paid to Mr. Kunhamed Bicha shall be as per the recommendation of the Nomination and Remuneration Committee, approval of Audit Committee and the Board and shall be within the limits specified under the Companies Act, 2013. Shareholders approval has also been obtained as deemed necessary by law.

Details of Remuneration paid by Avalon Technologies Limited to the Executive Director & Non-Executive Directors of the Company as on the Financial Year ending March 31, 2026 is provided below:

(In ₹ Millions)

Name of the Director	Salary	Variable Pay	Perquisites	Stock Options	Sitting Fees	Commission	Total
Executive Director				-			
Kunhamed Bicha^	29.41	-	-	-	-	-	28.60
Non-Executive Directors							
Bhaskar Srinivasan^^	7.56			-	-	-	7.56
Luquman Veedu Ediyanam	-	-	-	-	-	-	-
Independent Directors							
Chandar Pattabhiram	-	-	-	-	0.60		0.60
Byas Unnikrishnan Nambisan	-	-	-	-	1.00		1.00
Venkataramani Anantharamakrishnan	-	-	-	-	0.90		0.90
Nandita Abraham	-	-	-	-	0.90		0.90
Anees Ahmed	-	-	-	-	0.90		0.90

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

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

Other information relating to remuneration:

- **Details of performance linked criteria:** The performance-linked remuneration of the Chairman and Managing Director is determined based on the achievement of pre-defined performance parameters approved by the Board/Nomination and Remuneration Committee. The performance criteria comprise key financial and market-based metrics, including the Company's profitability, revenue growth etc. and shall also be based on industry benchmarking and the individual performance.
- **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 of AGM	Location	Time	Details of Special Resolution passed
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
2024-25	September 26, 2025	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 2025-26:**

   There were no resolutions passed through Postal Ballot during the Financial Year 2025-26.

2) **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.

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 India 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 28, 2026 Cut-Off Date for e-voting: September 21, 2026

Financial Calendar: (Tentative): 01st April 2026 to 31st March 2027

1st Qtr. results	04th August 2026
2nd Qtr. results	14th November 2026
3rd Qtr. results	14th February 2027
4th Qtr. results	29th May 2027

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 – 6,67,66,163 shares
National Stock Exchange of India Limited (NSE)	AVALON – 6,67,66,163 shares

We confirm that the Annual Listing Fees has been paid both to NSE and BSE for the Financial Year 2026-27.

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, 2026:

Distribution of Shareholding as on March 31, 2026						
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	65,485	98.36%	39,05,069	5.85%
2	1001	1,00,000	1,037	1.56%	59,49,090	8.91%
3	1,00,001	50,00,000	54	0.08%	3,62,15,437	54.24%
4	50,00,001	1,00,00,000	1	0.00%	62,70,355	9.39%
5	1,00,00,001	2,00,00,000	1	0.00%	1,44,26,212	21.61%
Total			**66,578**	**100.00%**	**6,67,66,163**	**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, 15th Cross, JP Nagar, 2nd Phase, Bangalore - 560078
11.	Cable assemblies, PCB assemblies and System Integration	475 Horizon Dr, Suwanee, GA 30024
12.	Cables, Box Build	C8, C9 and A35, Phase-I, MEPZ-SEZ, Tambaram, Chennai-600 045
13.	Warehouse	Plot No S100, SDF III (Back side) MEPZ-SEZ, Tambaram, Chennai- 600045
14.	Warehouse	Unit No. 5253,SDF II, MEPZ-SEZ, Tambaram, Chennai - 600045
15.	Cables	Plot. No. C5, Phase I, MEPZ-SEZ, Tambaram, Chennai – 600045

CREDIT RATING DISCLOSURE:

The Credit Rating obtained by the Company as on March 31, 2026, is provided below:

Credit Rating Agency	Rating
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 2025-26:

Sl. No	Particulars	Standalone (₹ in lakhs)	Consolidated (₹ in lakhs)
01.	Statutory Audit	34.80	58.05
02.	Tax purpose	2.50	5.00
03.	Other services – Certificates	2.40	5.25
04.	Out of pocket expenses	-	0.26
	TOTAL	39.70	68.56

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.

a. Number of complaints filed during the financial year - NIL

b. Number of complaints disposed of during the financial year – NIL

c. 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 2025 - 2026.

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

Sd/-
Kunhamed Bicha
DIN No: 00819707
Chairman

Place: Chennai
Dated: August 04, 2026

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**

Sd/-
Kunhamed Bicha
Managing Director
DIN: 00819707

Place: Chennai
Dated: August 04, 2026

Annexure A

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, MEPZ-SEZ, 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, 2026 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.	Luquman Veedu Ediyanam	06493214	Non-Executive & Non-Independent Director	03/03/2017
3.	Chandar Pattabhiram	09606151	Independent Director	07/07/2022
4.	Venkataramani Anantharamakrishnan	00277816	Independent Director	07/07/2022
5.	Byas Unnikrishnan Nambisan	01342141	Independent Director	19/07/2022
6.	Nandita Abraham	01006030	Independent Director	07/02/2023
7.	Anees Ahmed	00225648	Independent Director	24/10/2024

* Bhaskar Srinivasan (DIN: 02561215), Non-Executive & Non-Independent Director has been resigned from the board on February 10, 2026

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 Reg No: L2025TN019200
Peer Review Certificate No: 6814/2025

D Saravanan
Designated Partner
FCS No. 13721
CoP No. 22608
UDIN: F013721H001014105

Place: Chennai
Date: August 04, 2026

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, 2026 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 Reg No: L2025TN019200
Peer Review Certificate No:6814/2025

D Saravanan
Designated Partner
FCS No: 13721
COP No. 22608
UDIN: F013721H001014193

Place: Chennai
Date: August 04, 2026

Business Responsibility & Sustainability Reporting

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 2025-26
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	₹ 13.35 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	262	2620	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 15 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 68%.

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 2026

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)	557	446	80%	111	20%
2	Other than Permanent (E)	5	3	60%	2	40%
3	Total employees (D+E)	562	449	80%	113	20%
		Workers				
4	Permanent (F)	968	738	76%	230	24%
5	Other than Permanent (G)	383	313	82%	70	18%
6	Total workers (F+G)	1351	1051	78%	300	22%

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	7	1	14.3%
Key Management Personnel	3	Nil	Nil

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9%	17%	11%	21%	20%	20%	10%	27%	13%
Permanent Workers	40%	34%	39%	24%	17%	23%	27%	25%	27%

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 2025-26	FY 2024-25
Turnover (in ₹)	8,21,01,94,045	6,31,77,83,230
Net worth (in ₹)	8,19,09,10,893	7,26,11,44,337

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 2025-26			Previous Financial Year 2024-25		
		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	Nil	Nil	Nil	1	0	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.	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)
			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. 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.	4. Development and enforcement of policies aimed at reducing corruption and preventing bribery.	
2	GHG emission reduction	Risk and opportunity	**Risk** • Failure to meet GHG emission targets aligned with 1.50C global warming threshold. • Reputational damage and loss of trust from customers, employees and investors **Opportunities** Advancement towards using renewable sources of energy.	1. Implementing a comprehensive climate strategy for both operations and the supply chain. 2. Establishing measurable targets to increase renewable energy utilization and improve energy efficiency across operations, focusing on relevant GHG reduction initiatives, renewable energy adoption, and energy conservation measures, etc.	Positive & Negative
3	CSR	Opportunity	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).	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.	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. Avalon's water stewardship initiatives focuses on water conservation and responsible water management. Treated water sourced from the MEPZ Common STP is utilized for gardening purposes, reducing freshwater consumption. Water-efficient fixtures, including sensor-based and push-type taps, have been installed in place of conventional taps to minimize water wastage. Additionally, rainwater harvesting sumps are available across the facility to support groundwater recharge and promote sustainable water resource management. These initiatives form part of Avalon's ongoing efforts to enhance water-use efficiency and conserve natural resources.	Negative

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)
5	Healthy and Safe working conditions	Risk & Opportunity	**Risk** Serious or fatal employee injuries or illnesses pose significant risks including: - Harm to employees' well-being - Potential property damage - Adverse effects on the company's reputation - Diminished trust from customers - Potential financial penalties **Opportunity** Enhance confidence among current and prospective employees. Continuously improve safety standards and practices.	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 DISCLOUSURE

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.	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. 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.								
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:**

SegmentSegment	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	1	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	93	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	121	Problem Solving Training, Hazardous process Training, Fire and Safety Training, First Aid Training, Why - Why analysis, 8D etc	100%

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 ₹)	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	Nil	Nil	Nil	Nil	Nil

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
Not Applicable	

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 2025-26	Previous Financial Year 2024-25
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 2025-26		Previous Financial Year 2024 - 25	
	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 2025-26		Previous Financial Year 2024-25	
	Number	Remarks	Number	Remarks
Number of days of accounts payables	72	-	84	-

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 2025-26	Previous Financial Year 2024-25
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	63.33%	66.54%
	b.	Number of trading houses where purchases are made from	632	593
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	33.62	29.25%

Parameter	Metrics		Current Financial Year 2025-26	Previous Financial Year 2024-25
Concentration of Sales 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)	9%	18%
	b.	Sales (Sales to related parties / Total Sales)	32%	38%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d.	Investments (Investments in related parties / Total Investments made)	71%	83%

PRINCIPLE 2 **Businesses should provide goods and services in a manner that is sustainable and safe.**

Essential Indicator

1. **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 2025-26	Previous Financial Year 2024-25	Details of improvements in environmental and social impacts
R & D	Nil	Nil	-
CAPEX	Nil	Nil	-

2. a) **Does the entity have procedures in place for sustainable sourcing? No**

   b) **If yes, what percentage of inputs were sourced sustainably?**

3. **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	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	446	446	100%	446	100%	Nil	Nil	Nil	Nil	446	100%
Female	111	111	100%	111	100%	111	100%	Nil	Nil	111	100%
Total	**557**	**557**	**100%**	**557**	**100%**	**111**	**20%**	**Nil**	**Nil**	**557**	**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	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	738	738	100%	738	100%	Nil	Nil	Nil	Nil	738	100%
Female	230	230	100%	230	100%	230	100%	Nil	Nil	230	100%
Total	**968**	**968**	**100%**	**968**	**100%**	**230**	**24%**	**Nil**	**Nil**	**968**	**100%**
Other than Permanent Workers											
Male	313	313	100%	313	100%	Nil	Nil	Nil	Nil	Nil	Nil
Female	70	70	100%	70	100%	Nil	Nil	Nil	Nil	Nil	Nil
Total	**383**	**383**	**100%**	**383**	**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 2025-26	Previous Financial Year 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	1.28%	0.73%

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	Current Financial Year 2025-26			Previous Financial Year 2024-25		
	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	98%	95%	Y
Gratuity	100%	95%	N	100%	95%	N
ESI	18%	85%	Y	4%	91%	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	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

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.**

GenderGender	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 2025-26			Previous Financial Year 2024 - 25		
	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 2025-26					Previous Financial Year 2024-25				
	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	446	179	40%	278	62%	330	295	89%	198	60%
Female	111	56	50%	110	99%	138	130	94%	69	50%
Total	**557**	**235**	**42%**	**388**	**69%**	**468**	**425**	**90%**	**267**	**57%**
Workers										
Male	738	627	85%	422	57%	541	510	94%	324	59%
Female	230	214	93%	132	57%	133	125	93%	66	49%
Total	**968**	**841**	**87%**	**554**	**57%**	**674**	**635**	**94%**	**390**	**57%**

9. **Details of performance and career development reviews of employees and worker:**

Category	Current Financial Year 2025-26			Previous Financial Year 2024 - 25		
	Total(A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employees						
Male	446	446	100%	330	330	100%
Female	111	111	100%	138	138	100%
Total	**557**	**557**	**100%**	**468**	**468**	**100%**
Workers						
Male	738	738	100%	541	541	100%
Female	230	230	100%	133	133	100%
Total	**968**	**968**	**100%**	**674**	**674**	**100%**

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 2025-26	Previous Financial Year 2024 - 25
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 2025 - 26			Previous Financial Year 2024 - 25		
	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
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

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
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 2025-26			Previous Financial Year 2024 - 25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	557	557	100%	468	468	100%
Other than permanent	5	5	100%	7	7	100%
Total Employees	**562**	**562**	**100%**	**475**	**475**	**100%**
Workers						
Permanent	968	968	100%	674	674	100%
Other than permanent	383	383	100%	99	99	100%
Total Workers	**1351**	**1351**	**100%**	**773**	**773**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	Current Financial Year 2025-26					Previous Financial Year 2024 - 25				
	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	446	Nil	Nil	446	100%	330	Nil	Nil	330	100%
Female	111	Nil	Nil	111	100%	138	Nil	Nil	138	100%
Other than permanent										
Male	3	Nil	Nil	3	100%	3	Nil	Nil	3	100%
Female	2	Nil	Nil	2	100%	4	Nil	Nil	4	100%

Category	Current Financial Year 2025-26					Previous Financial Year 2024 - 25				
	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)
Workers										
Permanent										
Male	738	Nil	Nil	738	100%	541	Nil	Nil	541	100%
Female	230	Nil	Nil	230	100%	133	Nil	Nil	133	100%
Other than permanent										
Male	313	Nil	Nil	313	100%	68	Nil	Nil	68	100%
Female	70	Nil	Nil	70	100%	31	Nil	Nil	31	100%

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)*	6	9,00,000	1	9,00,000
Key Managerial Personnel	3	78,52,932	NIL	NIL
Employees other than BoD and KMP	446	5,12,760	111	4,35,000
Workers	738	2,52,000	230	2,40,000

* Includes remuneration of Director 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 2025-26	Previous Financial Year 2024-25
Gross wages paid to females as % of total wages	18%	17%

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 2025 - 26			Previous Financial Year 2024 - 25		
	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 2025-26	Previous Financial Year 2024-25
Total Complaints reported under Sexual Harassment on 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	Unit	Current Financial Year 2025-26	Previous Financial Year 2024-25
Renewable sources			
Total electricity consumption (A)	GJ	8,738.658	9,638.28
Total fuel consumption (B)	GJ	Nil	Nil
Energy consumption through other sources (C)	GJ	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	GJ	8,738.658	9,638.28
Non-renewable sources			
Total electricity consumption (D)	GJ	9,716.904	13,056.516
Total fuel consumption (E)	GJ	59.904	85.392
Energy consumption through other sources (F)	GJ		Nil
Total energy consumed from non-renewable sources (D+E+F)	GJ	9,776.8044	1,3141.908
Total energy consumed (A+B+C +D+E+F)	**GJ**	18,515.466	1,3141.908
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	GJ per Million INR	2.2549	2.0801
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	GJ per Million INR PPP adjusted USD	52.089	48.0513
Energy intensity in terms of physical output	GJ per unit	0.0030738	0.01196
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 2025-26	Previous Financial Year 2024 - 25
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	18,494.80	18248.10
(iii) Third party water	18,047.16	1,440
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024 - 25
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	36.541.96	19688.10
Total volume of water consumption (in Kilolitres)	36,239.7	19,688.18
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (KL per Million INR)	4.414	3.116
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL per Million INR PPP adjusted USD)	101.952	71.987
Water intensity in terms of physical output (KL per unit)	0.00602	0.01791
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 2025-26	Previous Financial Year 2024 - 25
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	21505.04	11222.61
- 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)	**21505.04**	**11222.61**

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 2025-26	Previous Financial Year 2024 - 25
NOx	µg/m3	24.2	26.44
SOx	µg/m3	11.91	14.67
Particulate matter (PM)	µg/m3	51.70	48.32
Persistent organic pollutants (POP)	µg/m3	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 2025 - 26	Previous Financial Year 2024 - 25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	109.16	22.73
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	1962.27	2636.69
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Mt CO2 e per Million INR	0.252	0.421
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)	Mt CO2e per Million INR PPP adjusted USD	5.83	9.72
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Mt CO2 e per unit	0.000344	0.002420
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 2025 - 26	Previous Financial Year 2024 - 25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	15	14.69
E-waste (B)	0.73	2.95
Bio-medical waste (C)	0.082	0.02118
Construction and demolition waste (D)	3.82	Nil
Battery waste (E)	Nil	3.160
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Discarded Containers −0.52 Process residue waste – 6.65 Spent Solvents – 30KL	Discarded containers – 2.57 Waste or residues containing oil -0.21 Spent solvents – 41.8KL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Aluminium Scrap – 2.11 Copper wire Scrap – 3.5 MS/iron Scrap – 15.756 Waste carton box – 83.89 Wooden waste – 37.86 General waste – 78.217	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
Total (A+B + C + D + E + F + G + H)	**274.315**	**492.30118**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (Mt CO2 e per Million INR)	0.0334	0.078
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (Mt CO2 e per Million INR PPP adjusted USD)	0.77	1.80
Waste intensity in terms of physical output (Mt CO2 e per unit)	0.0000455	0.0004485
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	196.02	380.07
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	78.22	Nil
Total	**274.23**	**380.07**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.08	0.21
(ii) Landfilling	3.82	Nil
(iii) Other disposal operations	Nil	Nil
Total	3.90	0.21

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, wildlife 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

1. (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

2. **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

1. **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

2. **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 ₹)
	Nil	Nil	Nil	Nil	Nil	Nil

3. **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.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	Current Financial Year 2025-26	Previous Financial Year 2024-25
Directly sourced from MSMEs / small producers	1%	2%
Directly from within the India	12%	20%

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 2025-26	Previous Financial Year 2024-25
Rural	33.09%	53.40%
Semi-urban	27.48%	0.10%
Urban	22.61%	45.50%
Metropolitan	16.83%	1.00%

(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 2025-26			Previous Financial Year 2024-25		
	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

Independent Auditor's Report

To
The Members,
Avalon Technologies Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Avalon Technologies Limited (hereinafter referred to as "the Company"), which comprise the standalone balance sheet as at March 31, 2026 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, 2026 and its profit and other comprehensive income, 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: • 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.	• 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.
Impairment Assessment in respect of Investment in Subsidiaries 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. 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. 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. We have identified the aforesaid matter as a key audit matter since it involves significant management judgement and estimates in determining the recoverable amount. See Note No. 1(2)(B)(19), Note No. 1.3.6 and Note No. 4A to the Standalone Financial Statements.	In view of the significance of the matter, the following key audit procedures were performed by us: • 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 2025-26 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 income, 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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, 2026 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
M No. 025854
UDIN: 26025854BMUNFL8342

Place: Mumbai
Date: 06.05.26

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 31.03.2026

(i) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company;

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the 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.

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.

d. The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

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, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(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.

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.

(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, given security, provided guarantee and has made investment in companies. 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.

