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* Offer Price of our Company is considered as CMP. Current Market Price for Peer Group Companies is as on December 29 on the NSE; The P/E ratio is as on December 29, 2025. The comparable for the peer group companies is as on March 31, 2025

** Source: www.nseindia.com.

Notes:

- Considering the nature, range of products, turnover and size of business of the Company, the peers are not strictly comparable. However, the above Companies have been included for broad comparison.
- The figures of Avana Electrosystems Limited are based on the Restated Financial Information for the year ended March 31, 2025
- The figures for the peer group are for the year ended March 31, 2025 and are from the financial statements filed with the NSE on a consolidated basis.
- Current Market Price (CMP) is the closing price of the peer group scrip as on December 29, 2025 on NSE
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
- P/E Ratio for the peer has been computed based on the closing market capitalisation of respective peers as on December 29, 2025 as divided by the profit after tax for the financial year 2025.
- RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
- Avana Electrosystems Limited is a Book Built Issue.
- The Offer Price has been determined by the company in consultation with the Book Running Lead Manager and is justified based on the above qualitative and quantitative parameters.

(6) Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 19, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by our Statutory Auditors Vasanth & Co., Chartered Accountants by their certificate dated September 19, 2025 and December 23, 2025.

The KPIs of our Company have been disclosed in the chapters titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" on pages 147 and 255 of this Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in "Definitions and Abbreviations" on page 01 of this Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Offer as per the disclosure made in the chapter titled "Objects of the Offer" on page 96, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

The table below sets forth the relevant and material KPIs that have a bearing on arriving at the Offer Price along with a brief explanation of and the importance of these KPIs for our business and operations and how these KPIs have been used by the management to analyse and track the performance of our Company.

Financial Key Performance Indicators of our Company

Particulars	Units	For the half year ended		For the financial year ended March 31,	
		September 30, 2025	2025	2024	2023
Revenue from Operations (1)	(₹ in lakhs)	3,574.71	6,148.58	5,298.77	2,840.65
Growth in Revenue from Operations (2)	(YoY%)	-	16.04%	86.53%	36.66%
Gross Profit (3)	(₹ in lakhs)	1,644.13	2,939.28	2,054.99	1,216.13
Gross Profit Margin (4)	(%)	45.99%	47.80%	38.78%	42.81%
EBITDA (5)	(₹ in lakhs)	762.62	1,251.96	741.97	192.04
EBITDA Margin (6)	(%)	21.33%	20.36%	14.00%	6.76%
Profit After Tax (7)	(₹ in lakhs)	560.74	831.23	402.41	92.29
PAT Margin (8)	(%)	15.69%	13.52%	7.59%	3.25%
RoCE (9)	(%)	26.69%	53.71%	40.02%	15.31%
RoE (10)	(%)	22.79%	47.11%	35.07%	10.25%
Return on Assets (11)	(%)	10.85	19.00%	12.09%	3.80%
Operating Cash Flows (12)	(₹ in lakhs)	145.88	676.66	94.77	(31.75)
Net Fixed Asset Turnover (13)	(in times)	10.79	17.90	18.67	14.39

The above figures have been certified by our Statutory Auditors Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025 and December 23, 2025.

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Growth in revenue from operations (YoY%) is calculated by subtracting the previous period's revenue from the current period's revenue, and then dividing that number by the previous period's revenue
- Gross Profit is the Revenue from Operations of the Company as reduced by the cost of materials consumed and Changes in Inventories of finished goods, work in progress and stock-in-trade
- Gross Profit Margin (%) is Gross Profit divided by Revenue from Operations
- EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- Profit After Tax (PAT) is calculated as Profit before tax - Tax Expenses.
- PAT Margin is calculated as PAT for the year divided by revenue from operations.
- Return on Capital Employed (ROCE) is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term borrowings deducted by intangible assets.
- Return on Equity (ROE) is ratio of Profit after Tax and average Shareholder Equity
- Return on Assets (ROA) is equal to PAT / average total assets deployed wherein average total assets deployed = (Opening total assets + Closing total assets)/2
- Operating cash flow is extracted from Cash Flow Statement in Restated Financial Statements
- Net Fixed Asset Turnover is equal to net revenue from operations/average fixed assets wherein average fixed assets = (Opening fixed assets + Closing fixed assets)/2