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, security and granted loans to the entities during the year as below:

(A)

(In ₹Million)

Particulars	Security	Guarantees	Loans
Aggregate amount during the year - Subsidiaries	142.90	900.00	300.00
Balance outstanding as at balance sheet date - Subsidiaries	142.90	2170.23	1000.00

(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, security given 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, guarantees provided and security given 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, 2026 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, 2026 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	1.66	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
M No. 025854
UDIN: 26025854BMUNFL8342

Place: Mumbai
Date: 06.05.26

APPENDIX 1

Details of Quarterly statements submitted to Banks (also refer Note No.13.4)

Rs. In Milliion

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'25	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2388.21	2389.20	(1.00)	No
		Trade Payables	976.74	1194.88	(218.13)	No
Sep'25	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2886.35	2528.37	357.98	No
		Trade Payables	1264.96	1264.93	0.03	No
Dec'25	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2792.16	2584.17	207.99	No
		Trade Payables	1494.41	1487.83	6.58	No
Mar'26	Standard Chartered Bank, Indian Bank, Bank of India and HDFC Bank Ltd :	Trade Receivables	2873.33	2795.27	78.06	No
		Trade Payables	1158.27	1158.19	0.08	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, 2026 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, 2026, 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
M No. 025854
UDIN: 26025854BMUNFL8342

Place: Mumbai
Date: 06.05.26

Standalone Balance Sheet

CIN: L30007TN1999PLC043479
(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
A.	**ASSETS**			
	Non-Current Assets			
	(a) Property, plant and equipment	2	973.32	863.00
	(b) Capital Work in Progress	2	217.64	69.16
	(c) Right-of-Use assets	3A	40.66	47.34
	(d) Intangible Assets	3B	17.38	4.36
	(e) Intangible assets under development	3C	-	-
	(f) Financial Assets			
	(i) Investments	4A	1,690.20	1,607.78
	(ii) Other Financial Assets	5A	1,019.84	816.28
	(g) Tax assets (Net)	12.2	-	13.80
	(h) Other Non Current Assets	6A	13.86	15.40
	Total Non-Current Assets		**3,972.90**	**3,437.12**
	Current Assets			
	(a) Inventories	7	2,283.76	1,804.52
	(b) Financial Assets			
	(i) Investments	4B	596.68	331.71
	(ii) Trade Receivables	8	2,873.33	2,777.46
	(iii) Cash and Cash Equivalents	9A	382.18	263.24
	(iv) Bank balances other than (iii) above	9B	0.05	271.47
	(v) Other Financial Assets	5B	5.73	-
	(c) Other Current Assets	6B	119.02	147.90
	Total Current Assets		**6,260.75**	**5,596.30**
	TOTAL ASSETS		**10,233.65**	**9,033.42**
B.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	10	133.53	132.31
	(b) Other Equity	11	8,057.32	7,128.78
	Total Equity		**8,190.85**	**7,261.09**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13A	-	-
	(ii) Lease Liabilities	15A	33.07	34.01
	(b) Provisions	16	88.54	59.79
	(c) Deferred Tax Liabilities (Net)	12.1	3.49	3.31
	Total Non-Current Liabilities		**125.10**	**97.11**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13B	351.59	360.12
	(ii) Lease Liabilities	15A	10.11	12.22
	(iii) Trade Payables			
	a) Micro and small enterprises	14	5.41	1.16
	b) Others	14	1,267.21	1,090.06
	(iv) Other Financial Liabilities	15B	105.77	86.83
	(b) Other Current Liabilities	17	160.29	98.84
	(c) Provisions	16	16.10	25.99
	(d) Current tax Liabilities (Net)	12.2	1.22	-
	Total Current Liabilities		**1,917.70**	**1,675.22**
	Total Liabilities		**2,042.80**	**1,772.33**
	TOTAL EQUITY AND LIABILITIES		**10,233.65**	**9,033.42**
	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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Standalone Statement of Profit and Loss

CIN: L30007TN1999PLC043479
(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
I	Revenue from Operations	18	8,210.19	6,317.79
II	Other Income	19	439.39	269.65
III	**Total Income (I+II)**		**8,649.58**	**6,587.44**
IV	**Expenses:**			
	Cost of raw materials consumed	20	6,158.27	4,832.64
	Changes in Inventories of finished goods, work-in-progress and stock in trade	21	(201.57)	1.09
	Employee benefit expenses	22	910.47	636.64
	Finance costs	23	36.07	28.00
	Depreciation and amortisation expenses	24	100.05	64.11
	Other expenses	25	447.77	353.46
	Total Expenses		**7,451.06**	**5,915.94**
V	**Profit before tax (III-IV)**		**1,198.52**	**671.50**
VI	**Tax Expense:**			
	(1) Current Tax	26	303.15	160.31
	(2) Tax of earlier years	26	1.76	(0.16)
	(3) Deferred Tax	26	(0.13)	5.65
			304.78	**165.80**
VII	**Profit for the year (V-VI)**		**893.74**	**505.70**
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	1.17	(1.46)
	ii) Income tax expense on remeasurement benefit/(loss) of defined benefit plans	26.1	(0.29)	0.37
	Total other comprehensive income/(loss) A (i+ii)		**0.88**	**(1.09)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**894.62**	**504.61**
X	**Earnings Per Equity Share (Nominal value per share ₹ 2/-)**			
	(a) Basic (In ₹)	27	13.41	7.67
	(b) Diluted (In ₹)	27	13.34	7.56
	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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Standalone Statement of Changes in Equity

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Share Capital (A)	Other Equity					Total (G)=(A)+(F)
		Reserves and Surplus			Share Application Money Pending Allotment (E)	Total (F) = (B)+(C)+(D)+(E)	
		Securities premium (B)	Retained earnings (C)	ESOP Reserve (D)			
Balance as at April 1, 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**
2025-2026							
Profit for the year	-	-	893.74	-	-	893.74	893.74
Other comprehensive income/(loss) for the year, net of income tax	-	-	0.88	-	-	0.88	0.88
Receipt of Share Application Money against Exercise of ESOP	-	-	-	-	0.36	0.36	0.36
Issue of Shares against exercise of ESOP	1.22	19.37	-	(4.14)	(6.59)	8.64	9.86
Share based payment expense	-	-	-	12.57	-	12.57	12.57
Share based payment for employees of group company	-	-	-	12.35	-	12.35	12.35
Balance as at March 31, 2026	**133.53**	**4,315.45**	**3,708.76**	**32.75**	**0.36**	**8,057.32**	**8,190.85**

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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Standalone Statement of Cash Flows

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	**1,198.52**	**671.50**
Adjustments for :		
Finance costs	36.07	28.00
Interest Income	(82.99)	(102.61)
Dividend Income	(27.73)	(30.85)
(Gain) / Loss on disposal of property, plant and equipment	1.09	(0.10)
(Gain) / Loss on account of Investments	(19.89)	(45.71)
(Gain) / Loss on Termination of lease	-	(0.10)
Commission received on Corporate Guarantee	(16.21)	(1.94)
Allowance for Expected Credit Loss	21.61	1.12
Employee Share Based Payment	12.57	4.89
Depreciation and Amortisation	100.05	64.11
Provision for Gratuity	16.58	13.15
Provision for Leave Encashment	12.87	5.17
Amount no longer payable written off/ (written back)	(0.01)	1.37
Net foreign exchange (gain) / loss - Unrealised	(145.31)	45.16
Operating profit before working capital changes	**1,107.22**	**653.16**
Movements in Working Capital/ Other Changes :		
(Increase) / decrease in trade and other receivables	11.79	(1,041.83)
(Increase) / decrease in inventories	(479.24)	114.06
(Increase) / decrease in other assets	24.53	(17.16)
Increase / (decrease) in trade payables	204.87	570.68
Increase / (decrease) in provisions	(9.42)	(23.27)
Increase / (decrease) in other liabilities	102.48	(25.93)
Cash generated from operations	**962.23**	**229.71**
Income Tax paid	(289.89)	(186.79)
Net cash generated from operating activities (A)	**672.34**	**42.92**
Cash flows from Investing activities		
(Acquisition)/Proceeds from sale of property, plant and equipment & Intangible Assets	(380.14)	(312.53)
Interest received	77.26	131.77
Dividend income	27.73	30.85
Commission received on Corporate Guarantee	16.21	1.94
Loans given (net)	(200.00)	(70.00)
Investments in Equity Instruments	(0.06)	(425.45)
Investments in Preference Instruments - CCPS	(70.00)	-
(Investment in)/ Redemption of Fixed Deposits (Net)	271.42	108.87
(Investment in)/ Redemption of Mutual Funds (Net)	(245.08)	453.74
Net cash used in investing activities (B)	**(502.66)**	**(80.81)**

Standalone Statement of Cash Flows

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cash flows from financing activities		
Proceeds from issue of Equity Shares (ESOP)	9.86	8.88
Proceeds from Equity Shares pending for allotment (ESOP)	0.36	6.59
Proceeds from / (Repayment) of Current Borrowings (net)	(8.53)	82.31
Repayment of Lease liability	(13.98)	(12.05)
Interest paid	(31.03)	(22.79)
Net cash generated from/(used in) financing activities (C)	**(43.32)**	**62.94**
Net increase in cash and cash equivalents (A+B+C)	**126.36**	**25.05**
Cash and cash equivalents at the beginning of the year	263.24	240.39
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(7.42)	(2.20)
Cash and Cash equivalents at the end of the year	**382.18**	**263.24**

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, 2026	As at March 31, 2025
(i) Cash and Cash Equivalents		
(a) Balance with banks in Current accounts	382.15	218.06
(b) Balance with banks in deposit accounts	-	45.00
(c) Cash on hand	0.03	0.18
Total	**382.18**	**263.24**

Non-cash financing activities:

Significant non cash movement in financing activities includes the following

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Lease liabilities recognised as per IND AS 116	Refer Note : 3A	
b) Foreign exchange fluctuation on borrowings	-	-

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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Notes to Standalone Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

NOTE-1

1 CORPORATE INFORMATION

Avalon Technologies Limited ("the Company") is a company domiciled and incorporated in India. 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:

a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. 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:

a. it is expected to be settled in the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. 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

CIN: L30007TN1999PLC043479

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 Equiments	5 - 15 years

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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

Separately acquired intangible assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sell the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sell the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognised in the statement of profit and loss.

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
Technical Knowhow	5 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 contact 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.

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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.

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

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(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

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

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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 based on the transaction price, which is the consideration, 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.

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 accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method.

The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets.

This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

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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 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

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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 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 company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – 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

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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 FVTOCI:

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.

Debt instruments at FVTOCI:

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or 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.

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

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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 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

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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.

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 assumpations and judgements.

4 Adoption of new and revised standards:

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after April 1, 2025 (i.e. year ending March 31, 2026).

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(i) Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments : Disclosure - Supplier Finance Arrangements

(ii) Ind AS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

(iii) Ind AS 12 Income Taxes – International Tax Reform - Pillar Two model rules

(iv) Ind AS 21 The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New amendments issued but not effective:

Ind AS 1 Presentation of Financial Statements:

For accounting periods beginning on or after 1 April 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending atleast 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Accounting Estimates and Errors.

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(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, 2026	As at March 31, 2025
Carrying amounts of:		
Free hold Buildings	414.88	415.89
Plant and equipment	434.74	359.13
Air conditioners	15.74	1.60
Computer	47.88	46.45
Electrical Fittings	20.02	16.66
Furniture and Fittings	36.49	18.76
Vehicle	0.52	1.59
Office Equipments	1.81	1.67
Fire Protection Equipments	1.24	1.25
Sub-Total	**973.32**	**863.00**
Capital Work-in-progress	217.64	69.16
Total	**1,190.96**	**932.16**

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, 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**
Additions	17.62	129.41	14.88	13.75	5.55	20.78	-	0.68	0.10	202.77
(Disposals)/ Other adjustments	-	(9.66)	(0.17)	(0.31)	-	-	(3.95)	-	(0.01)	(14.10)
Balance as at March 31, 2026	**469.32**	**585.03**	**17.72**	**79.91**	**25.69**	**41.99**	**2.91**	**3.58**	**1.72**	**1,227.87**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(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, 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**
Depreciation	18.63	46.20	0.58	12.06	2.19	3.05	0.33	0.54	0.10	83.68
(Eliminated on disposals)/ Other adjustments	-	(2.06)	(0.01)	(0.05)	-	-	(3.21)	-	-	(5.33)
Balance as at March 31, 2026	**54.44**	**150.29**	**1.98**	**32.03**	**5.67**	**5.50**	**2.39**	**1.77**	**0.48**	**254.55**

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, 2025	415.89	359.13	1.60	46.45	16.66	18.76	1.59	1.67	1.25	863.00
Carrying amount as on March 31, 2026	**414.88**	**434.74**	**15.74**	**47.88**	**20.02**	**36.49**	**0.52**	**1.81**	**1.24**	**973.32**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(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, 2026	As at March 31, 2025
Plant and Machinery	28.03	68.07
Factory building	158.74	-
Electrical Fittings	22.50	0.44
Air Conditioner	8.37	-
Others	-	0.65
Total	**217.64**	**69.16**

Ageing breakup of CWIP

Particulars	As at March 31, 2026	As at March 31, 2025
Projects in progress *		
- Less than 1 year	211.63	69.16
- 1-2 years	6.00	-
- 2-3 years	-	-
- More than 3 years	-	-
Total	**217.64**	**69.16**

*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, 2026	As at March 31, 2025
Projects in progress - To be completed in		
- Less than 1 year	6.00	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Total	**6.00**	**-**

Status of Capital Work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Projects in progress		
Factory building	158.74	-
Electrical fittings	22.50	0.44
Plant and Machinery	28.03	68.07
Air Conditioner	8.37	-
Others	-	0.65
Subtotal	**217.64**	**69.16**
Projects temporarily suspended	-	-
Total	**217.64**	**69.16**

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.

Refer Note 13 for assets pledged as securities for borrowings. Also, the company has given one of its building (Plot Nos. C-8 and C-9, 35A, in Phase I of the MEPZ) as security for ₹ 142.9 Million for the borrowings taken by one of its subsidiary (Avalon Technology and Services Pvt Ltd).

Refer Note 33 for capital committments.

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479
(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, 2026	As at March 31, 2025
Carrying amounts of		
Lease hold Assets	32.22	38.29
Vehicles	8.44	9.05
Total	**40.66**	**47.34**

Gross carrying value	Lease hold Assets	Vehicles	Total
Balance as at April 1, 2024	**63.42**	**15.87**	**79.29**
Additions	-	3.35	3.35
(Deletions)/ Other adjustments	-	(1.97)	(1.97)
Balance as at March 31, 2025	**63.42**	**17.25**	**80.67**
Additions	2.60	3.29	5.89
(Deletions)/ Other adjustments	-	-	-
Balance as at March 31, 2026	**66.02**	**20.54**	**86.56**

Accumulated Depreciaion	Lease hold Assets	Vehicles	Total
Balance as at April 1, 2024	**17.04**	**6.10**	**23.14**
Depreciation	8.09	3.38	11.47
(Eliminated on disposals)/ Other adjustments	-	(1.28)	(1.28)
Balance as at March 31, 2025	**25.13**	**8.20**	**33.33**
Depreciation	8.67	3.90	12.57
(Eliminated on disposals)/ Other adjustments	-	-	-
Balance as at March 31, 2026	**33.80**	**12.10**	**45.90**

Particulars	Lease hold Assets	Vehicles	Total
Carrying amount as on March 31, 2025	38.29	9.05	47.34
Carrying amount as on March 31, 2026	**32.22**	**8.44**	**40.66**

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, 2026	As at March 31, 2025
Current lease liabilities	10.11	12.22
Non-current lease liabilities	33.07	34.01
Total	**43.18**	**46.23**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	**46.23**	**50.39**
Reclassified on account of adoption of IND AS 116	-	-
Additions	5.89	3.35
Finance costs accrued during the year	5.04	5.34
(Deletions)/ Other adjustments	-	(0.80)
Payment of Lease liabilities	(13.98)	(12.05)
Closing Balance	**43.18**	**46.23**

d) The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	10.11	12.22
One to five years	19.49	23.42
More than five years	13.58	10.59
Total	**43.18**	**46.23**

e) Others

Particulars	As at March 31, 2026	As at March 31, 2025
Interest on lease liabilities	5.04	5.34
Expenses relating to short-term leases	0.42	0.40
Total cash outflows for leases	13.98	12.05

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:

(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain not terminate (or to extend).

(b) If any lease hold improvements are expected to have a significant remaining value the Company is typically reasonably certain to extend (or not terminate).

(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.

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479
(All amounts are in Million Indian Rupees unless otherwise stated)

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

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Trademark	0.03	0.04
Software Licence	2.48	4.32
Technical Knowhow (refer Note 3C)	14.87	-
Total	**17.38**	**4.36**

Gross carrying amount	Trademark	Software Licence	Technical Knowhow	Total
Balance as at April 1, 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
Additions	-	1.22	15.61	16.83
(Disposals)/ Other adjustments	-	-	-	-
Balance as at March 31, 2026	**0.05**	**8.13**	**15.61**	**23.79**

Accumulated Amortisation	Trademark	Software Licence	Technical Knowhow	Total
Balance as at April 1, 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
Amortisation	0.01	3.05	0.74	3.80
(Eliminated on disposals)/ Other adjustments	-	-	-	-
Balance as at March 31, 2026	**0.02**	**5.65**	**0.74**	**6.41**

Particulars	Trademark	Software Licence	Technical Knowhow	Total
Carrying amount as on March 31, 2025	0.04	4.32	-	4.36
Carrying amount as on March 31, 2026	**0.03**	**2.48**	**14.87**	**17.38**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 3C: INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Technical Knowhow
Carrying amounts of:	
Balance as at April 1, 2024	**-**
Additions	-
Capitalised	-
Balance as at March 31, 2025	**-**
Additions	15.61
Capitalised	(15.61)
Balance as at March 31, 2026	**-**

NOTE 4A: INVESTMENTS NON-CURRENT

Particulars	As at March 31, 2026 Amount	As at March 31, 2025 Amount
(A) Investments in Equity Instruments		
Unquoted equity shares (fully paid up)		
(i) Subsidiaries (Measured at cost)*		
(a) Avalon Technology & Services Pvt Ltd	513.90	512.34
1,30,431 (31 March 2025 - 1,30,431) equity shares of ₹ 10 each , fully paid up.		
(b) Sienna ECAD Technologies Pvt Ltd.	45.04	44.71
35,18,000 (31 March 2025 - 35,18,000) equity shares of ₹ 10 each ,fully paid up.		
(c) ABV Electronics Inc (D/B/A Sienna Corporation)	90.88	80.42
7,22,595 (31 March 2025 - 7,22,595) equity shares of $ 0.001 each ,fully paid up.		
(ii) Other Entities (Measured at Fair Value Through OCI)		
(a) Zepco Private Limited #	-	-
10 (31 March 2025 - Nil) equity shares of ₹ 10 each, fully paid up.		
(iii) Other Entities (Measured at Fair Value Through Profit or Loss)		
(a) Sastikumar Farms & Foods Pvt Ltd .^	0.07	-
6,919 (31 March 2025 - Nil) equity shares of ₹ 10 each, fully paid up.		
(B) Investments in Compulsorily Convertible Preference Share (CCPS)		
(i) Other Entities (Measured at Fair Value Through OCI)		
(a) Zepco Private Limited #	70.00	-
2,28,337 (31 March 2025 - Nil) Compulsorily Convertible Preference Share (CCPS) Face value of ₹10 each		

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
	Amount	Amount
(C) Investments in Other Instruments		
Unquoted Preference shares (fully paid up)		
(i) Subsidiaries (Measured at cost)		
(a) ABV Electronics, Inc. (Sienna Corporation)	970.31	970.31
12,50,000 (31 March 2025 - 12,50,000) preference shares of face value $1 each		
Total	**1,690.20**	**1,607.78**

* includes cost of stock options allocated to subsidiary companies for stock options given to employees of subsidiary companies (refer Note No.29).

During the year, the Company invested ₹ 70.00 million and ₹ 0.00 million in M/s. Zepco Private Limited, a company engaged in the development and manufacturing of propulsion systems for electric vehicle mobility, through Compulsorily Convertible Preference Shares (CCPS) and Equity Shares, respectively. This strategic minority investment is expected to foster a long-term partnership and create opportunities for collaboration and mutual growth. Accordingly, these investments were designated and measured as instruments at FVTOCI.

^ During the year, the company invested ₹ 0.07 million in M/s. Sastikumar Farms Pvt. Ltd, A captive generating plant, to enable captive consumption and achieve savings in electricity costs .

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate value of unquoted investments	1690.20	1607.78
Aggregate amount of impairment in value of investments (included in the above)	-	-

NOTE 4B: INVESTMENTS CURRENT

Particulars	As at March 31, 2026			As at March 31, 2025		
	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	30.08	14.83	446.23	28.20	11.76	331.71
- Nippon India Liquid Fund - Growth Plan	6,744.11	0.02	150.45	-	-	-
Total			**596.68**			**331.71**

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate value of unquoted investments	596.68	331.71
Aggregate amount of impairment in value of investments (included in the above)	-	-

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 5A: OTHER FINANCIAL ASSETS NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated:		
Security Deposits	17.53	13.97
Loans given to Related parties (Refer Note 32B)	1,000.00	800.00
Deposits with Statutory authorities	2.31	2.31
Total	**1,019.84**	**816.28**

NOTE 5B: OTHER FINANCIAL ASSETS CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated :		
Interest receivable		
- Related party (Refer Note 32B)	5.73	-
Total	**5.73**	**-**

NOTE 6A: OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated :		
Capital Advances	13.06	15.40
Prepaid Expenses	0.80	-
Total	**13.86**	**15.40**

NOTE 6B: OTHER CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated:		
Advances paid to suppliers	55.48	87.90
Government Grant Receivable - Stipend Reimbursement	1.14	1.14
Prepaid Expenses	33.70	24.83
Balance with Statutory authorities	28.03	33.58
Advances to Employees	0.67	0.45
Total	**119.02**	**147.90**

NOTE 7: INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
(At lower of cost and net realisable value)		
Raw materials (Inculding goods in transit amounting to ₹40.17 Million (31st March 2025 ₹58.97 Million))	1,859.99	1,585.84
Work-in-progress	286.61	145.33
Finished goods	128.22	67.93
Consumables,Tools & Dies	8.94	5.42
Total	**2,283.76**	**1,804.52**

Notes to Standalone Financial Statements

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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, 2026	For the Year ended March 31, 2025
Cost of inventories recognised as an expense includes write-downs of inventory to net realisable value.	29.40	18.40

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, 2026	As at March 31, 2025
From Related Parties (Refer Note 32B)		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,832.92	1,427.99
Trade receivables - credit impaired	-	-
Sub -Total	**1,832.92**	**1,427.99**
From Others		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,040.41	1,349.47
Trade receivables - credit impaired	22.13	1.00
Sub -Total	**1,062.54**	**1,350.47**
Allowance for credit impaired (expected credit loss allowance)	(22.13)	(1.00)
Total	**2,873.33**	**2,777.46**
Current	2,873.33	2,777.46
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 30 months (As at March 31, 2025 - 36 Months). The change in expected credit loss allowance on account of change in accounting estimates is not material.

Particulars	As at March 31, 2026	As at March 31, 2025
The range of provision created as a percentage of outstanding under various age groups	0.00% - 8.33%	0.00% - 16.67%

Movement in expected credit loss allowance	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	1.00	1.00
Movement in expected credit loss allowance on trade receivables	21.61	1.12
Amount written off during the year	(0.48)	(1.12)
Balance at end of the year	22.13	1.00

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(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, 2026	As at March 31, 2025
	considered good	
Not Due	2,686.03	2,581.48
Less than 6 months	158.04	195.98
6 months -1 year	23.73	-
1-2 years	5.54	-
2-3 years	-	-
More than 3 years	-	-
Total	**2,873.33**	**2,777.46**

8.3.1 Trade receivables - credit impaired

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2026	As at March 31, 2025
	Credit Impaired	
Not Due	-	-
Less than 6 months	4.00	0.75
6 months -1 year	-	0.25
1-2 years	9.00	-
2-3 years	-	-
More than 3 years	-	-
Total	**13.00**	**1.00**

* There are no trade receivables that are overdue on account of any outstanding legal disputes

8.3.2 Trade receivables - credit impaired

Particulars	Outstanding for following periods from due date of payment	
	Disputed Dues	
	As at March 31, 2026	As at March 31, 2025
	Credit Impaired	
Not Due	-	-
Less than 6 months	7.96	-
6 months -1 year	1.17	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**9.13**	**-**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

8.4 Factoring of Receivables

(i) During the year, the Company has entered into factoring agreement with Standard Chartered Bank, India ("the Bank") for factoring of the trade receivables on a non-recourse basis. Under this agreement, the late payment and/or credit risk is transferred to the bank without recourse to the Company. Therefore, the Company derecognises the transferred trade receivables at the point when the amount is received from the bank on such sale/transfer.

As at March 31, 2026 the trade receivables do not include receivables amounting to ₹ 396.34 million which have been derecognised (though the actual credit period allowed to such customers is not expired) in accordance with Ind AS 109 – Financial Instruments, pursuant to such factoring agreement. As at the end of the year, there are no trade receivables which are classified as "trade receivables at fair value through profit and loss".

(ii) During the year, the Company has recognized total factoring cost amounting to ₹ 14.51 million (2024-25 - Nil) relating to trade receivables which were transferred/sold through the factoring arrangement with the Bank.

NOTE 9 CASH AND BANK BALANCES

Note 9A: Cash and Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balance with Banks		
In current accounts	287.49	50.71
In Exchange Earners' Foreign Currency (EEFC) accounts	94.66	167.35
In deposit accounts (with original maturity < 3 months)	-	45.00
Cash on hand	0.03	0.18
Total	**382.18**	**263.24**

Note 9B: Other Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
Balances in Fixed Deposits (with original maturity between 3 to 12 months)	0.05	271.47
Total	**0.05**	**271.47**

NOTE 10: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
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		
6,67,66,163, Equity shares of ₹2/- each, fully paid up (6,61,57,116 March 31, 2025)	133.53	132.31
	133.53	**132.31**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

10.1 Reconciliation of number of shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	6,61,57,116	132.31	6,57,12,692	131.43
Add: Shares issued during the year	-	-	-	-
Add: Issue of Shares against exercise of ESOP#	6,09,047	1.22	4,44,424	0.88
At the end of the year	6,67,66,163	133.53	6,61,57,116	132.31

 # For the year ended 31st March 2026

Number of employee stock options granted (including Series E granted on August 5, 2025 - 50,000) for the company's employees - 6,52,871 and for the subsidiaries' employees - 13,50,450 and outstanding as at March 31, 2026 of the company - 1,76,986 and for the subsidiaries' employees - 2,12,940. During the year ended March 31, 2026, the company has allotted 6,09,047 shares out of which 1,24,109 Equity shares are for the company's employees and balance for the subsidiaries' employees.

 # For the year ended 31st March 2025

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.

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.

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, 2026		As at March 31, 2025	
	Nos.	%	Nos.	%
Kunhamed Bicha	1,44,26,212	21.61%	1,44,26,212	21.81%
Bhaskar Srinivasan	62,70,355	9.39%	95,60,355	14.45%
KL Bicha Family Private Trust	39,78,993	5.96%	39,78,993	6.01%
Nippon India Small Cap Fund	38,79,742	5.81%	37,89,162	5.73%
Luquman Veedu Ediyanam	36,19,291	5.42%	36,19,291	5.47%
		48.19%		**53.47%**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

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, 2026			As at March 31, 2025		
Promoters	No. of Shares	% of holding	% change during the year *	No. of Shares	% of holding	% change during the year *
Kunhamed Bicha	1,44,26,212	21.61%	(0.20%)	1,44,26,212	21.81%	(0.14%)
Bhaskar Srinivasan	62,70,355	9.39%	(5.06%)	95,60,355	14.45%	(0.10%)
TP Imbichammad	6,83,615	1.02%	(0.01%)	6,83,615	1.03%	(0.01%)
Mariyam Bicha	2,53,293	0.38%	(0.00%)	2,53,293	0.38%	(0.01%)
Trusts controlled by promoters						
K L Bicha Family Private Trust	39,78,993	5.96%	(0.05%)	39,78,993	6.01%	(0.05%)
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	20,20,710	3.03%	(0.41%)	22,73,710	3.44%	(0.02%)
KBS Family Trust	20,20,710	3.03%	(0.41%)	22,73,710	3.44%	(0.02%)

* % 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

(i) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash: Nil

(ii) 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.

(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.

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 11: OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Reserves and Surplus		
Securities Premium	4,315.45	4,296.08
ESOP Share reserve	32.75	11.97
Retained Earnings	3,708.76	2,814.14
Share application money pending allotment	0.36	6.59
	8,057.32	**7,128.78**

Particulars		As at March 31, 2026	As at March 31, 2025
(a)	**Reserves and Surplus**		
	Securities Premium		
	Balance as at the beginning of the year	4,296.08	4,286.33
Add:	Issue of equity shares during the year	19.37	9.75
	Balance as at the end of the year	**4,315.45**	**4,296.08**
	ESOP Share reserve		
	Balance as at the beginning of the year	11.97	4.40
Add:	Share based payment expense (Refer Note 29)	12.57	4.89
Add:	Share based payment expense for employees of group companies (Refer Note 29)	12.35	4.43
Less:	Issue of shares against exercise of ESOP	(4.14)	(1.75)
	Balance as at the end of the year	**32.75**	**11.97**
	Retained Earnings		
	Balance at the beginning of the year	2,814.14	2,309.53
	Profit for the year	893.74	505.70
	Other comprehensive income/(loss) for the year, net of income tax	0.88	(1.09)
	Balance at the end of the year	**3,708.76**	**2,814.14**
(b)	**Share application money pending allotment**		
	Balance as at the beginning of the year	6.59	-
Add:	Receipt of Share Application Money against Exercise of ESOP	0.36	6.59
Less:	Issue of equity shares during the year (Refer Note 10.1)	6.59	-
	Balance as at the end of the year	**0.36**	**6.59**
Total Other Equity		**8,057.32**	**7,128.78**

Nature and Purpose of Other Reserves

(a) Reserves and Surplus

Securities Premium

Securities Premium Reserve comprises the premium received on issuance of securities. The utilisation of this reserve is governed by the provisions of the Act.

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)

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

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, 2026	As at March 31, 2025
Deferred tax assets	41.14	29.18
Deferred tax liabilities	(44.63)	(32.49)
Net Deferred tax Asset / (Liability)	**(3.49)**	**(3.31)**

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)**

2025-26	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	(27.02)	(12.56)	-	(39.60)
Expenses allowable under tax on actual payment basis	8.79	2.64	-	11.43
Provision for impairment loss - ECL	0.69	5.31	-	6.00
Defined benefit obligation - Gratuity	15.91	3.75	(0.29)	19.37
Leases	3.79	0.55	-	4.34
Other Temporary Timing Differences	(5.47)	0.44	-	(5.03)
Net Deferred tax Asset / (Liability)	**(3.31)**	**0.13**	**(0.29)**	**(3.49)**

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

Note 12.2: Tax Assets and (Liabilities) [Net]

Particulars	As at March 31, 2026	As at March 31, 2025
Tax Assets		
Tax Deducted at Source	-	-
Total	**-**	**-**
Income Tax (payable)/Recoverable [Net]		
Earlier Years	6.26	6.26
Total	**6.26**	**6.26**
Income Tax (payable)/Recoverable [Net]		
Current Year	(7.48)	7.54
Total	**(7.48)**	**7.54**
Tax Assets / (Liabilities) [Net]	**(1.22)**	**13.80**

NOTE 13A: BORROWINGS NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
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, 2026	As at March 31, 2025
Loan From Banks (refer Note 13.1)	351.59	360.12
Total	**351.59**	**360.12**
The above amount includes:-		
Secured Borrowings	351.59	360.12
Unsecured Borrowings	-	-
Total	**351.59**	**360.12**

NOTE 13.1 - DETAILS OF CURRENT BORROWINGS

Details of Facility	As at March 31, 2026	As at March 31, 2025
HDFC Bank Limited - Export Packing Credit (₹)	60.00	220.00
Bank of India - Packing Credit (₹)	160.00	80.00
Indian Bank - Cash Credit	93.71	60.12
Bank of India - Cash Credit	37.88	-
Total	**351.59**	**360.12**

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.

Notes to Standalone Financial Statements

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(All amounts are in Million Indian Rupees unless otherwise stated)

Note 13.2 - Details of Security

Bank	Details of Security Provided
Indian Bank	Primary: First pari passu charge on the movable fixed assets of the company both present and future along with other member banks. 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 member banks. First pari passu charge on the movable fixed assets of the company.
Bank of India	Principal: First pari passu charge by way of hypothecation of stocks, book debts of the company both present and future along with member bankers. 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 member banks. First pari passu charge on the movable fixed assets of the company.
HDFC Bank Limited	Principal: First pari passu charge by way of hypothecation of stocks, book debts of the company both present and future along with member bankers. First pari passu charge on the movable fixed assets of the company. 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 member banks.

Note 13.3 The Company has used the borrowings from banks availed during the year for the specific purpose for which it was taken.

Note 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*	2,108.06	2,108.06	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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*	2,388.21	2,389.20	(1.00)	
		Trade Payables*	976.74	1,194.88	(218.13)	

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(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	Q2	Inventory*	2,386.32	2,386.32	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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*	2,886.35	2,528.37	357.98	
		Trade Payables*	1,264.96	1,264.93	0.03	
"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*	2,611.04	2,611.04	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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*	2,792.16	2,584.17	207.99	
		Trade Payables*	1,494.41	1,487.83	6.58	
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	2,283.77	2,283.77	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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	2,873.33	2,795.27	78.06	
		Trade Payables	1,158.27	1,158.19	0.08	

*Unaudited figures

13.5 There have been no defaults in repayment of interest and principal dues during the year.

Notes to Standalone Financial Statements

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(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 14: TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Dues to Micro and Small Enterprise (Refer Note 35)	5.41	1.16
Related Parties (Refer Note 32B)	43.93	4.87
Others	1,223.28	1,085.19
Total	**1,272.62**	**1,091.22**

Ageing of Trade Payables - Other than MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2026	As at March 31, 2025
Not Due	538.84	445.39
Less than 1 Year	718.86	644.67
1-2 years	9.51	-
2-3 years	-	-
More than 3 years	-	-
Total	**1,267.21**	**1,090.06**

Ageing of Trade Payables - MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2026	As at March 31, 2025
Not Due	4.42	0.56
Less than 1 Year	0.99	0.60
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**5.41**	**1.16**

* 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, 2026	As at March 31, 2025
Lease Obligations (Refer Note No. 3A)	33.07	34.01
Total	**33.07**	**34.01**

NOTE 15A: LEASE LIABILITIES CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Obligations (Refer Note No. 3A)	10.11	12.22
Total	**10.11**	**12.22**

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NOTE 15B: OTHER FINANCIAL LIABILITIES NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Payable for capital purchases	-	-
Total	**-**	**-**

NOTE 15B: OTHER FINANCIAL LIABILITIES CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Payable for capital purchases		
- From Related Parties (Refer Note 32B)	6.61	-
- From Others	10.09	38.79
Employee Related dues	89.07	48.04
Total	**105.77**	**86.83**

NOTE 16: PROVISIONS NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits (Refer Note 30)		
Provision for Gratuity	64.52	45.34
Provision for compensated absences	24.02	14.45
Total	**88.54**	**59.79**

NOTE 16: PROVISIONS CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits (Refer Note 30)		
Provision for Gratuity	12.42	17.86
Provision for compensated absences	3.68	8.13
Total	**16.10**	**25.99**

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, 2026	As at March 31, 2025
Advances from Customers	134.74	84.00
Statutory Dues Payable	25.55	14.84
Total	**160.29**	**98.84**

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NOTE 18: REVENUE FROM OPERATIONS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Revenue from contract with customers		
Sale of products	8,020.72	6,217.21
Sale of services	168.59	90.35
Sub-Total	**8,189.31**	**6,307.56**
Other operating revenues		
Scrap Sales	20.88	10.23
Total	**8,210.19**	**6,317.79**

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, 2026	For the Year ended March 31, 2025
Receivables, included under trade receivables (Refer Note 8)	2,873.33	2,777.46
Contract liabilities included under advance from customers (Refer Note 18.3)	134.74	84.00

18.3 Movement of Contract Liabilities

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Amounts included in Contract liabilities at the beginning of the year	84.00	141.54
Amount received or (adjusted)/(Performance obligation satisfied) during the year (Net)	50.74	(57.54)
Amounts included in Contract liabilities at the end of the year	134.74	84.00

NOTE 19: OTHER INCOME

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Interest income earned		
On Financial assets (at amortised cost)	82.99	102.61
On Overdue Trade Receivables	44.11	33.68
(b) Dividend Income	27.73	30.85
(c) Other non-operating income (net of expenses directly attributable to such income, as applicable)		
Commision received on Corporate Guarantee	16.21	1.94
Profit on sale of assets	0.70	0.10
Gain/(Loss) on account of foreign exchange fluctuations (Net)	225.78	36.83

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Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Provisions no longer required written back	0.01	3.50
Insurance Claim received	0.09	0.18
Gain/(Loss) on account of Investments designated at FVTPL - Mutual Funds*	19.89	45.71
Others (aggregate of items)	21.88	14.25
Total	**439.39**	**269.65**

* includes ₹ 21.63 Millions (previous year ₹ 52.76 Millions) as net gain on sale of Mutual Funds

NOTE 20: COST OF RAW MATERIALS CONSUMED

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Raw material and components consumed		
Opening inventory	1,585.84	1,698.92
Add: Purchases*	6,432.42	4,719.56
Less: Inventory at the end of the year	1,859.99	1,585.84
Total	**6,158.27**	**4,832.64**

* 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, 2026	For the Year ended March 31, 2025
Opening Stock:		
Work-in-progress	145.33	124.55
Finished goods	67.93	89.80
Closing Stock:		
Work-in-progress	286.61	145.33
Finished goods	128.22	67.93
(Increase) / Decrease in Stocks	**(201.57)**	**1.09**

NOTE 22: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Salaries, Wages and Bonus	749.25	529.26
Contribution to Provident and Other Funds (Refer note 30)	45.69	33.74
Gratuity (Refer note 30)	16.58	13.15
Compensated Absences (Refer note 30)	12.87	5.17
Employee Share based payment Expenses (Refer note 29)	12.57	4.89
Staff Welfare Expenses	73.51	50.43
Total	**910.47**	**636.64**

Notes to Standalone Financial Statements

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NOTE 23: FINANCE COSTS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Interest Expense of		
Loans (at amortised cost)	19.98	16.37
Obligations under finance lease	5.04	5.34
Other borrowing cost and charges	11.05	6.29
Total	**36.07**	**28.00**

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Depreciation on Property, plant and equipment (Refer Note 2)	83.68	51.31
Depreciation on Right-of-Use assets (Refer Note 3A)	12.57	11.47
Amortisation of Intangible assets (Refer Note 3B)	3.80	1.33
Total	**100.05**	**64.11**

NOTE 25: OTHER EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Rent	0.42	0.40
Rates & Taxes	16.89	17.12
Power & Fuel	51.40	47.13
Consumables	3.04	0.82
Tools & Dies (Refer Note 7.1)	13.36	3.69
Freight Outwards	124.86	106.49
Repairs & Maintenance		
Buildings	23.22	16.03
Plant & Equipments	45.45	35.70
Others	9.04	7.94
Vehicle Maintenance	1.64	2.15
Printing & Stationery	9.54	7.84
Insurance	5.62	7.56
Communication Expenses	2.47	1.97
Allowance for expected credit loss (net) (refer Note No.8.1)	21.61	1.12
Payment to Auditors (Refer note 25.1)	3.97	3.55

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Travelling & Conveyance	24.99	17.97
Directors sitting fees	4.30	4.60
Professional Charges	32.77	33.48
Business Promotion expenses	9.33	11.55
Factoring Charges (Refer Note 8.4)	14.51	-
Amounts no longer recoverable written off	-	4.87
Security Charges	8.16	5.37
Contribution towards Corporate Social Responsibility (Refer note 34.2)	9.40	7.94
Miscellaneous Expenses	11.78	8.17
Total	**447.77**	**353.46**

NOTE 25.1: PAYMENT TO AUDITORS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Audit Fee	2.83	2.55
(b) Tax audit fee	0.25	0.25
(c) Transfer Pricing certification	0.15	0.15
(d) Other assurance services	0.74	0.60
Total	**3.97**	**3.55**

NOTE 26: CURRENT TAX

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Current tax		
In respect of current year	303.15	160.31
In respect of prior years	1.76	(0.16)
Total	**304.91**	**160.15**
Deferred tax		
In respect of current year	(0.13)	5.65
Deferred tax recognised in profit or loss	**(0.13)**	**5.65**
Total income tax expense	**304.78**	**165.80**

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The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Profit before tax	**1,198.52**	**671.50**
Tax expense calculated at statutory tax rate	301.64	169.00
Effect of expenses that are not deductible in determining taxable profit	2.37	2.00
Tax relating to earlier years	1.76	(0.16)
Effect of concessions (u/s 80JJAA)	(2.67)	(5.35)
Effect of interest u/s 234 B & C	2.66	1.37
Others	(0.98)	(1.06)
Income Tax expense recognised in profit or loss	**304.78**	**165.80**

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Tax Rate	25.17%	25.17%

26.1 Income tax recognised in other comprehensive income

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(0.29)	0.37
Total income tax recognised in other comprehensive income	**(0.29)**	**0.37**

NOTE 27: EARNINGS PER SHARE

	Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
I)	**Basic Earnings per share**		
	Profit for the year attributable to the equity holders of the company (A)	893.74	505.70
	Weighted average no of shares outstanding (B)(Refer III below)	6,66,47,792	6,59,69,315
	Total basic earnings per share (A/B) (in ₹)	**13.41**	**7.67**
II)	**Diluted Earnings per share**		
	Profit for the year attributable to the equity holders of the company (A)	893.74	505.70
	Weighted average no of shares outstanding (B) (Refer III below)	6,70,00,370	6,69,35,605
	Total diluted earnings per share (A/B) (in ₹)	**13.34**	**7.56**
III)	**Reconciliation of weighted average number of shares:**		
	Equity shares	6,66,47,792	6,59,69,315
	Weighted Average number of shares: Basic	**6,66,47,792**	**6,59,69,315**
	Effect of ESOP	3,52,577	9,66,290
	Weighted Average number of shares: Diluted	**6,70,00,370**	**6,69,35,605**

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(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 2024-25:

(a) 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.

(iv) Share transactions that have occurred during 2025-26:

(a) The Company has issued 600,147 equity shares of face value ₹2 each for cash at a premium of ₹18 per share. Additionally, 8,900 equity shares of face value ₹2 each were issued for cash at a premium of ₹498 per share upon exercise of employee stock options by 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, 2026	For the Year ended March 31, 2025
a) India	2,626.40	2,417.66
b) USA	4,961.16	3,481.67
c) Rest of World	622.63	418.46
Total	**8,210.19**	**6,317.79**

Particulars	Non-current assets**	
	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) India	1,249.00	983.86
b) Rest of World	-	-
Total	**1,249.00**	**983.86**

** 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 three external customer having more than 10% each of the Company's total revenue amounting to 2932.19 Million for March 31, 2026 (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).

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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 have granted 17,79,750 options under the ESOP Scheme. Subsequently, the Board at its meetings held on September 24, 2024 , December 27, 2024 & August 5, 2025 have granted 88,919 options , 84,652 options & 50,000 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, 2026	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	45,994	20	Ranging from 1 to 2 years	0.83	3.70
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series B	19.07.2022	8,90,450	1,39,261	20	Ranging from 1 to 4 years	3.09	4.66

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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, 2026	Fair Value at grant date*
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series C	24.09.2024	88,919	80,019	500	Ranging from 1 to 5 years	4.54	210.65
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series D	27.12.2024	84,652	74,652	759	Ranging from 1 to 5 years	4.55	426.84
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series E	05.08.2025	50,000	50,000	700	Ranging from 1 to 3 years	4.34	346.97

* Represents cost recorded by the Company based on fair valuation report.

(B) Vesting Schedule

Particulars	Series A	Series B	Series C	Series D	Series E
At the end of 1 year of service from grant date	50%	25%	20%	25%	34%
At the end of 2 years	50%	25%	20%	20%	33%
At the end of 3 years	0%	25%	25%	20%	33%
At the end of 4 years	0%	25%	25%	20%	0%
At the end of 5 years	0%	0%	10%	15%	0%

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(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	Series E	Weighted average exercise price per Option
As at 1st April 2024	**5,88,375**	**-**	**7,31,072**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Granted during the year	-	-	-	-	88,919	500	84,652	759	-	-
Vested during the year	4,45,150	20	2,55,410	20	-	-	-	-	-	-
Expired during the year*	(16,552)	20	(63,128)	20	-	-	-	-	-	-
Exercised during the year	(2,84,884)	20	(1,59,540)	20	-	-	-	-	-	-
As at 31st March 2025	**2,86,939**		**5,08,404**		**88,919**		**84,652**	**-**	**-**	**-**
Granted during the year	-	-	-	-	-	-	-	-	50,000	700.00
Vested during the year	-	-	2,22,391	20	17,784	500	21,163	759	-	-
Expired during the year*	(700)	20	(26,740)	20	-	-	(10,000)	759	-	-
Exercised during the year	(2,40,245)	20	(3,42,403)	20	(8,900)	500	-	-	-	-
As at 31st March 2026	**45,994**		**1,39,261**		**80,019**		**74,652**		**50,000**	

* "Expired during the year" includes options forfeited on cessation of employment prior to vesting.