Operating KPIs Monitored by the Company

In addition to the financial KPIs mentioned above, we also monitor the following operational metrics to assess our business performance and identify areas for improvement, with the aim of optimizing both revenue (top line) and profitability (bottom line):

1. Output per day per unit – Relay and Panels

Particulars	September 30, 2025	FY 2025	FY 2024	FY 2023
Total number of Panels produced in a year	313	523	502	478
No. of days Panel unit was operational in a year / period	151	300	300	300
Output per day – Panel Unit [Total number of Panels / No. of days]	2.07	1.74	1.67	1.59
Total number of Relay units produced in a year	33,650	65,840	58,501	27,942
No. of days Relay unit was operational in a year	151	300	300	300
Output per day – relay Unit [Total number of Relay / No. of days]	222.85	219.47	195	93.14

This KPI helps in tracking the output generated per day for our units. It is an indicator of Company's employee efficiency and profitability measure.

Calculation of Sales from various sales channels:

Particulars	September 30, 2025		Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Tender / Government Orders	818.67	22.90	1007.33	16.38	952.78	17.98	758.75	26.71
Private Parties	2,725.30	76.24	5055.09	82.22	4320.8	81.54	2078.25	73.16
Network of Dealers	30.74	0.86	86.16	1.4	25.19	0.48	3.65	0.13
Total	3,574.71	100	6148.58	100	5298.77	100	2840.65	100

This KPI helps us in tracking the sales registered through various channels like Government Orders / Orders received through the tender process, direct sales to private parties and sales through our distributors and dealers. This helps in understanding under which channel the Company's sales are growing.

The above figures have been certified by our Statutory Auditors, Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025 and December 23, 2025.

(7) Weighted average cost of acquisition

a) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of filing of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Transactions")

Except mentioned below there has been no issuance of Equity Shares, during the 18 months preceding the date of this Red Herring Prospectus, excluding shares issued under ESOP/ESOS and issuance of bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Issuance	Name of Allottee	No. of Equity Shares allotted	% of paid-up capital (fully diluted prior to allotment)	Price per Equity Share allotted	Cumulative No. of Equity Shares	Cumulative amount paid for the Equity Shares
NIL	NIL	NIL	NIL	NIL	NIL	NIL
Weighted average cost of acquisition*					N.A.	

b) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving any of the Promoters, members of the Promoter Group, Selling Shareholders or Shareholders with rights to nominate directors during the 18 months preceding the date of filing of this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions").

Except as set out below, there have been no secondary sale / acquisitions of Equity Shares, where the promoter, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Secondary Sale/Acquisition	Name of Transferor and Transferee	No. of Equity Shares Sold/Acquired	% of paid-up capital	Price per Equity Shares sold/acquired	Cumulative No. of Equity Shares sold/ acquired	Cumulative amount paid/received for the Equity Shares
Promoter & Selling Shareholders - Anantharamaiah Panish						
December 05, 2024	Transferor- Anantharamaiah Panish Transferee- Rama Subramanyam	1	0.0001	Nil	1	Nil
Promoter & Selling Shareholders - Gururaj Dambal						
December 05, 2024	Transferor- Gururaj Dambal Transferee- Smita Dambal	1	0.0001	Nil	1	Nil
Promoter & Selling Shareholders - S. Vinod Kumar						
December 05, 2024	Transferor- S Vinod Kumar Transferee- Nithya M	1	0.0001	Nil	1	Nil
Promoter & Selling Shareholders - K. N. Sreenath						
December 05, 2024	Transferor- K.N. Sreenath Transferee- Usha G	1	0.0001	Nil	1	Nil
Other Shareholders having the right to appoint nominee directors on the board of directors of the Company						
	Nil	Nil	Nil	Nil		
Total	Nil	100		Nil		
Weighted average cost of transfer				Nil		

c) Since there are no eligible transactions of our Company reported in (a) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Red Herring Prospectus is ₹ 10 per share.