(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%
Series E - 05.08.2025	874.05**	700.00	0.00%	5.54% - 5.88%	1.16 to 3.16 years	46.73%

* 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.

*** Risk-free interest rate is based on the government securities yield, in effect at the time of grant, for a term commensurate with the expected life of the options granted.

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

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(E) Expense recognised in the statement of Profit and Loss

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Employee Share based payment Expenses (Refer note no. 22)	12.57	4.89
Investment (ESOP issued to employees of subsidiary companies)	12.35	4.43
Total expense arising from Employee share based payment transactions	**24.92**	**9.32**

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:

Provident fund

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.

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. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Code on social security, 2020. 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.

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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, 2026	As at March 31, 2025
Opening defined benefit obligation	70.67	61.08
Current Service Cost	12.42	9.19
Interest cost	4.45	4.22
Past service cost (refer below (vii))	0.52	-
Remeasurement (gains) / losses :		
Actuarial (gains) and losses arising from changes in financial assumptions	(2.39)	3.45
Actuarial (gains) and losses arising from experience adjustments	1.16	(1.98)
Transfers in/out	(0.56)	-
Benefits paid	(9.03)	(5.29)
Closing defined benefit obligation	**77.24**	**70.67**

(ii) Movements in the fair value of the plan assets

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	7.47	-
Interest income	0.25	0.26
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.06)	0.01
Contributions from the Employer	-	12.05
Benefits paid	(7.36)	(4.85)
Closing fair value of plan assets	**0.30**	**7.47**

(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, 2026	As at March 31, 2025
Present value of funded defined benefit obligation	77.24	70.67
Fair value of plan assets	(0.30)	(7.47)
Funded status	**76.94**	**63.20**
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	**76.94**	**63.20**

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(iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Service Cost :		
Current Service cost	12.42	9.19
Past service cost and (gain) / loss from settlements (refer below (vii))	0.52	-
Net interest Expense	4.20	3.96
Transfer In/ (Out)	(0.56)	-
Components of defined benefit costs recognised in profit or loss	**16.58**	**13.15**
Remeasurement on the net defined benefit liability :		
Acturial (gains) / losses arising from changes in financial assumptions	(2.39)	3.45
Actuarial (gains) / losses arising from experience adjustments	1.16	(1.98)
Return on plan assets (more)/ less than the expected based on the discount rate	0.06	(0.01)
Components of defined benefit costs recognised in other comprehensive income	**(1.17)**	**1.46**
Total	**15.41**	**14.61**

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 acturial valuations were as follows.

Particulars	Valuation	
	As at March 31, 2026	As at March 31, 2025
Discount Rate(s)	7.10%	6.72%
Expected Return on assets	6.72%	7.23%
Expected Rate(s) of salary increase	8.00%	8.00%
Attrition Rate	16.07%	16.07%
Mortality Tables*	Indian Assured Life (2012-14) Ultimate	Indian Assured Life (2012-14) Ultimate

* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others.

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.

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Sensitivity Analysis

Particulars		As at March 31, 2026	As at March 31, 2025
A.	Discount Rate + 100 BP		
	Defined Benefit Obligation [PVO]	70.98	64.84
	Current Service Cost	(6.26)	(5.82)
B.	Discount Rate - 100 BP		
	Defined Benefit Obligation [PVO]	84.52	77.43
	Current Service Cost	7.27	6.77
C.	Salary Escalation Rate + 100 BP		
	Defined Benefit Obligation [PVO]	82.50	75.70
	Current Service Cost	5.25	5.04
D.	Salary Escalation Rate - 100 BP		
	Defined Benefit Obligation [PVO]	72.20	65.97
	Current Service Cost	(5.05)	(4.69)

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.

The Expected Maturity analysis of undiscounted Gratuity as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Year 1	5.82	4.86
Year 2	7.04	4.33
Year 3	5.45	6.28
Year 4	6.67	4.05
Year 5	4.38	5.36
Next 5 Years	23.75	21.01

(vii) The Government of India has notified new Labour Codes effective from November 21, 2025. The incremental impact due to changes in regulations, as estimated by the company has been recognised in the financial statements for the year ended March 31, 2026, which is not material. The financial impact will be further evaluated on notification of the relevant rules by the respective Central/ State Governments.

D. Leave obligations

The leave obligations cover the Company's liability for earned leave.

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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, 2026	As at March 31, 2025
Discount rate	7.10%	6.72%
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, 2026	As at March 31, 2025
Financial assets		
Measured at Cost		
- Equity investments in Subsidiaries (as per Ind AS 27)	649.82	637.47
- Investment in Preference shares of Subsidiary	970.31	970.31
Measured at Fair Value through OCI		
- Investment in CCPS of Other Entities	70.00	-
Measured at amortised cost		
- Trade receivables	2,873.33	2,777.46
- Cash and cash equivalents	382.18	263.24
- Other bank balances	0.05	271.47
- Other financial assets		
Non current	1,019.84	816.28
Current	5.73	-
Measured at Fair Value through P&L		
- Investment in Mutual Funds	596.68	331.71
- Equity investments in Other Entities	0.07	-
Financial liabilities		
Measured at amortised cost		
- Borrowings		
Non current	-	-
Current	351.59	360.12
- Lease Liabilities		
Non current	33.07	34.01
Current	10.11	12.22
- Trade Payables	1,272.62	1,091.22
- Other Financial liabilities		
Non current	-	-
Current	105.77	86.83

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Fair value hierarchy

Particulars	As at March 31, 2026	As at March 31, 2025	Fair Value Hierarchy	Valuation technique(s) and key input(s)
- Investment in Mutual Funds - FVTPL	596.68	331.71	Level 2	The fair value of investment in Mutual Fund is determined based on Net Assets Value published by respective funds
- Investment in Equity Instruments - FVTPL	0.07	-	Level 3	The fair value of the remaining financial instruments is determined using discounted cash flow method
- Investment in CCPS - FVTOCI	70.00	-	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.

Reconciliation of Level 3 Fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

Particulars	FVTPL	FVTOCI
Balance as at April 1, 2024	**-**	**-**
Investments/ (Redemption) made during the year	-	-
Net change in Fair value (Unrealised)	-	-
Net gain on restatement	-	-
Balance as at March 31, 2025	**-**	**-**
Investments/ (Redemption) made during the year	0.07	70.00
Net change in Fair value (Unrealised)	-	-
Net gain on restatement	-	-
Balance as at March 31, 2026	**0.07**	**70.00**

The Level 3 inputs for these unlisted securities are derived and evaluated as below.

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

The key assumptions used in the estimation of the fair value changes are set out below. The values assigned to the key assumptions is based on the management's assessment.

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (%)	20.20%	-

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Sensitivity analysis

For the fair values of FVTOCI securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value Sensitivity		
Fair value - increase by 1%	(5.11)	-
Fair value - decrease by 1%	5.11	-

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 and 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. These exposures 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 debt in the form of packing credit which are subject to minimal changes in interest rate during it's term.

Fair value sensitivity analysis for floating-rate instruments:

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate. If interest rates had been 25 basis points higher and all other variables were constant, the Company's profit after tax would have changed by the following:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Impact on profit or loss	Impact on equity (net of tax)	Impact on profit or loss	Impact on equity (net of tax)
Impact on profit for the year *	(0.88)	(0.66)	(0.90)	(0.67)

* The same has been calculated based on risk exposure outstanding as on balance sheet date. The year end balances are not necessarily representative of average debt outstanding during the year.

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(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.

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, 2026		As at March 31, 2025	
	Foreign Currency (In Millions)	₹ (In Millions)	Foreign Currency (In Millions)	INR (In Millions)
EURO	0.01	1.01	0.03	2.78
GBP	0.03	3.50	0.06	6.44
SGD	0.00	0.02	0.00	0.12
JPY	1,054.87	625.01	868.30	492.76
USD	4.17	394.52	8.17	699.59

Currency	Assets as at			
	As at March 31, 2026		As at March 31, 2025	
	Foreign Currency (In Millions)	₹ (In Millions)	Foreign Currency (In Millions)	₹ (In Millions)
EURO	0.05	5.84	0.10	9.02
GBP	-	-	0.01	0.95
SGD	-	-	0.01	0.43
JPY	-	-	3.61	2.05
USD	28.52	2,699.32	27.75	2,374.66

Foreign Currency sensitivity analysis

Impact on profit /(loss) and Equity (net of tax) for an increase of 5%

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, 2026	As at March 31, 2025
A. Financial Assets		
EURO	0.29	0.45
GBP	-	0.05
SGD	-	0.02
JPY	-	0.10
USD	134.97	118.73

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Particulars	Impact on profit or loss for the year	
	As at March 31, 2026	As at March 31, 2025
B. Financial Liabilities		
EURO	0.05	0.14
GBP	0.18	0.32
SGD	-	0.01
JPY	31.25	24.64
USD	19.73	34.98
Net Impact (A-B)	**84.05**	**59.26**

Particulars	Impact on total equity as at the end of the reporting period	
	As at March 31, 2026	As at March 31, 2025
A. Financial Assets		
EURO	0.22	0.34
GBP	-	0.04
SGD	-	0.01
JPY	-	0.07
USD	101.00	88.85
B. Financial Liabilities		
EURO	0.04	0.10
GBP	0.13	0.24
SGD	-	0.01
JPY	23.39	18.44
USD	14.76	26.18
Net Impact (A-B)	**62.90**	**44.34**

A 5% decrease in the rupee against the above currencies as at 31 March 2026 and 31 March 2025 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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.

(c) Price risk Exposure

The Company exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. There are investments in mutual funds which are measured at fair value through profit and loss

Sensitivity

Below is the sensitivity of due to changes in fair value

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value Sensitivity		
Fair value - increase by 1%	5.97	3.32
Fair value - decrease by 1%	(5.97)	(3.32)

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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.

Credit risk arises from cash and cash equivalents, loans, investments, deposits with banks and other parties , trade receivables and other financial assets.

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.

The estimated gross carrying amount at default is ₹ Nil (March 31, 2025: ₹ Nil) for loans, investments in CCPS and security deposits with other parties. Consequently, there are no expected credit loss recognised for these financial assets.

Expected credit loss for trade receivables under simplified approach

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. It has computed expected credit losses based on a provision matrix which takes into account historical credit loss experience based on : a) Past trend of outstanding receivables over a rolling period of past 30 months and b) actual amount of outstanding receivables as on the reporting date. (also refer Note 8.3.1)

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.

Further, the Company is exposed to liquidity risk in relation to Corporate guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is invoked. These Corporate guarantees have been issued to banks under the financing facilities agreements entered into its subsidiaries companies. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

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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.

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
March 31, 2026					
Borrowings	351.59	-	-	351.59	351.59
Lease Liabilities	10.11	19.49	13.58	43.18	43.18
Trade payables	1,272.62	-	-	1,272.62	1,272.62
Other Financial Liabilities	105.77	-	-	105.77	105.77
Total	**1,740.09**	**19.49**	**13.58**	**1,773.16**	**1,773.16**
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
	1,550.39	**23.42**	**10.59**	**1,584.40**	**1,584.40**

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)	**Post Employment benefit plans for Employees**	Avalon Technologies Employees Gratutiy Trust
(iii)	**Key Management Personnel**	Mr. Kunhamed Bicha-Chairman and Managing Director
		Mr. Suresh Veerappan-Chief Financial Officer (w.e.f. 08.11.2024)
		Mr. RM Subramanian - Chief Financial Officer (upto 07.11.2024)
		Mr. Ajay Shukla - Company Secretary (w.e.f 05.02.2025)
		Mr. Robinson, Michael - Chief Operating Officer US Operations
		Mr. Rajesh V - Company Secretary (upto 30.11.2024)
(iv)	**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
(v)	**Non-Executive Directors**	Mr. Bhaskar Srinivasan - Director (Upto 10.02.2026)
		Mr. Luquman Veedu Ediyanam - Director
		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
		Mr. Sareday Seshu Kumar-Director (upto 17.12.2024)

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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32B The following are the details of the transactions and balances as per Ind AS 24

Particulars		Transaction with	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a)	Sales	Avalon Technology & Services Pvt. Ltd.	18.17	32.41
		ABV Electronics Inc (D/B/A Sienna Corporation)	2,579.45	2,396.66
			2,597.61	**2,429.07**
b)	Purchases/ Expenses	Avalon Technology & Services Pvt. Ltd.	206.29	120.34
		Sienna ECAD Technologies Pvt. Ltd.	0.07	0.07
		ABV Electronics Inc (D/B/A Sienna Corporation)	373.47	709.15
			579.85	**829.56**
c)	Remuneration to KMP*	Short-Term Employee Benefits	30.40	29.01
		Post Employment benefits	0.93	0.96
		Share based payment	3.33	1.64
			34.66	**31.61**
d)	Remuneration to Relatives of KMP*	Short-Term Employee Benefits	2.60	7.46
		Post Employment benefits	0.07	0.20
		Share based payment	-	-
			2.67	**7.66**
e)	Interest Income	Avalon Technology & Services Pvt. Ltd.	80.77	78.75
		ABV Electronics Inc (D/B/A Sienna Corporation)	44.11	33.68
			124.88	**112.43**
f)	Dividend Income	ABV Electronics Inc (D/B/A Sienna Corporation)	27.73	30.85
			27.73	**30.85**
g)	Reimbursement of expenses (receivable/ (payable))	Sienna ECAD Technologies Pvt. Ltd.	(10.65)	(2.44)
		ABV Electronics Inc (D/B/A Sienna Corporation)	(18.04)	(8.62)
		Avalon Technology & Services Pvt. Ltd.	(4.12)	5.25
			(32.80)	**(5.81)**
h)	Sale of Property, Plant and Equipment	Avalon Technology & Services Pvt. Ltd.	2.64	3.73
		ABV Electronics Inc (D/B/A Sienna Corporation)	2.56	
			5.20	**3.73**
i)	Purchase of Property, Plant and Equipment	Avalon Technology & Services Pvt. Ltd.	25.51	-
		ABV Electronics Inc (D/B/A Sienna Corporation)	-	16.95
			25.51	**16.95**

Notes to Standalone Financial Statements

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Particulars		Transaction with	For the Year ended March 31, 2026	For the Year ended March 31, 2025
j)	**Loans Granted**	Avalon Technology & Services Pvt. Ltd.	300.00	100.00
			300.00	**100.00**
k)	**Loan Repayment Received**	Avalon Technology & Services Pvt. Ltd.	100.00	30.00
			100.00	**30.00**
l)	**Investment - through Preference Shares**	ABV Electronics Inc (D/B/A Sienna Corporation)	-	425.44
			-	**425.44**
m)	**Corporate Guarantee given**	ABV Electronics Inc (D/B/A Sienna Corporation)	550.00	770.23
		Avalon Technology & Services Pvt. Ltd.	350.00	500.00
			900.00	**1,270.23**
n)	**Corporate Guarantee Commission**	ABV Electronics Inc (D/B/A Sienna Corporation)	9.99	1.94
		Avalon Technology & Services Pvt. Ltd.	6.21	-
			16.21	**1.94**
o)	**Subleasing Income**	Avalon Technology & Services Pvt. Ltd.	0.11	-
			0.11	**-**
p)	**Stock option granted to the employees of subsidiary companies**	Avalon Technology & Services Pvt. Ltd.	1.56	0.15
		Sienna ECAD Technologies Pvt. Ltd.	0.33	0.10
		ABV Electronics Inc (D/B/A Sienna Corporation)	10.46	4.18
			12.35	**4.43**
q)	**Directors' Sitting Fees**	Mr. Chandar Pattabhiram	0.60	0.80
		Mr. Byas Unnikrishnan Nambisan	1.00	1.40
		Mr. Venkataramani Anantharamakrishnan	0.90	1.00
		Ms. Nandita Abraham	0.90	1.00
		Mr. Anees Ahmed	0.90	0.40
			4.30	**4.60**
r)	**Contribution to Gratuity Trust**	Avalon Technologies Employees Gratutiy Trust	-	12.05
			-	**12.05**

* Provision for gratuity and compensated absences are based on actuarial valuation performed on an overall company basis and hence excluded above.

Notes to Standalone Financial Statements

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II. Outstanding Balances at the year end

Particulars	Transaction with	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Amount owed by related parties	Avalon Technology & Services Pvt. Ltd.	966.57	795.73
	ABV Electronics Inc (D/B/A Sienna Corporation)	1,826.32	1,427.99
		2,792.89	**2,223.72**
b) Amount owed to related parties	Sienna ECAD Technologies Pvt. Ltd.	4.78	0.61
		4.78	**0.61**
c) Against Corporate Guarantee given	Avalon Technology & Services Pvt. Ltd.	850.00	500.00
	ABV Electronics Inc (D/B/A Sienna Corporation)	1,320.23	770.23
		2,170.23	**1,270.23**

NOTE 33: COMMITMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	152.88	117.84

NOTE 34: CORPORATE SOCIAL RESPOSNSIBILITY

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Gross amount required to be spent u/s 135 of the Companies Act, 2013	9.40	7.94
(b) Amount approved by the Board to be spent during the year	9.40	7.94
(c) Expenditure towards corporate social responsibility		
(i) Construction / acquisition of any asset	-	-
(ii) Purpose other than (i) above	9.44	7.94
Excess / (Shortfall)	**0.04**	**-**

34.1 Excess amount Spent

Particulars	Year Ended	
	As at March 31, 2026	As at March 31, 2025
Opening Balance*	-	-
Amount required to be spent u/s 135 of the Companies Act, 2013	9.40	7.94
Expenditure towards corporate social responsibility	9.44	7.94
Closing Balance	**0.04**	**-**

* During the FY 2024-25 , the company has not opted to carry forward the excess amount spent in the previous year.

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34.2 Corporate Social responsibility - Expenses incurred towards

Particulars	Year Ended	
	As at March 31, 2026	As at March 31, 2025
Donation	7.73	5.91
Social Welfare expenses	1.71	2.03
Total	**9.44**	**7.94**

34.3 Related party transactions & provisions

Particulars	Year Ended	
	As at March 31, 2026	As at March 31, 2025
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure	-	-
Provisions w.r.t CSR Expenditure pursuant to contractual obligation	-	-
Total	**-**	**-**

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 registerd 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, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.41	1.16
Interest on above	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.54	-
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	0.003	-
Interest due and payable towards suppliers registered under MSMED Act at the end of the year	0.083	0.08
Further interest remaining due and payable for earlier years	0.08	0.08

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.

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NOTE 37: CONTINGENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the company not acknowledged as debt		
Income tax matters*	-	0.27
Provident Fund Demand*	6.57	6.57
Total	**6.57**	**6.84**

*The above amounts exclude interest and penalty (unless included in the original demand)

a) 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.

b) 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.

c) The Company does not expect any reimbursements from third parties in respect of the above contingent liabilities.

NOTE 38:

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 39: ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) CIF Value of imports :		
i) Capital goods	61.50	64.21
ii) Raw materials; Components and spare parts;	5,536.12	3,745.16
	5,597.62	**3,809.37**
b) Expenditure in foreign currency		
Interest and bank charges	0.67	0.44
Repairs and maintanence	2.81	4.81
Others	6.48	23.03
	9.96	**28.28**

c) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption:

Particulars	2025-26		2024-25	
	Value	%	Value	%
i) Raw Materials				
a) Imported	5,131.02	86%	4,030.66	83%
b) Indigenous	825.68	14%	803.07	17%
ii) Stores and Spare Parts	**5,956.70**	**100%**	**4,833.73**	**100%**
a) Imported	1.72	57%	0.08	10%
b) Indigenous	1.32	43%	0.74	90%
	3.04	**100%**	**0.82**	**100%**

Notes to Standalone Financial Statements

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d) Earnings in foreign currency

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Export of goods on FOB basis (incl Deemed Exports)	5,759.65	4,163.40
Dividend income	27.73	30.85

e) Other Financial information

	Particulars	As at March 31, 2026	As at March 31, 2025
i.	Outstanding Letter of Credit	-	-
ii.	Guarantees excluding financial guarantees	-	-
iii.	Net exchange difference credited to Profit and Loss Statement	225.78	36.83

NOTE 40:

(a) The company 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 Company 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 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).

(d) 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.

(e) 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.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

(g) 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).