1) Weighted average cost of acquisition, Floor Price and Cap Price

Based on the disclosures in (a) above, the weighted average cost of acquisition of Equity Shares as compared with the Floor Price and Cap Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)*	Offer Price
I. Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan / employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre- offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA	[•] times
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board area party to the transaction, during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition nor sale is equal to or more than five percent of the fully diluted paid-up share capital of the Company (calculated based on the pre- offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[•] times
III. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below.	10.00	[•] times

ADDITIONAL INFORMATION FOR INVESTORS

Our Company does not contemplate any issuance or placement of Equity Shares in this Offer until the listing of Equity Shares.

Pre-Issue Shareholding of Promoters and Promoter Group

Our Promoters and Promoter Group collectively hold 1,74,69,408 Equity Shares of our Company aggregating to 100.00% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of the Red Herring Prospectus.

Sr. No.	Pre-Issue shareholding as at the date of advertisement			Post-Issue shareholding as at allotment			
	Name of the shareholders	No. of Equity Shares	Shareholding in %	At the lower end of the price band (₹ 56)		At the upper end of the price band (₹ 59)	
				No. of Equity Shares	Shareholding in %	No. of Equity Shares	Shareholding in %
(A) Promoters							
1.	Anantharamaiah Panish	44,41,580	25.42	42,39,705	18.72	42,39,705	18.72
2.	Gururaj Dambal	44,41,580	25.42	42,39,705	18.72	42,39,705	18.72
3.	S Vinod Kumar	41,44,580	23.72	39,56,205	17.47	39,56,205	17.47
4.	K N Sreenath	44,41,580	25.42	42,39,705	18.72	42,39,705	18.72
	Total (A)	1,74,69,320	99.98	1,66,75,320	73.63	1,66,75,320	73.63
(B) Promoter Group							
5.	Usha G	22	0.0001	22	0.0001	22	0.0001
6.	Rama Subramanyam	22	0.0001	22	0.0001	22	0.0001
7.	Smita Dambal	22	0.0001	22	0.0001	22	0.0001
8.	Nithya M	22	0.0001	22	0.0001	22	0.0001
	Total (B)	88	0.0004	88	0.0004	88	0.0004
	Total (A+B)	1,74,69,408	100	1,66,75,408	73.64	1,66,75,408	73.64

Notes:

- The Promoter Group shareholders are Usha G, Rama Subramanyam, Smita Dambal and Nithya M.
- Assuming all vested ESOPs as on date of advertisement are exercised. The post issue shareholding shall be updated in the prospectus based on ESOPs exercised until such date.
- Assuming full subscription in the Issue (fresh issue and/or offer for sale). The post-issue shareholding details as at allotment will be based on the actual subscription and the final Issue price and updated in the prospectus, subject to finalization of the basis of allotment. Also, this table assumes there is no transfer of shares by these shareholders between the date of the advertisement and allotment (if any such transfers occur prior to the date of prospectus, it will be updated in the shareholding pattern in the prospectus).

As on the date of filing of the Red Herring Prospectus, our Company has 8 (eight) Shareholders of Equity Shares.

Sl. No	Name of the Shareholders	Number of Equity Shares held	Percentage Pre-Offer Equity Share Capital (%)
1	Anantharamaiah Panish	44,41,580	25.42
2	Gururaj Dambal	44,41,580	25.42
3	S Vinod Kumar	41,44,580	23.72
4	K N Sreenath	44,41,580	25.42
5	Usha G	22	0.0001
6	Rama Subramanyam	22	0.0001
7	Smita Dambal	22	0.0001
8	Nithya M	22	0.0001
	Total	1,74,69,408	100.00%

BASIS FOR OFFER PRICE

The "Basis for Offer Price" on Page 112 of the offer document has been updated with the above price band. Please refer to the website of the BRLM for the "Basis of the Offer Price" updated with the above price band. You can scan QR code given on the first page of the advertisement for the chapter titled "Basis for Offer Price" on Page 112 of the Red Herring Prospectus.