NOTE 41: RATIOS

						Variance (%)	Reasons
S. No.	Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	2026 vs 2025	2026 vs 2025
1	Current Ratio	Current Assets	Current Liabilities	3.26	3.34	(2.27%)	
2	Debt-Equity Ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.05	0.06	(13.88%)	

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S. No.	Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	Variance (%) 2026 vs 2025	Reasons 2026 vs 2025
3	Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	19.22	17.16	12.04%	
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	11.57%	7.23%	60.04%	1(i)
5	Inventory Turnover Ratio	Sales	Average Inventory	4.02	3.39	18.35%	
6	Trade receivables turnover ratio	Net Credit Sales	Avg. Trade Receivables	2.91	2.80	3.97%	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.44	6.00	(9.25%)	
8	Net capital turnover ratio	Net Sales	Working Capital (3)	1.89	1.61	17.22%	
9	Net Profit Ratio	Net Profit for the year	Net Sales	10.91%	8.02%	36.12%	1(ii)
10	Return on capital employed**	Earning before interest and taxes	Capital Employed (4)	15.29%	9.57%	59.76%	1(iii)
11	Return on Investment*	Refer note (5) below		6.61%	7.74%	(14.60%)	

* Investments in Mutual Funds and Fixed Deposit

** The denominator for ROCE has been changed during the year to "Average Capital Employed" from "Capital Employed as at the year end", so as to appropriately match the numerator, which represents returns earned over the year. Previous year figures have been recomputed accordingly.

(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:

{MV(T1) – MV(T0) – Sum [C(t)]}

{MV(T0) + 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 [T1 – t] / T1

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Explanation for Variance in ratios by more than 25%

(i) Increase in Return on equity ratio is due to strong profit growth and operational efficiency improvements.

(ii) Increase in Net profit ratio is typically due to increase in revenue ie.better pricing and strategic sales mix, lower production, operational and financial costs and thereby improved efficiency.

(iii) Increase in Return on Capital Employed is due to higher operating profits, better efficiency in asset utilization, and thereby reduction in capital employed.

NOTE 42:

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, 2026	For the Year ended March 31, 2025	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	550.00	770.23	General Business purpose
Avalon Technology and Services Pvt Ltd	Loans given	300.00	100.00	To meet the Working Capital requirements
Avalon Technology and Services Pvt Ltd	Guarantees	350.00	500.00	General Business purpose
Avalon Technology and Services Pvt Ltd	Security	142.90	-	Exclusive charge on leasehold rights of a property,located at Plot Nos. C-8 and C-9, 35A, in Phase I of the MEPZ for the purpose of working capital loan.
Sastikumar Farms & Foods Pvt Ltd	Investment in equity shares	0.07	-	A captive generating plant, to enable captive consumption and achieve savings in electricity costs
Zepco Private Limited	Investment in equity shares	-	-	Strategic investment for long-term partnership,collaboration and growth.
Zepco Private Limited	Investment in Preference shares	70.00	-	

Notes to Standalone Financial Statements

CIN: L30007TN1999PLC043479
(All amounts are in Million Indian Rupees unless otherwise stated)

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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

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, 2026, 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, 2026, 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: • 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
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. See Note No. 1.2(C)(9) and Note No. 18 to the Consolidated Financial Statements.	• 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 2025-26 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 income, 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 ₹ 3,429.90 million as at 31 March 2026; total Income of ₹ 7,583.09 million and Net Cash inflows amounting to ₹ (55.41) 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, 2026, 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, 2026. 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 paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and in CARO 2020 reports issued in respect of the financial statements of the subsidiaries which are included in these Consolidated Financial Statements, to whom CARO 2020 is 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 Income, 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, 2026 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, 2026 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 A". 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, 2026 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
M No. 025854
UDIN: 26025854GQWGOT7120

Place: Mumbai
Date: 06.05.26

ANNEXURE A

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 2026, 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, 2026, 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
UDIN: 26025854GQWGOT7120

Place: Mumbai
Date: 06.05.26

Consolidated Balance Sheet

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
A.	**ASSETS**			
	Non-Current Assets			
	(a) Property, plant and equipment	2	1,621.71	1,473.75
	(b) Capital Work in Progress	2	239.36	103.99
	(c) Right-of-Use assets	3A	238.46	333.21
	(d) Intangible Assets	3B	63.73	42.08
	(e) Intangible assets under development	3C	-	-
	(f) Financial Assets			
	(i) Investments	4A	88.96	17.77
	(ii) Other financial assets	5A	64.51	56.65
	(g) Deferred Tax Asset	12.1	120.22	156.06
	(h) Tax assets	12.2	7.67	28.52
	(i) Other Non Current Assets	6A	25.05	19.86
	Total Non-Current Assets		**2,469.67**	**2,231.89**
	Current Assets			
	(a) Inventories	7	4,632.89	3,378.99
	(b) Financial Assets			
	(i) Investments	4B	717.21	331.71
	(ii) Trade Receivables	8	3,812.73	3,160.05
	(iii) Cash and Cash Equivalents	9A	712.22	688.27
	(iv) Bank Balances other than (iii) above	9B	1.28	327.11
	(v) Other Financial Assets	5B	6.30	5.33
	(c) Other Current Assets	6B	291.64	275.41
	Total Current Assets		**10,174.27**	**8,166.87**
	TOTAL ASSETS		**12,643.94**	**10,398.76**
B.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	10	133.53	132.31
	(b) Other Equity	11	7,083.52	5,983.16
	Total Equity		**7,217.05**	**6,115.47**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13A	111.65	183.54
	(ii) Lease Liabilities	15A	173.59	276.15
	(iii) Other Financial Liabilities	15B	16.96	15.95
	(b) Provisions	16A	149.82	102.56
	(c) Deferred Tax Liabilities	12.1	15.71	18.66
	Total Non-Current Liabilities		**467.73**	**596.86**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13B	1,722.62	1,233.16
	(ii) Lease Liabilities	15A	121.37	106.97
	(iii) Trade Payables			
	(a) Micro and small enterprises	14	28.40	15.22
	(b) Others	14	2,484.31	1,878.31
	(iv) Other Financial Liabilities	15B	194.72	149.89
	(b) Other Current Liabilities	17B	375.80	256.09
	(c) Provisions	16B	30.72	46.79
	(d) Current tax Liabilities	12.2	1.22	-
	Total Current Liabilities		**4,959.16**	**3,686.43**
	Total Liabilities		**5,426.89**	**4,283.29**
	TOTAL EQUITY AND LIABILITIES		**12,643.94**	**10,398.76**
	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: Mumbai

Date: May 6, 2026

For and on behalf of the Board of Directors

Sd/-

Kunhamed Bicha

Chairman & Managing Director

DIN: 00819707

Sd/-

Suresh Veerappan

Chief Financial Officer

Sd/-

Ajay Shukla

Company Secretary

Place: Chennai

Date: May 6, 2026

Consolidated Statement of Profit and Loss

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

S. No	Particulars	Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
I	Revenue from Operations	18	16,032.05	10,981.28
II	Other Income	19	289.21	171.06
III	**Total Income (I+II)**		**16,321.26**	**11,152.34**
IV	**Expenses:**			
	Cost of raw materials consumed	20	11,061.41	7,187.85
	Changes in Inventories of finished goods, work-in-progress and stock in trade	21	(532.92)	(133.17)
	Employee benefit expenses	22	2,807.27	1,985.51
	Finance costs	23	150.06	167.04
	Depreciation and Amortisation Expenses	24	335.99	285.69
	Other expenses	25	962.98	792.29
	Total Expenses		**14,784.79**	**10,285.21**
V	**Profit before tax (III-IV)**		**1,536.47**	**867.13**
VI	**Tax Expense:**			
	(1) Current Tax	26	359.08	200.62
	(2) Tax of earlier years	26	3.23	3.04
	(3) Deferred Tax	26	44.70	29.08
			407.01	**232.74**
VII	**Profit for the year (V - VI)**		**1,129.46**	**634.39**
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	3.11	(1.29)
	b) Fair value changes on Equity Instruments through other comprehensive income		(0.73)	11.75
	ii) Income tax relating to items that will not be reclassified to profit or loss	26.1	(0.73)	(2.83)
	B. i) Items that may be reclassified to profit or loss			
	a) Exchange differences in translating the financial statements of foreign operations		(64.67)	(24.75)
	Total other comprehensive income/(loss) A(i+ii) + B(i)		**(63.02)**	**(17.12)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**1,066.44**	**617.27**
X	**Profit for the year**			
	Attributable to:			
	Equity holders of the parent		1,129.46	634.39
	Non-controlling interests		-	-
XI	**Other comprehensive income/(loss) for the year**			
	Attributable to:			
	Equity holders of the parent		(63.02)	(17.12)
	Non-controlling interests		-	-
XII	**Total comprehensive income for the year**			
	Attributable to:			
	Equity holders of the parent		1,066.44	617.27
	Non-controlling interests		-	-
XIII	**Earnings Per Equity Share of ₹2 each, attributable to equity holders of the parent:**			
	(a) Basic (In ₹)	27	16.95	9.62
	(b) Diluted (In ₹)	27	16.86	9.48
	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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Consolidated Statement of Changes in Equity

CIN: L30007TN1999PLC043479
(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Share Capital (A)	Other Equity								Sub - Total (J) = (B)+(C)+ (D)+ (E)+(F)+ (G)+(H)+(I)	Total (K) = (A)+(J)
		Foreign Currency Translation Reserve (B)	Reserves and Surplus					Equity Instrument through Other Comprehensive Income (H)	Share Application Money pending allotment (I)		
			Securities Premium (C)	Capital reserve (D)	Special Economic Zone Re-investment Allowance Reserve (E)	Retained earnings (F)	ESOP Share Reserve (G)				
Balance as at April 1, 2024	**131.43**	**(108.52)**	**4,289.24**	**(614.30)**	**7.92**	**1,763.24**	**4.40**	**-**	**-**	**5,341.98**	**5,473.41**
2024-25											
Profit for the year	-	-	-	-	-	634.39	-	-	-	634.39	634.39
Other comprehensive income/(loss) for the year, net of income tax	-	(24.75)	-	-	-	(0.98)	-	8.61	-	(17.12)	(17.12)
Receipt of 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**	**6.59**	**5,983.16**	**6,115.47**
2025-26											
Profit for the year	-	-	-	-	-	1,129.46	-	-	-	1,129.46	1,129.46
Other comprehensive income/(loss) for the year, net of income tax	-	(64.67)	-	-	-	2.19	-	(0.54)	-	(63.02)	(63.02)

Consolidated Statement of Changes in Equity

CIN: L30007TN1999PLC043479
(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	Share Capital (A)	Other Equity								Sub - Total (J) = (B)+(C)+ (D)+ (E)+(F)+ (G)+(H)+(I)	Total (K) = (A)+(J)
		Foreign Currency Translation Reserve (B)	Reserves and Surplus					Equity Instrument through Other Comprehensive Income (H)	Share Application Money pending allotment (I)		
			Securities Premium (C)	Capital reserve (D)	Special Economic Zone Re-investment Allowance Reserve (E)	Retained earnings (F)	ESOP Share Reserve (G)				
Receipt on Share Application money against exercise of ESOP	-	-	-	-	-	-	-	-	0.36	0.36	0.36
Transfer from Retained Earnings to SEZ Reinvestment Reserve	-	-	-	-	41.90	(41.90)	-	-	-	-	-
Transfer from SEZ Reinvestment Reserve to Retained Earnings	-	-	-	-	(31.15)	31.15	-	-	-	-	-
Issue of shares against exercise of ESOP	1.22	-	19.37	-	-	-	(4.14)	-	(6.59)	8.64	9.86
Share based payment expense - Holding company	-	-	-	-	-	-	12.57	-	-	12.57	12.57
Share based payment expense - Other group companies	-	-	-	-	-	-	12.35	-	-	12.35	12.35
Balance as at March 31, 2026	**133.53**	**(197.94)**	**4,318.36**	**(614.30)**	**54.71**	**3,481.50**	**32.75**	**8.07**	**0.36**	**7,083.52**	**7,217.05**

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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Consolidated Statement of Cash Flows

CIN: L30007TN1999PLC043479
All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	1,536.47	867.13
Adjustments for :		
Finance Costs	144.88	142.80
Interest Income	(9.18)	(48.77)
(Gain) / Loss on account of investments	(21.08)	(46.98)
(Gain) / Loss on disposal of property, plant and equipment	1.26	0.11
(Gain) / Loss on termination of lease	(1.63)	(0.10)
Allowance for Expected Credit Loss	41.63	11.61
Depreciation and Amortisation	335.99	285.69
Provision for Gratuity	31.78	24.95
Provision for Leave Encashment	23.75	9.88
Preference Dividend	5.50	24.24
Amounts no longer payable (written back)/written off	(0.06)	(0.88)
Employee Share based Payment	24.92	9.33
Net foreign exchange (gain) / loss - Unrealised	(153.38)	48.23
Operating profit before working capital changes	1,960.85	1,327.24
Movements in working capital/ other changes :		
(Increase) / decrease in trade and other receivables	(396.61)	(1,290.69)
(Increase) / decrease in inventories	(1,164.58)	(201.29)
(Increase) / decrease in other assets	(19.17)	(51.63)
Increase / (decrease) in trade payables	388.75	839.20
Increase / (decrease) in provisions	(21.23)	(42.95)
Increase / (decrease) in other liabilities	164.12	(135.26)
Cash generated from operations	**912.13**	**444.62**
Income Tax paid	(340.24)	(194.06)
Net cash generated by operating activities (A)	**571.89**	**250.56**
Cash flow from investing activities		
(Acquisition)/ Proceeds from Sale of Property, Plant & Equipment	(536.44)	(461.79)
Interest received	9.18	44.40
(Investment in) / Redemption of fixed deposits (net)	325.79	491.06
(Investment in) / Redemption of mutual fund units (net)	(364.42)	470.19
(Investment in) Equity Instruments	(0.08)	(5.88)
(Investment in) Preference Shares - CCPS	(70.00)	-
Net cash generated by / (used in) investing activities (B)	**(635.97)**	**537.98**
Cash flow from financing activities		
Proceeds from issue of Equity Shares (ESOP)	9.86	8.88
Proceeds from Equity Shares pending for allotment (ESOP)	0.36	6.59
Dividends paid on preference shares	(5.50)	(52.08)
Proceeds from / (Repayment of) Non Current borrowings	(7.96)	14.88
Proceeds from issue of Preference Share	-	12.68
Redemption of Preference Shares	(77.31)	(387.26)
Proceeds from / (Repayment of) Current borrowings	408.73	106.81
Repayment of Lease liability	(135.58)	(122.82)
Interest paid	(113.58)	(110.52)
Net cash generated by / (used in) financing activities (C)	**79.02**	**(522.84)**
Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)	**14.94**	**265.70**
Cash and cash equivalents at the beginning of the year	688.27	423.40
Add: Effects of exchange differences on restatement of foreign currency cash and cash equivalents	9.01	(0.83)
Cash and Cash equivalents at the end of the year	**712.22**	**688.27**

Consolidated Statement of Cash Flows

CIN: L30007TN1999PLC043479
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, 2026	As at March 31, 2025
(i) Cash and Cash Equivalents		
(a) Balance with banks in current accounts	712.13	539.99
(b) Balance with banks in deposit accounts	-	147.96
(c) Cash on hand	0.09	0.32
Total	**712.22**	**688.27**

Non-cash financing activities:

Significant non cash movement in financing activities includes the following

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Lease liabilities recognised as per IND AS 116	Refer Note : 3A	
b) Foreign exchange fluctuation on borrowings	-	-

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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Notes to Consolidated Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

NOTE-1

1 CORPORATE INFORMATION

Avalon Technologies Limited ("the Company" or "the Holding Company") is a company domiciled and incorporated in India.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 consolidated 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 consolidated 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:

a. it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. 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:

a. it is expected to be settled in the group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the group does not have 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

Notes to Consolidated Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

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 Standalone Financial Statements

CIN: L30007TN1999PLC043479

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	
		31st Mar 2026	31st Mar 2025
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 seperately 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

Notes to Consolidated Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

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 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 Equiments	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

Separately acquired intangible assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sell the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sell the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognised in the statement of profit and loss.

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
Technical Knowhow	5 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

Notes to Consolidated Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

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 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.

Notes to Consolidated Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

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 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

Notes to Consolidated Financial Statements

Significant accounting policies to Standalone Financial Statements

CIN: L30007TN1999PLC043479

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 based on the transaction price, which is the consideration, 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 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.

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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 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 accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method.

The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets.

This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined

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benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

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 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 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

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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 FVTOCI – 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 FVTOCI:

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

Debt instruments at FVTOCI:

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing

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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 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

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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 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.

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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 (Refer Note 22 & 30)

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. ADOPTION OF NEW AND REVISED STANDARDS:

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after April 1, 2025 (i.e. year ending March 31, 2026).

(i) Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments : Disclosure - Supplier Finance Arrangements

(ii) Ind AS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

(iii) Ind AS 12 Income Taxes – International Tax Reform - Pillar Two model rules

(iv) Ind AS 21 The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New amendments issued but not effective:

Ind AS 1 Presentation of Financial Statements:

For accounting periods beginning on or after 1 April 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending atleast 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Accounting Estimates and Errors.

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NOTE 2: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Freehold Buildings	518.64	522.24
Plant and equipment	927.25	817.60
Air conditioners	19.89	5.88
Computers	58.09	55.37
Electrical Fittings	30.01	28.41
Furniture and Fittings	58.55	32.81
Vehicles	1.25	3.14
Office Equipments	5.13	5.59
Fire Protection Equipments	2.90	2.71
Sub-Total	**1,621.71**	**1,473.75**
Capital Work-in-progress	239.36	103.99
Total	**1,861.07**	**1,577.74**

Gross carrying value	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, 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**
Additions	19.65	257.03	15.17	19.83	7.13	31.34	-	0.92	0.82	351.89
(Disposals)/ Other adjustments	-	(10.16)	(0.17)	(2.96)	-	-	(3.97)	-	(0.01)	(17.27)
Currency Translation differences	-	32.98	-	0.02	-	-	-	0.10	-	33.10
Balance as at March 31, 2026	**595.54**	**1,504.72**	**23.47**	**109.49**	**52.53**	**71.70**	**7.75**	**11.47**	**5.39**	**2,382.06**

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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, 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**
Depreciation expense	23.25	148.12	1.01	16.80	5.53	5.64	1.15	1.48	0.62	203.60
(Elimination on disposals)/ Other adjustments	-	(2.47)	(0.01)	(2.63)	-	(0.05)	(3.21)	-	-	(8.37)
Currency Translation differences	-	24.53	-	-	-	-	-	-	-	24.53
Balance as at March 31, 2026	**76.90**	**577.47**	**3.58**	**51.40**	**22.52**	**13.15**	**6.50**	**6.34**	**2.49**	**760.35**

Particulars	Free hold 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, 2025	522.24	817.60	5.88	55.37	28.41	32.81	3.14	5.59	2.71	1,473.75
Carrying amount as on March 31, 2026	**518.64**	**927.25**	**19.89**	**58.09**	**30.01**	**58.55**	**1.25**	**5.13**	**2.90**	**1,621.71**

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(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, 2026	As at March 31, 2025
Factory building	157.54	24.08
Electrical Fittings	22.50	0.44
Plant and equipment	45.92	73.82
Air Conditioner	8.37	-
Others	5.03	5.65
Total	**239.36**	**103.99**

Ageing breakup of CWIP

Particulars	As at March 31, 2026	As at March 31, 2025
Projects in progress *		
- Less Than 1 year	228.35	59.32
- 1-2 Years	6.00	44.67
- 2-3 Years	5.00	-
- More than 3 Years	-	-
Total	**239.36**	**103.99**

*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, 2026	As at March 31, 2025
Projects in progress - To be completed in		
- Less than 1 year	11.00	44.67
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Total	**11.00**	**44.67**

Status of Capital Work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Projects in progress		
Factory building *	157.54	24.08
Electrical Fittings	22.50	0.44
Plant and equipment	45.92	73.82
Air Conditioner	8.37	-
Others	5.03	5.65
Subtotal	**239.36**	**103.99**
Projects temporarily suspended	-	-
Total	**239.36**	**103.99**

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.

Refer Note 13 for assets pledged as securities for borrowings.

Refer Note 33 for capital committments.

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NOTE: 3A - RIGHT-OF-USE ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amounts of		
Leasehold land	58.10	73.73
Buildings	167.15	244.36
Vehicles	13.21	15.12
Total	**238.46**	**333.21**

a) Right-of-Use Assets

Gross carrying value	Leasehold land	Buildings	Vehicles	Total
Balance as at April 1, 2024	**110.95**	**520.40**	**15.87**	**647.22**
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**	**23.79**	**678.76**
Additions	2.62	-	3.28	5.90
(Disposals)/ Other adjustments	(8.55)	-	-	(8.55)
Currency Translation differences	-	41.03	-	41.03
Balance as at March 31, 2026	**105.02**	**585.05**	**27.07**	**717.14**

Accumulated Depreciation	Leasehold land	Buildings	Vehicles	Total
Balance as at April 1, 2024	**25.63**	**206.14**	**6.10**	**237.87**
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**	**8.67**	**345.55**
Depreciation expense	11.73	92.83	5.20	109.76
(Elimination on disposals)/ Other adjustments	(2.03)	-	(0.01)	(2.04)
Currency Translation differences	-	25.41	-	25.41
Balance as at March 31, 2026	**46.92**	**417.90**	**13.86**	**478.68**

Particulars	Leasehold land	Buildings	Vehicles	Total
Carrying amount as on March 31, 2025	73.73	244.36	15.12	333.21
Carrying amount as on March 31, 2026	**58.10**	**167.15**	**13.21**	**238.46**

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, 2026	As at March 31, 2025
Current lease liabilities	121.37	106.97
Non-current lease liabilities	173.59	276.15
Total	**294.96**	**383.12**

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c) Movement in Lease liabilities :

The following is the movement in lease liabilities during the year:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	**383.12**	**444.45**
Additions	5.90	19.33
Finance costs accrued during the year	30.75	36.44
(Deletions)/ Other adjustments	(8.13)	(0.80)
Payment of Lease liabilities	(135.58)	(122.82)
Currency translation differences	18.90	6.52
Closing balance	**294.96**	**383.12**

d) The table below provides details regarding the contractual maturities of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	121.37	106.97
One to five years	139.30	240.53
More than five years	34.29	35.61
Total	**294.96**	**383.12**

e) Others

Particulars	As at March 31, 2026	As at March 31, 2025
Interest on lease liabilities	30.76	36.44
Expenses relating to short-term leases	2.97	6.89
Total cash outflows for leases	135.58	122.82

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:

(a) If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to not terminate (or to extend).

(b) If any lease hold improvements are expected to have a significant remaining value the group is typically reasonably certain to extend (or not terminate).

(c) 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.

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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, 2026	As at March 31, 2025
Carrying amounts of:		
Trademark	0.03	0.04
Software Licence	48.83	42.04
Technical Knowhow (Refer Note 3C)	14.87	-
Total	**63.73**	**42.08**

Gross carrying value	Trademark	Software Licence	Technical Knowhow	Total
Balance as at April 1, 2024	**0.05**	**33.02**	**-**	**33.07**
Additions	-	35.30	-	35.30
(Disposals)/ Other adjustments	-	-	-	-
Balance as at March 31, 2025	**0.05**	**68.32**	**-**	**68.37**
Additions	-	35.29	15.61	50.90
(Disposals)/ Other adjustments	-	(12.52)	-	(12.52)
Balance as at March 31, 2026	**0.05**	**91.09**	**15.61**	**106.75**

Accumulated Amortisation	Trademark	Software Licence	Technical Knowhow	Total
Balance as at April 1, 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**
Amortisation expense	0.01	21.88	0.74	22.63
(Elimination on disposals)/ Other adjustments	-	(5.90)	-	(5.90)
Balance as at March 31, 2026	**0.02**	**42.26**	**0.74**	**43.02**

Particulars	Trademark	Software Licence	Technical Knowhow	Total
Carrying amount as on March 31, 2025	0.04	42.04	-	42.08
Carrying amount as on March 31, 2026	**0.03**	**48.83**	**14.87**	**63.73**

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(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 3C: INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Technical Knowhow
Carrying amounts of:	
Balance as at April 1, 2024	**-**
Additions	-
Capitalised	-
Balance as at March 31, 2025	**-**
Additions	15.61
Capitalised	(15.61)
Balance as at March 31, 2026	**-**

NOTE 4A: INVESTMENTS NON-CURRENT

Particulars	As at March 31, 2026 Amount	As at March 31, 2025 Amount
(A) Investments in Equity Instruments		
Unquoted equity shares - Measured at FVTOCI		
(a) Ohmium International, Inc	18.88	17.77
2,05,578 (31 March 2025 - 2,05,578) Common Stock at $ 0.334 each, fully paid up, par value $0.00001 each.		
(b) Zepco Private Limited #		
10 (31 March 2025 - Nil) equity shares at ₹10 each, fully paid up	0.00	-
Unquoted equity shares - Measured at FVTPL		
(a) Sastikumar Farms & Foods Pvt Ltd ^	0.08	-
8,399 (31 March 2025 - Nil) equity shares at ₹10 each, fully paid up		
(B) Investments in Other Instruments		
Unquoted Preference shares - Measured at FVTOCI		
(a) Zepco Private Limited #	70.00	-
2,28,337 (31 March 2025 - Nil) Compulsorily Convertible Preference Shares (CCPS) at ₹10 each, fully paid up		
Total	**88.96**	**17.77**

During the year, the Company invested ₹ 70.00 million and ₹ 0.00 million in M/s. Zepco Private Limited, a company engaged in the development and manufacturing of propulsion systems for electric vehicle mobility, through Compulsorily Convertible Preference Shares (CCPS) and Equity Shares, respectively. This strategic minority investment is expected to foster a long-term partnership and create opportunities for collaboration and mutual growth. Accordingly, these investments were designated and measured as instruments at FVTOCI.

^ During the year, the company invested ₹ 0.08 million in M/s. Sastikumar Farms Pvt. Ltd, A captive generating plant, to enable captive consumption and achieve savings in electricity costs .

Particulars	As at March 31, 2026 Amount	As at March 31, 2025 Amount
Aggregate value of unquoted investments	88.96	17.77
Aggregate amount of impairment in value of investments (included in the above)	-	-

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Note 4A.1: Details of Income recorded in Other Comprehensive Income

Particulars	For the Year ended March 31, 2026			For the Year ended March 31, 2025		
	Gross	Tax	Net	Gross	Tax	Net
Net gain/loss on remeasurement at Fair value	(0.73)	(0.20)	(0.53)	11.75	3.14	8.61

Note 4A.2

The Group designated the investments shown below as equity investments at FVTOCI because these equity instruments represent investments that the Group intends to hold for long-term for strategic purposes.

Particulars	Fair value at March 31, 2026	Dividend recognised during the year 2025-26	Fair value at March 31, 2025	Dividend recognised during the year 2024-25
Investments in Ohmium International Inc	18.88	-	17.77	-
Investments in Sastikumar Farms & Foods Pvt Ltd	0.08	-	-	-
Investments in Zepco Private Limited - Equity	0.00	-	-	-
Investments in Zepco Private Limited - Compulsorily Convertible Preference Shares	70.00	-	-	-

NOTE 4B: INVESTMENTS CURRENT

Particulars	As at March 31, 2026			As at March 31, 2025		
	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	30.08	14.83	446.23	28.20	11.76	331.71
- Nippon India Liquid Fund - Growth Plan	6,744.11	0.04	270.98	-	-	-
Total			**717.21**			**331.71**

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate value of unquoted investments	717.21	331.71
Aggregate amount of impairment in value of investments (included in the above)	-	-

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(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 5A: OTHER FINANCIAL ASSETS NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated :		
Security Deposits	52.00	45.12
Deposits with Statutory authorities	2.32	2.31
Others	10.19	9.22
Total	**64.51**	**56.65**

NOTE 5B: OTHER FINANCIAL ASSETS CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated :		
Unbilled Revenue	4.67	4.56
Other Deposits	1.63	0.77
Total	**6.30**	**5.33**

NOTE 6A: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated :		
Capital Advances	23.85	19.12
Prepaid Expenses	1.20	0.74
Total	**25.05**	**19.86**

NOTE 6B: OTHER CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured and considered good unless otherwise stated:		
Advances paid to suppliers	138.81	154.70
Government Grant Receivable - Stipend Reimbursement	1.14	1.43
Prepaid Expenses	75.82	49.04
Balance with Statutory authorities	75.15	69.60
Advances to employees	0.72	0.64
Total	**291.64**	**275.41**

NOTE 7: INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
(At lower of cost and net realisable value)		
Raw materials (Including goods in transit amounting to ₹181.82 Million (31st March 2025 - ₹151.31 Million))	3,363.74	2,638.68
Work-in-process	510.82	294.05
Finished goods	717.59	401.44
Consumables, tools and dies	40.74	44.82
Total	**4,632.89**	**3,378.99**

Notes to Consolidated Financial Statements

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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, 2026	For the Year ended March 31, 2025
Cost of inventories recognised as an expense includes write-downs of inventory to net realisable value.	52.16	43.50

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, 2026	As at March 31, 2025
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	3,812.73	3,160.05
Trade receivables - credit impaired	59.45	19.08
Sub -Total	**3,872.18**	**3,179.13**
Allowance for credit impaired (expected credit loss allowance)	(59.45)	(19.08)
Total	**3,812.73**	**3,160.05**
Current	3,812.73	3,160.05
Non-Current	-	-

8.1 Credit Impaired

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 30 months (As at March 31, 2025 - 36 Months).

Particulars	As at March 31, 2026	As at March 31, 2025
The range of provision created as a percentage of outstanding under various age groups	0.01% - 100%	0.00% - 58.10%

Movement in expected credit loss allowance	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	19.08	13.29
Movement in expected credit loss allowance on trade receivables	41.63	11.61
Amount written off during the year	(2.20)	(5.82)
Currency Translation Difference	0.94	-
Balance at end of the year	59.45	19.08

Notes to Consolidated Financial Statements

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(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, 2026	As at March 31, 2025
	considered good	
Not Due	3,042.61	2,638.26
Less than 6 months	680.85	500.92
6 months -1 year	71.94	12.50
1-2 years	17.33	2.92
2-3 years	-	5.45
More than 3 years	-	-
Total	**3,812.73**	**3,160.05**

8.3.1 Trade receivables - credit impaired

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2026	As at March 31, 2025
	Credit Impaired	
Not Due	5.44	12.92
Less than 6 months	12.37	3.28
6 months -1 year	9.00	0.25
1-2 years	16.33	0.40
2-3 years	4.74	0.62
More than 3 years	2.43	1.61
Total	**50.32**	**19.08**

*There are no trade receivables that are overdue on account of any outstanding legal disputes

8.3.2 Trade receivables - credit impaired

Particulars	Outstanding for following periods from due date of payment	
	Disputed Dues	
	As at March 31, 2026	As at March 31, 2025
	Credit Impaired	
Not Due	-	-
Less than 6 months	7.96	-
6 months -1 year	1.17	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**9.13**	**-**

Notes to Consolidated Financial Statements

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8.4 Factoring of Receivables

(i) During the year, the Holding company has entered into factoring agreement with Standard Chartered Bank, India ("the Bank") for factoring of the trade receivables on a non-recourse basis. Under this agreement, the late payment and/or credit risk is transferred to the bank without recourse to the Company. Therefore, the Holding Company derecognises the transferred trade receivables at the point when the amount is received from the bank on such sale/transfer.

As at March 31, 2026 the trade receivables do not include receivables amounting to ₹ 396.34 million which have been derecognised (though the actual credit period allowed to such customers is not expired) in accordance with Ind AS 109 – Financial Instruments, pursuant to such factoring agreement. As at the end of the year, there are no trade receivables which are classified as "trade receivables at fair value through profit and loss".

(ii) During the year, the Holding company has recognized total factoring cost amounting to ₹ 14.51 million (2024-25 - Nil) relating to trade receivables which were transferred/sold through the factoring arrangement with the Bank.

NOTE 9 CASH AND BANK BALANCES

Note 9A: Cash and Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Banks		
In Current accounts	712.13	539.99
In deposit accounts (with original maturity < 3 months)	-	147.96
Cash on hand	0.09	0.32
Total	**712.22**	**688.27**

Note 9B: Other Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks in earmarked accounts		
In Fixed Deposit (Margin Money)	0.70	0.74
Balances with banks other than earmarked accounts		
In Fixed Deposit (with original maturity between 3 to 12 months)	0.58	326.37
Total	**1.28**	**327.11**

NOTE 10 SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
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		
6,67,66,163, Equity shares of ₹2/- each, fully paid up (6,61,57,116 March 31, 2025)	133.53	132.31
Total	**133.53**	**132.31**

Notes to Consolidated Financial Statements

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10.1 Reconciliation of number of shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	6,61,57,116	132.31	6,57,12,692	131.43
Add: Shares issued during the year	-	-	-	-
Add: Shares issued during the year pursuant to exercise of employee stock options#	6,09,047	1.22	4,44,424	0.88
At the end of the year	6,67,66,163	133.53	6,61,57,116	132.31

 # For the year ended 31st March 2026

Number of employee stock options granted (including Series E granted on August 5, 2025 - 50,000) for the company's employees - 6,52,871 and for the subsidiaries' employees - 13,50,450 and outstanding as at March 31, 2026 of the company - 1,76,986 and for the subsidiaries' employees - 2,12,940. During the year ended March 31, 2026, the company has allotted 6,09,047 shares out of which 1,24,109 Equity shares are for the company's employees and balance for the subsidiaries' employees.

 # For the year ended 31st March 2025

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.

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, 2026		As at March 31, 2025	
	Nos.	%	Nos.	%
Kunhamed Bicha	1,44,26,212	21.61%	1,44,26,212	21.81%
Bhaskar Srinivasan	62,70,355	9.39%	95,60,355	14.45%
KL Bicha Family Private Trust	39,78,993	5.96%	39,78,993	6.01%
Nippon India Small Cap Fund	38,79,742	5.81%	37,89,162	5.73%
Luquman Veedu Ediyanam	36,19,291	5.42%	36,19,291	5.47%
		48.19%		**53.47%**

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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, 2026			As at March 31, 2025		
Promoters	No. of Shares	% of holding	% change during the year *	No. of Shares	% of holding	% change during the year *
Kunhamed Bicha	1,44,26,212	21.61%	(0.20%)	1,44,26,212	21.81%	(0.14%)
Bhaskar Srinivasan	62,70,355	9.39%	(5.06%)	95,60,355	14.45%	(0.10%)
TP Imbichammad	6,83,615	1.02%	(0.01%)	6,83,615	1.03%	(0.01%)
Mariyam Bicha	2,53,293	0.38%	-	2,53,293	0.38%	(0.01%)
Trusts controlled by promoters						
K L Bicha Family Private Trust	39,78,993	5.96%	(0.05%)	39,78,993	6.01%	(0.05%)
Rehaan Family Private Trust	1,000	0.00%	-	1,000	0.00%	0.00%
Sameer Family Private Trust	1,000	0.00%	-	1,000	0.00%	0.00%
Zayed Family Private Trust	1,000	0.00%	-	1,000	0.00%	0.00%
Dolphin Family Trust	1,000	0.00%	-	1,000	0.00%	0.00%
BBS Family Trust	20,20,710	3.03%	(0.41%)	22,73,710	3.44%	(0.02%)
KBS Family Trust	20,20,710	3.03%	(0.41%)	22,73,710	3.44%	(0.02%)
		44.42%			**50.56%**	

* % 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

(i) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash:Nil

(ii) 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 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.

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NOTE 11: OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Reserves and Surplus		
Securities Premium	4,318.36	4,298.99
Capital reserve	(614.30)	(614.30)
Special Economic Zone Re-investment Allowance Reserve	54.71	43.96
Retained Earnings	3,481.50	2,360.61
ESOP Share Reserve	32.75	11.97
Equity Instruments through Other Comprehensive Income	8.07	8.61
Share application money pending allotment	0.36	6.59
Foreign Currency Translation Reserve	(197.94)	(133.27)
	7,083.52	**5,983.16**

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Reserves and Surplus		
Securities Premium		
Balance as at the beginning of the year	4,298.99	4,289.24
Add: Issue of shares against exercise of ESOP	19.37	9.75
Balance as at the end of the year	**4,318.36**	**4,298.99**
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	43.96	7.92
Add: Transfer from Retained Earnings	41.90	43.96
Less : Transferred to Retained Earnings (out FY 2023-24 Reserve)	-	(7.92)
Less : Transferred to Retained Earnings (out FY 2024-25 Reserve)	(31.15)	-
Balance as at the end of the year	**54.71**	**43.96**
Retained Earnings		
Balance as at the beginning of the year	2,360.61	1,763.24
Profit for the year	1,129.46	634.39
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation for the year (net of income tax)	2.19	(0.98)
Add: Transfer from SEZ Reserve (out FY 2023-24 Reserve)	-	7.92
Add: Transfer from SEZ Reserve (out FY 2024-25 Reserve)	31.15	-
Less: Transfer to Special Economic Zone Re-investment Allowance Reserve Account	(41.90)	(43.96)
Balance at the end of the year	**3,481.50**	**2,360.61**
ESOP Share Reserve		
Balance as at the beginning of the year	11.97	4.40
Add: Share based payment expense - Holding company (Refer Note: 29)	12.57	4.89
Add: Share based payment expense - Other group companies (Refer Note: 29)	12.35	4.43
Less: Issue of shares against exercise of ESOP	(4.14)	(1.75)
Balance as at the end of the year	**32.75**	**11.97**

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Particulars	As at March 31, 2026	As at March 31, 2025
(ii) Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	8.61	-
Add : Recognised in OCI during the year	(0.73)	11.75
Less: Tax on Above	0.19	(3.14)
Balance as at the end of the year	**8.07**	**8.61**
(iii) Share application money pending allotment		
Balance as at the beginning of the year	6.59	-
Add : Receipt of Share Application Money against Exercise of ESOP	0.36	6.59
Less : Issue of equity shares during the year (Refer Note. 10.1)	(6.59)	-
Balance as at the end of the year	**0.36**	**6.59**
(iv) Foreign Currency Translation Reserve		
Balance as at the beginning of the year	(133.27)	(108.52)
Add : Recognised in OCI during the year	(64.67)	(24.75)
Balance as at the end of the year	**(197.94)**	**(133.27)**
Total	**7,083.52**	**5,983.16**

Nature and Purpose of Other Reserves

(a) Securities Premium

Securities Premium Reserve comprises the premium received on issuance of securities. The utilisation of this reserve is governed by the provisions of the Act.

(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.

(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)

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(All amounts are in Million Indian Rupees unless otherwise stated)

(f) Equity instruments through Other Comprehensive Income

The group 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 group company will transfer 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, 2026	As at March 31, 2025
Deferred tax assets (net)	120.22	156.06
Deferred tax liabilities (net)	(15.71)	(18.66)
Net Deferred tax Asset / (Liability)	**104.51**	**137.40**

2024-25	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income (Fair value changes)	Recognised in Other comprehensive income (FCTR)	Closing balance
Deferred tax (liabilities)/asset in relation to					
Property plant and equipment	(58.76)	(5.25)	-	(0.15)	(64.16)
Expenses allowable under tax on actual payment basis	19.32	4.48	-	0.20	24.00
Provision for impairment loss - ECL	2.18	1.85	-	-	4.03
Defined benefit obligation - Gratuity	23.80	0.80	0.31	-	24.91
Leases	4.96	3.00	-	-	7.96
Other Temporary Timing Differences	(5.50)	1.57	-	-	(3.93)
Unused tax losses	178.99	(35.53)	-	4.31	147.77
Unrealised gain on investment	-	-	(3.14)	(0.04)	(3.18)
Sub-Total	**164.99**	**(29.08)**	**(2.83)**	**4.32**	**137.40**

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2025-26	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in Other comprehensive income (FCTR)	Closing balance
Deferred tax (liabilities)/asset in relation to					
Property plant and equipment	(64.16)	(14.96)	-	(0.15)	(79.27)
Expenses allowable under tax on actual payment basis	24.00	7.17	-	1.36	32.53
Provision for impairment loss - ECL	4.03	8.08	-	-	12.11
Defined benefit obligation - Gratuity	24.91	8.57	(0.92)	-	32.56
Leases	7.96	1.59	-	-	9.55
Other Temporary Timing Differences	(3.93)	1.15	-	-	(2.78)
Unused tax losses	147.77	(56.30)	-	11.65	103.12
Unrealised gain on investment	(3.18)	-	0.19	(0.32)	(3.31)
Sub-Total	**137.40**	**(44.70)**	**(0.73)**	**12.54**	**104.51**

NOTE 12.2: TAX ASSETS AND (LIABILITIES) [NET]

Particulars	As at March 31, 2026	As at March 31, 2025
Tax Assets		
Advance payment of Tax and Tax Deducted at Source	7.67	28.52
Total	**7.67**	**28.52**

Tax liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax (payable)/Recoverable [Net]		
Tax Payable	1.22	-
Total	**1.22**	**-**

NOTE 13A: BORROWINGS NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Term Loans (Refer Note 13.1 below)		
From Others	12.26	18.80
Financial Instruments classified as Liability (Refer Note 13.2 below)		
3,00,000 (March 31, 2025 - 500,000) of 10% Series A Cumulative preference shares, with no par value	28.40	42.79
7,50,000 (March 31, 2025 - 14,25,000) of 2.5% Series B Cumulative preference shares, with no par value	70.99	121.95
Total	**111.65**	**183.54**

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(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
The above amount includes:-		
Secured Borrowings	12.26	18.80
Unsecured Borrowings	99.39	164.74
Total	**111.65**	**183.54**

NOTE 13B: BORROWINGS CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Term Loans		
From Others	8.55	8.68
Other Loans (Refer Note 13.3 below)		
From Banks	1,714.07	1,224.48
Total	**1,722.62**	**1,233.16**
The above amount includes:-		
Secured Borrowings	1,722.62	1,233.16
Unsecured Borrowings	-	-
Total	**1,722.62**	**1,233.16**

Note 13.1 - Details of Non Current Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
ABV Electronics Inc (D/B/A Sienna Corporation)		
Small Business Administration - EIDL LOAN	12.62	11.73
Balboa Equipment Loan	8.19	15.75
Less :Current maturities of long term debt	(8.55)	(8.68)
TOTAL	**12.26**	**18.80**

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.

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 Installments 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.

Note 13.2 - Preference Shares

(i) ABV Electronics Inc. (D/B/A Sienna corporation) has 3,00,000 (5,00,000) 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 7,50,000 (14,25,000) 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.