INDICATIVE TIMELINE FOR THE OFFER

Sequence of Activities	Listing within T+3 days (T is Issue Closing Date)
Application Submission by Investors	Electronic Applications (Online ASBA through 3-in-1 accounts) – Upto 5 pm on T Day. Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA etc.) – Upto 4 pm on T Day. Electronic Applications (Syndicate Non-Individual, Non-Individual Applications) – Upto 3 pm on T Day. Physical Applications (Bank ASBA) – Upto 1 pm on T Day. Physical Applications (Syndicate Non-Individual, Non-Individual Applications of QIBs and NIs) – Upto 12 pm on T Day and Syndicate members shall transfer such applications to banks before 1 pm on T Day
Bid Modification	From Issue opening date up to 5 pm on T Day
Validation of bid details with depositories	From Issue opening date up to 5 pm on T Day
Reconciliation of UPI mandate transactions (Based on the guidelines issued by NPCI from time to time): Among Stock Exchanges – Sponsor Banks – NPCI and NPCI – PSPs/TPAPs** – Issuer Banks; Reporting formats of bid information, UPI analysis report and compliance timelines.	On daily basis Merchant Bankers to submit to SEBI, as and when sought.
UPI Mandate acceptance time	T Day – 5 pm
Issue Closure T Day	T Day – 4 pm for QIB and NI categories T Day – 5 pm for Individual and other reserved categories
Third party check on UPI applications	On daily basis and to be completed before 9:30 AM on T+1 Day.
Third party check on Non- UPI applications	On daily basis and to be completed before 1 pm on T+1 Day.
Submission of final certificates: -For UPI from Sponsor Bank -For Bank ASBA, from all SCSBs -For syndicate ASBA UPI ASBA	UPI ASBA - Before 09:30 pm on T Day. All SCSBs for Direct ASBA – Before 07:30 pm on T Day Syndicate ASBA - Before 07:30 pm on T Day
Finalization of rejections and completion of basis	Before 6 pm on T+1 Day.
Approval of basis by Stock Exchange	Before 9 pm on T+1 Day.
Issuance of fund transfer instructions in separate files for debit and unblock. For Bank ASBA and Online ASBA – To all SCSBs For UPI ASBA – To Sponsor Bank	Initiation not later than 09:30 am on T+2 day ; Completion before 2 pm on T+2 day for fund transfer; Completion before 4 pm on T+2 day for unblocking. Initiation before 2 pm on T+2 day
Corporate action execution for credit of shares	Completion before 6 pm on T+2 day

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Upward revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/ Offer Closing Date* (i.e. January 14, 2026)	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts)–For Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Individual, Non-Institutional Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Individual, Non-Institutional Applications)	Only between 10.00 a.m. and up to 12.00 p.m. IST

*UPI mandate end time and date shall be at 5:00 pm on the Bid / Offer Closing Date.

#QIBs, Non-Institutional Bidders and Individual Bidders can neither revise their Bids downwards nor cancel/ withdraw their Bids.

INDICATIVE TIMELINE FOR THE ISSUE

EVENT	INDICATIVE DATES
Anchor Investor Bidding Date	January 09, 2026(1)
Bid/Offer Opens On	January 12, 2026(2)
Bid/ Offer Closes On	January 14, 2026
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or before January 15, 2026
Initiation of Allotment/Refunds/Unblocking of Funds from ASBA Account or UPI linked bank accounts (T+2)	On or before January 16, 2026
Credit of Shares in Demat accounts of allottees (T+2)	On or before January 16, 2026
Commencement of trading of the Equity Shares on the Designated Stock Exchange (T+3)	On or before January 19, 2026

(1)Our Company may, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Offer Period shall be one Working