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Note 13.3 - Details of Current Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Avalon Technologies Limited		
HDFC Bank Limited - Export Packing Credit (INR)	60.00	220.00
Bank of India - Packing Credit (INR)	160.00	80.00
Indian Bank - Cash Credit	93.71	60.12
Bank of India - Cash Credit	37.88	-
Avalon Technology & Services Pvt. Ltd.		
Indian Bank - Packing Credit (INR)	150.76	176.29
Indian Bank - Open cash credit (OCC)/WCDL	13.04	-
HDFC Bank Limited - Export Packing Credit (INR)	50.00	89.00
Bank of India - Export Packing Credit - (INR)	240.00	-
ABV Electronics Inc (D/B/A Sienna Corporation)		
Standard Chartered Bank - Revolving line of Credit	378.62	599.07
HDFC Bank - Working Capital Demand Loan	530.06	-
TOTAL	**1,714.07**	**1,224.48**

Particulars	Details of Repayment/ Security
Avalon Technologies Limited	
Indian Bank	Primary: First pari passu charge on the movable fixed assets of the company both present and future along with other member banks. 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 member banks. First pari passu charge on the movable fixed assets of the company.
Bank of India	Principal: First pari passu charge by way of hypothecation of stocks, book debts of the company both present and future along with member bankers. 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 member banks. First pari passu charge on the movable fixed assets of the company.
HDFC Bank Limited	Principal: First pari passu charge by way of hypothecation of stocks, book debts of the company both present and future along with member bankers. First pari passu charge on the movable fixed assets of the company. 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 member banks.
ABV Electronics Inc (D/B/A Sienna Corporation)	
Standard Chartered Bank - Revolving line of Credit	1. First Pari Passu Charge over current assets. 2. Corporate Guarantee by the Holding company.
HDFC Bank Limited- Working Capital Demand Loan	1. First Pari Passu Charge over current assets both present and future at par with SCB loan. 2. Corporate Guarantee by the Holding company.

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Particulars	Details of Repayment/ Security
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 Limited. Hypothecation of stocks and book debts, underlying export bills. (ii) Guarantee: Corporate guarantee of the Holding company ATL. (iii) EM over the super structure of the factory building located at No. A6 and A7, Phase II, Madras Export Processing Zone, SEZ, comprised in S.No 164/1 part within the Village limits of Kadaperi, Tambaram Taluk, Kancheepuram District having an extent of 38599 sq ft (iv) Hypothecation of movable assets.
HDFC Bank Limited	(i) Primary: First pari passu charge on the current assets and movable fixed assets of the company along with other member Bank.
Bank of India	(i) Primary: First pari passu charge on the current assets by way of Hypothetication of Stock and Book Debts, underlying export bills (ii) First pari passu charge along with other bank over other Movable fixed assets. (iii) Guarantee: Corporate guarantee of holding company. (iv) Exclusive charge is created by way of EQM of leasehold rights of a property, along with superstructure, located at Plot Nos. C-8 and C-9, 35A, in Phase I of the MEPZ Special Economic Zone. The property forms part of Survey No. 164/1 (part) and New Survey No. 123, located at Kadaperi Village, Tambaram Taluk, within the limits of Tambaram Municipality. The property is registered under Tambaram Joint I Sub-Registrar Office, Chennai – 600045, and has a total extent of 125,429.32 square feet. The lessor of the property is M/s. Development Commissioner and Chairperson, MEPZ SEZ Authority, Government of India, Ministry of Commerce and Industry (Department of Commerce), located at Tambaram, Chennai – 600045. The lessee is M/s. Avalon Technologies Limited, Chennai, which is a group company of M/s. Avalon Technology and Services Private Limited. The property is currently occupied by M/s. Avalon Technologies Limited. A lease deed was executed on 03 January 2023, registered as Document No. 27/2023, for a period of five years and four months, valid up to 31 December 2027. The lease includes a conditional renewal clause, subject to compliance with the terms and conditions laid down by the lessor.

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.

Notes to Consolidated Financial Statements

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(All amounts are in Million Indian Rupees unless otherwise stated)

13.6 The Quarterly stock statements filed by the group 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*	2,108.06	2,108.06	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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*	2,388.21	2,389.20	(1.00)	
		Trade Payables*	976.74	1,194.88	(218.13)	
"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"	Q2	Inventory*	2,386.32	2,386.32	-	The differences are primarily on account of account of various accounting entries and period-end adjustments such as cut off adjustments, 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*	2,886.35	2,528.37	357.98	
		Trade Payables*	1,264.96	1,264.93	0.03	

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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*	2,611.04	2,611.04	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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*	2,792.16	2,584.17	207.99	
		Trade Payables*	1,494.41	1,487.83	6.58	
"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	2,283.77	2,283.77	-	The differences are primarily on account of various accounting entries and period-end adjustments such as cut off adjustments, 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	2,873.33	2,795.27	78.06	
		Trade Payables	1,158.27	1,158.19	0.08	
Avalon Technology and Services Private Limited						
Indian Bank, HDFC Bank Limited and Bank of India : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q1	Inventory*	997.49	997.49	-	The differences are primarily on account of various accounting entries and period end adjustments, Provisions, regrouping between receivables & payable balances and other adjustments which are made in the books only after submission of the periodic Current asset position to bank.
		Trade Receivables*	861.18	767.95	93.23	
		Trade Payables*	235.45	316.29	(80.84)	

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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, HDFC Bank Limited and Bank of India : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q2	Inventory*	1,103.26	1,103.26	-	The differences are primarily on account of various accounting entries and period end adjustments, Provision, regrouping between receivables & payable balances and other adjustments which are made in the books only after submission of the periodic Current asset position to bank.
		Trade Receivables*	921.72	921.72	-	
		Trade Payables*	386.93	329.19	57.74	
Indian Bank, HDFC Bank Limited and Bank of India : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q3	Inventory*	1,308.43	1,308.43	-	The differences are primarily on account of various accounting entries and period end adjustments, Provision, regrouping between receivables & payable balances and other adjustments which are made in the books only after submission of the periodic Current asset position to bank.
		Trade Receivables*	891.78	891.79	(0.01)	
		Trade Payables*	407.42	467.79	(60.37)	
Indian Bank, HDFC Bank Limited and Bank of India : Current Assets (net), comprising of Inventory and Trade Receivable less Trade Payable as per working capital sanction terms	Q4	Inventory	1,349.57	1,359.04	(9.46)	The differences are primarily on account of various accounting entries and period end adjustments, Overhead in Valuation of Inventory, Provision, regrouping between receivables & payable balances and other adjustments which are made in the books only after submission of the periodic Current asset position to bank.
		Trade Receivables	1,060.04	1,071.06	(11.02)	
		Trade Payables	374.35	375.19	(0.84)	

* Unaudited figures

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ABV Electronics Inc (D/B/A Sienna Corporation)

Name of Bank and Particulars of Security	Period	Particulars	Amount disclosed to the Bank (in USD K)	Amount as per books of accounts (A)	Amount disclosed to the Bank (B)	Difference (A - B)	Reasons
Standard Chartered 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*	8,273.06	707.71	707.71	-	The differences arise due to period-end adjustments of the Expected Credit Loss (ECL) provision, which, for practical reasons, is recorded in the books only after submission of the periodic current asset statement to the bank.
		Trade Receivables*	15,110.96	1,286.62	1,292.65	(6.03)	
		Trade Payables*	23,592.14	2,018.12	2,018.12	-	
Standard Chartered 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*	10,286.88	913.41	913.41	-	The differences arise due to period-end adjustments of the Expected Credit Loss (ECL) provision, which, for practical reasons, is recorded in the books only after submission of the periodic current asset statement to the bank.
		Trade Receivables*	14,673.22	1,295.71	1,302.87	(7.16)	
		Trade Payables*	25,046.74	2,223.95	2,223.95	-	
Standard Chartered 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*	8,960.59	805.75	805.75	-	The differences arise due to period-end adjustments of the Expected Credit Loss (ECL) provision, which, for practical reasons, is recorded in the books only after submission of the periodic current asset statement to the bank.
		Trade Receivables*	14,153.92	1,266.53	1,272.72	(6.19)	
		Trade Payables*	23,010.30	2,069.13	2,069.13	-	
Standard Chartered 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	10,942.62	1,035.77	1,035.77	-	The differences arise due to period-end adjustments of the Expected Credit Loss (ECL) provision, which, for practical reasons, is recorded in the books only after submission of the periodic current asset statement to the bank.
		Trade Receivables	18,902.34	1,777.12	1,789.19	(12.07)	
		Trade Payables	28,930.86	2,738.43	2,738.43	-	

* Unaudited figures

Note: Stock statements are submitted to the bank in USD. For reporting purposes, the same have been translated into INR, being the reporting currency, using the exchange rate prevailing at the quarter-end date.

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NOTE 14: TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Dues to Micro and Small Enterprises	28.40	15.22
Others	2,484.31	1,878.31
Total	**2,512.71**	**1,893.53**

Ageing of Trade Payables - Other than MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2026	As at March 31, 2025
Not Due	1,194.34	885.67
Less than 1 Year	1,280.09	947.57
1-2 years	9.82	44.96
2-3 years	0.06	0.11
More than 3 years	-	-
Total	**2,484.31**	**1,878.31**

Ageing of Trade Payables - MSME

Particulars	Outstanding for following periods from due date of payment	
	Undisputed Dues*	
	As at March 31, 2026	As at March 31, 2025
Not Due	13.05	8.57
Less than 1 Year	15.34	6.65
1-2 years	0.01	-
2-3 years	-	-
More than 3 years	-	-
Total	**28.40**	**15.22**

*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, 2026	As at March 31, 2025
Lease obligations (Refer Note No. 3A)	173.59	276.15
Total	**173.59**	**276.15**

NOTE 15A : LEASE LIABILITIES CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Lease obligations (Refer Note No. 3A)	121.37	106.97
Total	**121.37**	**106.97**

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NOTE 15B: OTHER FINANCIAL LIABILITIES NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Payable for Capital Purchases	16.96	15.95
Total	**16.96**	**15.95**

NOTE 15B : OTHER FINANCIAL LIABILITIES CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Employee Related dues	150.71	94.17
Payable for Capital Purchases	44.01	55.72
Total	**194.72**	**149.89**

NOTE 16A: PROVISIONS NON-CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits (Refer Note : 30)		
Provision for Gratuity	106.38	75.33
Provision for compensated absences	43.44	27.23
Total	**149.82**	**102.56**

NOTE 16B: PROVISIONS CURRENT

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits (Refer Note : 30)		
Provision for Gratuity	23.51	32.58
Provision for compensated absences	7.21	14.21
Total	**30.72**	**46.79**

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 17A: OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Others	-	-
Total	**-**	**-**

NOTE 17B: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Advances from Customers	206.30	135.55
Statutory dues payables	95.34	57.67
Others	74.16	62.87
Total	**375.80**	**256.09**

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NOTE 18: REVENUES FROM OPERATIONS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Revenue from contract with customers		
Sale of Products	15,135.92	10,130.23
Sale of services	857.62	828.88
Sub-Total	**15,993.54**	**10,959.11**
Other operating revenues		
Scrap Sales	38.51	22.17
Total	**16,032.05**	**10,981.28**

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, 2026	For the Year ended March 31, 2025
Receivables, included under trade receivables (Refer Note 8)	3,812.73	3,160.05
Unbilled Revenue (Refer Note 5B)	4.67	4.56
Contract liabilities included under advance from customers (Refer Note 18.3)	206.30	135.55

18.3 Movement of Contract Liabilities

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Amounts included in Contract liabilities at the beginning of the year	135.55	356.91
Amounts received or (adjusted)/(Performance obligation satisfied) during the year (Net)	70.75	(221.36)
Amounts included in Contract liabilities at the end of the year	206.30	135.55

NOTE 19: OTHER INCOME

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Interest income earned		
On Financial assets (at amortised cost)	8.71	46.66
(b) Other non-operating income (net of expenses directly attributable to such income, as applicable)		
Amounts no longer payable written back	0.35	5.75
Gain/(Loss) on account of Investments designated at FVTPL - Mutual Funds*	21.08	46.98
Insurance Claim received (Net)	0.51	0.30

Notes to Consolidated Financial Statements

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(All amounts are in Million Indian Rupees unless otherwise stated)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Profit on sale of assets	0.63	-
Gain/(Loss) on account of foreign exchange fluctuations (Net)	250.78	54.90
Interest on IT refund	0.47	2.11
Others (aggregate of items)	6.68	14.36
Total	**289.21**	**171.06**

* includes ₹ 22.46 Millions (previous year ₹ 54.09 Millions) as net gain on sale of Mutual Funds.

NOTE 20: COST OF RAW MATERIALS CONSUMED

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Raw material and components consumed		
Opening inventory	2,638.68	2,563.76
Add : Purchases*	11,786.47	7,262.77
Less : Inventory at the end of the year	3,363.74	2,638.68
Total	**11,061.41**	**7,187.85**

*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, 2026	For the Year ended March 31, 2025
Opening Stock:		
Work-in-progress	294.05	201.73
Finished goods	401.44	360.59
Closing Stock:		
Work-in-progress	510.82	294.05
Finished goods	717.59	401.44
(Increase) / Decrease in Stocks	**(532.92)**	**(133.17)**

NOTE 22: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Salaries, Wages and Bonus	2,472.83	1,740.62
Contribution to Provident and Other Funds (Refer Note 30)	82.05	67.38
Gratuity (Refer Note 30)	31.78	24.95
Compensated Absences (Refer Note 30)	23.55	10.25
Staff Welfare Expenses	172.14	132.99
Share Based Payment Expense (Refer Note 29)	24.92	9.32
Total	**2,807.27**	**1,985.51**

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(All amounts are in Million Indian Rupees unless otherwise stated)

NOTE 23: FINANCE COSTS

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Interest Expense of		
Loans (at amortised cost)	87.86	88.18
Obligations under finance lease	30.76	36.44
Dividend on Preference Shares considered as borrowings (at Amortized Cost)	5.50	24.24
Other borrowing costs and charges	25.94	18.18
Total	**150.06**	**167.04**

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Depreciation on Property, plant and equipment (Refer Note 2)	203.60	166.80
Depreciation on Right-of-Use assets (Refer Note 3A)	109.76	104.71
Amortisation of Intangible assets (Refer Note 3B)	22.63	14.18
Total	**335.99**	**285.69**

NOTE 25: OTHER EXPENSES

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Rent	2.97	6.89
Rates & Taxes	26.69	28.01
Power & Fuel	103.40	89.27
Consumables	68.80	34.85
Tools & Dies	22.36	9.11
Freight Outwards	190.43	167.78
Repairs & Maintenance		
Buildings	41.94	31.55
Plant & Equipments	96.01	83.37
Others	14.85	15.87
Vehicle Maintenance	2.01	2.64
Printing & Stationery	12.78	10.20
Insurance	17.82	18.53
Communication Expenses	11.59	10.75
Allowance for expected credit loss (net) (refer Note No.8.1)	41.63	11.61
Directors sitting fees	4.30	4.60
Payment to Auditors	6.53	5.92
Travelling & Conveyance	52.35	49.74
Professional Charges	106.02	88.20

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Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Business Promotion expenses	38.62	30.11
Amounts no longer recoverable written off	0.29	4.87
Security Charges	17.66	14.64
Loss on Sale of Property, Plant and Equipment	-	0.11
Software license charges	6.56	11.92
Factoring Charges (Refer Note 8.4)	14.51	-
General Expenses	8.57	2.30
Contribution towards Corporate Social Responsibility	13.29	11.89
Miscellaneous Expenses	41.00	47.56
Total	**962.98**	**792.29**

NOTE 26: INCOME TAX EXPENSE

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Current tax		
In respect of current year	359.08	200.62
In respect of earlier years	3.23	3.04
Total	**362.31**	**203.66**
Deferred tax		
In respect of current year	44.70	29.08
Deferred tax recognised in profit or loss	**44.70**	**29.08**
Total income tax expense	**407.01**	**232.74**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Profit before tax	**1,536.47**	**867.13**
Income Tax expense calculated at statutory tax rates	398.25	230.88
Effect of expenses that are not deductible in determining taxable profit	10.71	6.92
Effect of concessions(u/s 10AA and u/s 80JJAA)	(14.87)	(20.04)
Tax relating to earlier years	3.23	3.04
Effect of interest u/s 234 B & C	2.66	1.37
Reclassification of dividend payable to preference shareholders	8.89	14.74
Others	(1.86)	(4.17)
Income Tax expense recognised in profit or loss	**407.01**	**232.74**

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Tax Rate	As at March 31, 2026	As at March 31, 2025
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, 2026	For the Year ended March 31, 2025
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
a) Income tax expense on remeasurement benefit/(loss) of defined benefit plans	(0.92)	0.31
b) Income tax on Fair value changes on Equity instruments through OCI	0.19	(3.14)
Total income tax recognised in other comprehensive income	**(0.73)**	**(2.83)**

NOTE 27: EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
I) Basic Earnings per share		
Profit for the year attributable to the equity holders of the company (A)	1,129.46	634.39
Weighted average no of shares outstanding (B) (Refer III below)	6,66,47,792	6,59,69,315
Total basic earnings per share (A/B) (in ₹)	**16.95**	**9.62**
II) Diluted Earnings per share		
Profit for the year attributable to the equity holders of the company (A)	1,129.46	634.39
Weighted average no of shares outstanding (B) (Refer III below)	6,70,00,370	6,69,35,605
Total diluted earnings per share (A/B) (in ₹)	**16.86**	**9.48**
III) Reconciliation of weighted average number of shares:		
Equity shares	6,66,47,792	6,59,69,315
Weighted Average number of shares: Basic	**6,66,47,792**	**6,59,69,315**
Effect of ESOP	3,52,577	9,66,290
Weighted Average number of shares: Diluted	**6,70,00,370**	**6,69,35,605**

Notes to Consolidated Financial Statements

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(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 2024-25:

(a) 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.

(iv) Share transactions that have occurred during 2025-26:

(a) The Company has issued 6,00,147 equity shares of face value ₹2 each for cash at a premium of ₹18 per share. Additionally, 8,900 equity shares of face value ₹2 each were issued for cash at a premium of ₹498 per share upon exercise of employee stock options by 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.

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, 2026	For the Year ended March 31, 2025
India	5,281.32	4,186.64
U.S.A	9,784.17	6,225.59
Rest of World	966.57	569.05
Total	**16,032.05**	**10,981.28**

Particulars	Non-current assets**	
	For the Year ended March 31, 2026	For the Year ended March 31, 2025
India	1,907.90	1,641.60
U.S.A	255.36	311.43
Total	**2,163.26**	**1,953.03**

** 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

Revenue from one external customer having more than 10% each of the Group's total revenue amounting to ₹ 1906.20 million for March 31, 2026. (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).

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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 & August 5,2025 have granted 88,919 options , 84,652 options & 50,000 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, 2026	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	45,994	20	Ranging from 1 to 2 years	0.83	3.7
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series B	19.07.2022	8,90,450	1,39,261	20	Ranging from 1 to 4 years	3.09	4.66

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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, 2026	Weighted Average Fair Value at grant date*
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series C	24.09.2024	88,919	80,019	500	Ranging from 1 to 5 years	4.54	210.65
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series D	27.12.2024	84,652	74,652	759	Ranging from 1 to 5 years	4.55	426.84
Avalon Technologies Ltd's Employee Stock Option Scheme – 2022 (AVALON ESOP – 2022) Series E	05.08.2025	50,000	50,000	700	Ranging from 1 to 3 years	4.34	346.97

*Represents cost recorded by the holding Company based on fair valuation report.

(B) Vesting Schedule

Particulars	Series A	Series B	Series C	Series D	Series E
At the end of 1 year of service from grant date	50%	25%	20%	25%	34%
At the end of 2 years	50%	25%	20%	20%	33%
At the end of 3 years	0%	25%	25%	20%	33%
At the end of 4 years	0%	25%	25%	20%	0%
At the end of 5 years	0%	0%	10%	15%	0%

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(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	Series E	Weighted average exercise price per Option
As at 1st April 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**		**-**	
Granted during the year	-	-	-	-	-	-	-	-	50,000	700.00
Vested during the year	-	-	2,22,391	20.00	17,784	500.00	21,163	759.00	-	-
Expired during the year*	(700)	20.00	(26,740)	20.00	-	-	(10,000)	759.00	-	-
Exercised during the year	(2,40,245)	20.00	(3,42,403)	20.00	(8,900)	500.00	-	-	-	-
As at 31st March 2026	**45,994**		**1,39,261**		**80,019**		**74,652**		**50,000**	

* "Expired during the year" includes options forfeited on cessation of employment prior to vesting.

(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	-	6.86% - 7.06%	2.5 to 3.5 years	40.02%
Series B - 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%
Series E - 05.08.2025	874.05**	700.00	-	5.54% - 5.88%	1.16 to 3.16 years	46.73%

* 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.

*** Risk-free interest rate is based on the government securities yield, in effect at the time of grant, for a term commensurate with the expected life of the options granted.

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

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(E) Expense recognised in the statement of Profit and Loss

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Employee share based payment expenses (Refer Note No.22)	24.92	9.32

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:

Provident fund

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.

The contributions, as specified under the law, are made to Employee Provident Fund Organisation.

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. Every employee who has completed five years or more of service receives gratuity on leaving the Company as per the Code on social security, 2020. 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.

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.

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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, 2026	As at March 31, 2025
Opening defined benefit obligation	120.83	106.92
Current Service Cost	23.51	18.27
Past service cost (refer below (vii))	1.19	-
Interest cost	7.56	7.25
Transfers in/out	-	-
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.06	-
Actuarial gains and losses arising from changes in financial assumptions	(5.93)	5.48
Actuarial gains and losses arising from experience adjustments	2.59	(4.27)
Past service cost including losses / (gains) on curtailments	-	-
Benefits paid	(17.91)	(12.82)
Closing defined benefit obligation	**131.90**	**120.83**

(ii) Movements in the fair value of the plan assets

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	12.93	3.68
Interest income	0.51	0.58
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.17)	(0.08)
Contributions from the Employer	-	20.49
Benefits paid	(11.26)	(11.74)
Closing fair value of plan assets	**2.01**	**12.93**

(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, 2026	As at March 31, 2025
Present value of defined benefit obligation	131.90	120.83
Less : Fair value of plan assets	(2.01)	(12.93)
Funded status	**129.89**	**107.90**
Others	-	-
Net liability arising from defined benefit obligation	**129.89**	**107.90**

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(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, 2026	As at March 31, 2025
Service Cost :		
Current Service cost	23.51	18.28
Past service cost and (gain) / loss from settlements (refer below (vii))	1.19	-
Net interest Expense	7.08	6.67
Components of defined benefit costs recognised in profit or loss	**31.78**	**24.95**
Remeasurement on the net defined benefit liability :		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.06	-
Actuarial (gains) / losses arising from changes in financial assumptions	(5.93)	5.48
Actuarial (gains) / losses arising from experience adjustments	2.60	(4.27)
Return on plan assets (more)/ less than the expected based on the discount rate	0.17	0.08
Components of defined benefit costs recognised in other comprehensive income/(loss)	(3.11)	1.29
Total	**28.67**	**26.24**

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, 2026	As at March 31, 2025
Discount Rate(s)	7.10% - 7.62%	6.65% - 6.85%
Expected Return on assets	6.65% - 6.85%	6.85% - 7.23%
Expected Rate(s) of salary increase	5% - 10.00%	5% - 10.00%
Attrition Rate	14.00% - 20.00%	14.00% - 20.00%
Mortality Tables*	Indian Assured Life (2012-14) Ultimate	Indian Assured Life (2012-14) Ultimate

* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others.

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.

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Sensitivity Analysis

Particulars		As at March 31, 2026	As at March 31, 2025
A.	Discount Rate + 100 BP		
	Defined Benefit Obligation [PVO]	120.99	110.73
	Current Service Cost	(10.91)	(10.13)
B.	Discount Rate - 100 BP		
	Defined Benefit Obligation [PVO]	144.68	132.72
	Current Service Cost	12.78	11.87
C.	Salary Escalation Rate + 100 BP		
	Defined Benefit Obligation [PVO]	141.61	130.00
	Current Service Cost	9.71	9.15
D.	Salary Escalation Rate - 100 BP		
	Defined Benefit Obligation [PVO]	122.76	112.37
	Current Service Cost	(9.15)	(8.48)

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, 2026	As at March 31, 2025
Year 1	13.29	13.19
Year 2	10.28	6.93
Year 3	9.11	8.72
Year 4	10.28	6.84
Year 5	8.12	8.32
Next 5 Years	37.77	34.61

(vii) The Government of India has notified new Labour Codes effective from November 21, 2025. The incremental impact due to changes in regulations, as estimated by the Group has been recognised in the financial statements for the year ended March 31, 2026, which is not material. The financial impact will be further evaluated on notification of the relevant rules by the respective Central/ State Governments.

D. Leave obligations

The leave obligations cover the Group (except ABV Electronics Inc (D/B/A Sienna Corporation)) liability for earned leave.

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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, 2026	As at March 31, 2025
Discount rate	7.31% - 7.62%	6.65% - 6.85%
Expected rate of salary increase	5% - 10.00%	5% - 10.00%
Attrition rate	14.00% - 20.00%	14.00% - 20.00%

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, 2026	As at March 31, 2025
Financial assets		
Measured at amortised cost		
- Trade receivables	3,812.73	3,160.05
- Cash and cash equivalents	712.22	688.27
- Bank Balances other than above	1.28	327.11
- Other financial assets (Current)	6.30	5.33
- Other financial assets (Non-Current)	64.51	56.65
Measured at Fair Value through P&L		
- Investment in Mutual Funds	717.21	331.71
- Equity investments in Other Entities	0.08	-
Measured at Fair Value through OCI		
- Equity investments in Other Entities	18.88	17.77
- Investment in CCPS	70.00	-
Financial liabilities		
Measured at amortised cost		
- Borrowings		
Non current	111.65	183.54
Current	1,722.62	1,233.16
- Lease Liabilities		
Non current	173.59	276.15
Current	121.37	106.97
- Trade payables	2,512.71	1,893.53
- Other Financial liabilities		
Non current	16.96	15.95
Current	194.72	149.89

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Fair value hierarchy

Particulars	As at March 31, 2026	As at March 31, 2025	Fair Value Hierarchy	Valuation technique(s) and key input(s)
- Investment in Mutual Funds - FVTPL	717.21	331.71	Level-2	The fair value of investment in Mutual Fund is determined based on Net Assets Value published by respective funds
- Investment in Equity Instruments - FVTPL	0.08	-	Level-3	The fair value of the remaining financial instruments is determined using discounted cash flow method
- Investment in Equity Instruments - FVTOCI	18.88	17.77	Level-3	
- Investment in CCPS Instruments - FVTOCI	70.00	-	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.

There were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the year ended.

Reconciliation of Level 3 Fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

Particulars	FVTPL	FVTOCI
Balance as at April 1, 2024	**-**	**-**
Investments/ (Redemption) made during the year	-	5.88
Net change in Fair value (Unrealised)	-	11.75
Net gain on restatement	-	0.14
Balance as at March 31, 2025	**-**	**17.77**
Investments/ (Redemption) made during the year	0.08	70.00
Net change in Fair value (Unrealised)	-	(0.73)
Net gain on restatement	-	1.84
Balance as at March 31, 2026	**0.08**	**88.88**

The Level 3 inputs for these unlisted securities are derived and evaluated as below.

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

The key assumptions used in the estimation of the fair value changes are set out below. The values assigned to the key assumptions is based on the management's assessment.

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (%) - CCPS FVTOCI	20.20%	-

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Sensitivity analysis

For the fair values of FVTOCI securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value Sensitivity		
Fair value - increase by 1%	(5.11)	-
Fair value - decrease by 1%	5.11	-

Particulars	As at March 31, 2026	As at March 31, 2025
Discount for lack of marketability (illiquidity discount) - Equity instrument FVTOCI	35.00%	35.00%

Sensitivity analysis

For the fair values of FVTOCI securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value Sensitivity		
Fair value - increase by 5%	(2.70)	(2.54)
Fair value - decrease by 5%	2.70	2.54

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. These exposures 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 debt in the form of packing credit which are subject to minimal changes in interest rate during it's term.

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Fair value sensitivity analysis for floating-rate instruments:

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate. If interest rates had been 25 basis points higher and all other variables were constant, the group's profit after tax would have changed by the following:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Impact on profit or loss	Impact on equity (net of tax)	Impact on profit or loss	Impact on equity (net of tax)
Impact on profit for the year*	(4.29)	(3.21)	(3.06)	(2.29)

* The same has been calculated based on risk exposure outstanding as on balance sheet date. The year end balances are not necessarily representative of average debt outstanding during the year.

(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.

The group does not enter into a foreign exchange transaction for speculative purposes i.e. without any actual / anticipated underlying exposures.

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, 2026		As at March 31, 2025	
	Foreign Currency	INR	Foreign Currency	INR
EURO	0.04	3.78	0.08	7.77
GBP	0.11	13.79	0.07	7.46
JPY	1,056.13	625.76	868.30	493.17
USD	5.68	537.48	9.03	772.76
SGD	-	0.02	0.00	0.12
	1,061.96	**1,180.84**	**877.48**	**1,281.28**

Currency	Assets as at			
	As at March 31, 2026		As at March 31, 2025	
	Foreign Currency	INR	Foreign Currency	INR
EURO	0.22	24.29	0.13	11.98
GBP	-	-	0.01	0.97
SGD	-	-	0.01	0.43
JPY	-	-	3.61	2.05
USD	12.48	1,181.20	13.63	1,166.81
	12.70	**1,205.49**	**17.38**	**1,182.23**

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Foreign Currency sensitivity analysis

Impact on profit /(loss) and Equity (net of tax) for an increase of 5%

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, 2026	As at March 31, 2025
A. Financial Assets		
EURO	2.63	0.60
GBP	-	0.05
SGD	37.72	0.02
JPY	19.59	0.10
USD	58.06	58.35
B. Financial Liabilities		
EURO	0.19	0.39
GBP	0.69	0.37
SGD	-	0.01
JPY	31.29	24.66
USD	26.88	38.63
Net Impact (A-B)	**58.95**	**(4.94)**

Particulars	Impact on total equity as at the end of the reporting period	
	As at March 31, 2026	As at March 31, 2025
A. Financial Assets		
EURO	1.97	0.45
GBP	-	0.04
SGD	28.23	0.01
JPY	14.66	0.07
USD	43.45	43.66
B. Financial Liabilities		
EURO	0.14	0.29
GBP	0.52	0.28
JPY	23.41	18.45
USD	20.12	28.91
Net Impact (A-B)	**44.12**	**(3.70)**

A 5% decrease in the rupee against the above currencies as at 31 March 2026 and 31 March 2025 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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.

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(c) Price risk Exposure

The group exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. There are investments in mutual funds which are measured at fair value through profit and loss

Sensitivity

Below is the sensitivity of due to changes in fair value

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value Sensitivity		
Fair value - increase by 1%	7.17	3.32
Fair value - decrease by 1%	(7.17)	(3.32)

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.

Credit risk arises from cash and cash equivalents, bank balances, investments, deposits with banks and other parties, trade receivables and other financial assets.

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.

The estimated gross carrying amount at default is ₹ Nil (March 31, 2025: ₹ Nil) for deposits with other parties, investments in CCPS and other financial assets. Consequently, there are no expected credit loss recognised for these financial assets.

Expected credit loss for trade receivables under simplified approach

The group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. It has computed expected credit losses based on a provision matrix which takes into account historical credit loss experience based on : a) Past trend of outstanding receivables over a rolling period of past 30 months and b) actual amount of outstanding receivables as on the reporting date. (also refer Note 8.3.1)

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.

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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.

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
As at March 31, 2026					
Borrowings	1,722.62	111.65	-	1,834.27	1,834.27
Lease Liabilities	121.37	139.30	34.29	294.96	294.96
Trade payables	2,512.71	-	-	2,512.71	2,512.71
Other Financial Liabilities	194.72	16.96	-	211.68	211.68
Total	**4,551.42**	**267.91**	**34.29**	**4,853.62**	**4,853.62**
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**

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) Post Employment benefit plans for Employees	Avalon Technologies Employees Gratutiy Trust
	Avalon Technology and Services Gratuity Trust
	Sienna ECAD Technologies Employees Gratuity Trust
(iii) Key Management Personnel	Mr. Kunhamed Bicha - Chairman and Managing Director
	Mr. Suresh Veerappan-Chief Financial Officer (w.e.f. 08.11.2024)
	Mr. Ajay Shukla - Company Secretary (w.e.f. 05.02.2025)
	Mr. RM Subramanian - Chief Financial Officer (upto 07.11.2024)
	Mr. Rajesh V - Company Secretary (upto 30.11.2024)
	Mr.O J Sathish (upto 30.04.2025)
(iv) Relatives of Key Management Personnel	Mr. T P Imbichammad - Father of Chairman and Managing Director
	Mrs. Mariyam Bicha - Mother of Chairman and Managing Director
	Mr. Shamil Bicha - Brother of Chairman and Managing Director
(v) Non-Executive Directors	Mr. Bhaskar Srinivasan - Director (Upto 10.02.2026)
	Mr. Luquman Veedu Ediyanam - Director
	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
	Mr. Sareday Seshu Kumar-Director (upto 17.12.2024)

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.

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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, 2026	For the Year ended March 31, 2025
I. Details of Transactions				
a) Remuneration to KMP*				
	Avalon Technologies Limited	Short-Term Employee Benefits	30.40	29.01
		Post Employment benefits	0.93	0.96
		Share based payment	3.33	1.64
			34.66	**31.61**
	Sienna ECAD Technologies Pvt. Ltd.	Short-Term Employee Benefits	0.42	5.36
		Post Employment benefits	-	0.34
		Share based payment	-	0.05
			0.42	**5.75**
	ABV Electronics Inc (D/B/A Sienna Corporation)	Short-Term Employee Benefits	13.06	12.13
		Post Employment benefits	-	-
		Share based payment	-	-
			13.06	**12.13**
b) Remuneration to Relatives of KMP*				
	Avalon Technologies Limited	Short-Term Employee Benefits	2.60	7.46
		Post Employment benefits	0.07	0.20
		Share based payment	-	-
			2.67	**7.66**
	Avalon Technology & Services Pvt. Ltd.	Management Consultancy Fees	4.80	5.00
			4.80	**5.00**
	Total		**55.61**	**62.15**

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Particulars	In the books of	Transaction with	For the Year ended March 31, 2026	For the Year ended March 31, 2025
c) Issue of preference shares				
	ABV Electronics Inc (D/B/A Sienna Corporation)	Mr. Kunhamed Bicha	-	12.84
			-	**12.84**
d) Redemption of preference shares				
	ABV Electronics Inc (D/B/A Sienna Corporation)	Mr. Kunhamed Bicha	21.30	27.81
		Mr. Bhaskar Srinivasan	23.66	21.40
			44.96	**49.21**
e) Directors Sitting Fees				
	Avalon Technologies Limited	Mr. Chandar Pattabhiram	0.60	0.80
		Mr. Byas Unnikrishnan Nambisan	1.00	1.40
		Mr. Venkataramani Anantharamakrishnan	0.90	1.00
		Ms. Nandita Abraham	0.90	1.00
		Mr. Anees Ahmed	0.90	0.40
			4.30	**4.60**
f) Contribution to Gratuity Trust				
		Avalon Technologies Employees Gratutiy Trust	-	12.05
		Avalon Technology and Services Gratuity Trust	-	8.43
			-	**20.48**

* Provision for gratuity and compensated absences are based on actuarial valuation performed on an overall company basis and hence excluded above.

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NOTE: 33 COMMITMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	197.81	161.86
(b) Other Commitments	-	-

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, 2026	As at March 31, 2025
Claims against the group not acknowledged as debt		
Income tax demand*	-	6.49
Provident Fund demand*	6.57	6.57
Indirect tax matters*	14.53	14.53
Total	**21.10**	**27.59**

* The above amounts exclude interest and penalty (unless included in the original demand)

a) 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.

b) 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.

c) The group does not expect any reimbursements from third parties in respect of the above contingent liabilities.

NOTE: 36

The Group has not traded or invested in Crypto currency or Virtual Currency during the year.

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).

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(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 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).

NOTE 38: RATIOS

Sl. No.	Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025
1	Current Ratio	Current Assets	Current Liabilities	2.05	2.22
2	Debt-Equity Ratio	Total borrowings (including lease liabilities)	Total Equity attributable to equity holders of the parent	0.30	0.29
3	Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	6.48	4.66
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity (5)	16.94%	10.95%
5	Inventory Turnover Ratio	Sales	Average Inventory	2.74	3.35
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivables	4.59	4.36
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.35	5.07
8	Net capital turnover ratio	Net Sales	Working Capital (3)	3.07	2.45
9	Net Profit Ratio	Net Profit for the year	Net Sales	7.06%	5.79%
10	Return on capital employed**	Earning before interest and taxes	Capital Employed (4)	20.64%	15.68%
11	Return on Investment*	Realised and Unrealised income on Mutual fund & Fixed Deposits	Average Investments	6.59%	7.74%

* Investment in Mutual Funds and Fixed Deposits

** The denominator for ROCE has been changed during the year to "Average Capital Employed" from "Capital Employed as at the year end", so as to appropriately match the numerator, which represents returns earned over the year. Previous year figures have been recomputed accordingly.

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Sl. No.	Particulars	Variance (%) 2025 vs 2026	Reasons
1	Current Ratio	(7.39%)	
2	Debt-Equity Ratio	0.25%	
3	Debt Service Coverage Ratio	39.11%	1(i)
4	Return on Equity Ratio	54.75%	1(ii)
5	Inventory Turnover Ratio	(18.34%)	
6	Trade receivables turnover ratio	5.25%	
7	Trade payables turnover ratio	5.44%	
8	Net capital turnover ratio	25.38%	1(iii)
9	Net Profit Ratio	22.00%	1(iv)
10	Return on capital employed	31.61%	1(v)
11	Return on Investment*	(14.86%)	1(vi)

(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:

{MV(T1) – MV(T0) – Sum [C(t)]}

{MV(T0) + 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 [T1 – t] / T1"

Explanation for Variance in ratios by more than 25%

(i) Increase in Debt Service Coverage Ratio is due to decrease in repayment of borrowings during the year.

(ii) Increase in Return on equity ratio is due to strong profit growth and operational efficiency improvements.

(iii) Increase in Net Capital Turnover Ratio is due to higher sales and more efficient utilization of working capital, reflecting better management of current assets and liabilities and enhanced operational efficiency.

(iv) Increase in Net profit ratio is typically due to increase in revenue ie.better pricing and strategic sales mix, lower production, operational and financial costs and thereby improved efficiency.

(v) Increase in Return on Capital Employed is due to higher operating profits, better efficiency in asset utilization, and thereby reduction in capital employed.

(vi) The lower return in the current year is primarily attributable to the short holding periods of investments, as funds were invested and redeemed within relatively brief intervals.

NOTE 39:

The Group does not have any Benami property and no proceedings have been initiated or are pending against the group for holding any Benami property.

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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 consolidated net assets	INR	As % of profit and loss	INR	As % of other comprehensive income	INR	As %of total comprehensive income	INR
Parent										
Avalon Technologies Limited	India									
For the Year ended March 31, 2026		100.00%	113.49%	8,190.85	79.13%	893.74	(1.40%)	0.88	83.89%	894.62
For the Year ended March 31, 2025		100.00%	118.73%	7,261.06	79.71%	505.70	6.37%	(1.09)	81.75%	504.61
Subsidiaries										
1. Avalon Technology &Services Pvt. Ltd.	India									
For the Year ended March 31, 2026		100.00%	18.03%	1,301.54	12.39%	139.91	(3.89%)	2.45	13.35%	142.36
For the Year ended March 31, 2025		100.00%	18.93%	1,157.63	22.10%	140.19	(2.39%)	0.41	22.78%	140.60
2. Sienna ECAD Technologies Pvt. Ltd.	India									
For the Year ended March 31, 2026		100.00%	0.61%	44.33	1.67%	18.82	(0.10%)	(1.13)	1.57%	17.69
For the Year ended March 31, 2025		100.00%	0.43%	26.30	2.66%	16.87	(0.05%)	(0.30)	2.61%	16.57
3. ABV Electronics Inc (D/B/A Sienna Corporation) USA	USA									
For the Year ended March 31, 2026		100.00%	(22.37%)	(1,614.43)	7.56%	85.35	103.48%	(65.21)	1.89%	20.14
For the Year ended March 31, 2025		100.00%	(26.90%)	(1,645.01)	(1.13%)	(7.15)	94.28%	(16.14)	(3.77%)	(23.29)
Non controlling interest										
For the Year ended March 31, 2026		0.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
For the Year ended March 31, 2025		0.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment on account of consolidation										
For the Year ended March 31, 2026			(9.76%)	(705.24)	(0.75%)	(8.36)	1.91%	(0.01)	(0.70%)	(8.37)
For the Year ended March 31, 2025			(11.19%)	(684.51)	(3.34%)	(21.22)	1.80%	-	(3.37%)	(21.22)
For the Year ended March 31, 2026			**100.00%**	**7,217.05**	**100.00%**	**1,129.46**	**100.00%**	**(63.02)**	**100.00%**	**1,066.44**
For the Year ended March 31, 2025			**100.00%**	**6,115.47**	**100.00%**	**634.39**	**100.00%**	**(17.12)**	**100.00%**	**617.27**

Notes to Consolidated Financial Statements

CIN: L30007TN1999PLC043479

(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, 2026	As at March 31, 2025
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, 2026	As at March 31, 2025
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 seperately recognised as the holding is insignificant.

(b) Other entities

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	Investment by	Investment in	For the Year ended March 31, 2026	For the Year ended March 31, 2025	Purpose
Sastikumar Farms & Foods Pvt Ltd	Avalon Technologies Limited	Equity shares	0.07	-	To meet captive power requirements
	Avalon Technology & Services pvt Limited	Equity shares	0.01	-	
Zepco Private Limited	Avalon Technologies Limited	Equity shares	0.00	-	Strategic investment for long-term partnership, collaboration and growth.
	Avalon Technologies Limited	CCPS	70.00	-	
Ohmium International, Inc	ABV Electronics Inc (D/B/A Sienna Corporation)	Equity shares	18.88	17.77	General Business purpose

Notes to Consolidated Financial Statements

CIN: L30007TN1999PLC043479

(All amounts are in Million Indian Rupees unless otherwise stated)

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: Mumbai
Date: May 6, 2026

For and on behalf of the Board of Directors

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

Sd/-
Suresh Veerappan
Chief Financial Officer

Sd/-
Ajay Shukla
Company Secretary

Place: Chennai
Date: May 6, 2026

Avalon
manufacturing your success

Avalon Technologies Ltd.
Chennai, India

Concept, Content & Design
(info@wyatt.co.in)