



**16TH ANNUAL REPORT
OF
LAVA INTERNATIONAL
LIMITED
FOR THE FINANCIAL YEAR
2024-25**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sunil Raina
(DIN: 09302069)
Managing Director

Mr. Sunil Bhalla
(DIN: 00980040)
Non-Executive Director

Mr. Vishal Sehgal
(DIN: 03127049)
Non-Executive Director

Mr. Shailendra Nath Rai
(DIN: 00908417)
Non-Executive Director

Mr. Ajay Kumar Singh
(DIN: 07698288)
Independent Director

Mr. Rajiv Kumar Singh
(DIN: 03060652)
Independent Director

Mr. Anupam Shrivastava
(DIN: 06590535)
Independent Director

Ms. Deepika Gupta
(DIN: 08850031)
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Rajesh Sethi

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Rahul Ghosh

STATUTORY AUDITORS

PNAM & Co. LLP
Chartered Accountants

COST AUDITORS

MM & Associates
Cost Accountants

SECRETARIAL AUDITORS

Kumar Wadhwa & Company
Company Secretaries

INTERNAL AUDITORS

Protiviti India Member Private Limited

REGISTRAR AND TRANSFER AGENT

MUFG Intime India Private Limited
C-101, Embassy 247, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Email: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
Tel: +91 022 4918 6270

REGISTERED OFFICE OF THE COMPANY

B-14, House 2, Basement, Shvlok
Commercial Complex, Karampura, West
Delhi, Delhi – 110015
Website: www.lavamobiles.com
Email: compliance1@lavainternational.in
Tel: +91 120 4637333

CORPORATE OFFICE OF THE COMPANY

A-56, Sector-64, Noida 201 301, Uttar
Pradesh, India
Website: www.lavamobiles.com
Email: compliance1@lavainternational.in
Tel: +91 120 4637333



NOTICE of 16th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 16TH (SIXTEENTH) ANNUAL GENERAL MEETING ("AGM") OF LAVA INTERNATIONAL LIMITED ("COMPANY") WILL BE HELD ON MONDAY, SEPTEMBER 07, 2026, AT 05:00 P.M. (IST) THROUGH VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS ("VC/OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1: To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2025, together with the reports of the Board of Directors and Auditors thereon

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

"RESOLVED THAT the Audited Financial Statements, both on Standalone and Consolidated basis for the financial year ended March 31, 2025, comprising of Balance Sheet as at March 31, 2025, and Statement of Profit and Loss, Cash flow Statement for the year ended on that date together with Note and Schedules thereon and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

Item No. 2: To appoint Mr. Shailendra Nath Rai (DIN: 00908417), as a Non-Executive Director liable to retire by rotation

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

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Shailendra Nath Rai (DIN: 00908417), Non-Executive Director who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation."

Item No. 3: To appoint Ms. Deepika Gupta (DIN: 08850031), as a Non-Executive Director liable to retire by rotation

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

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Deepika Gupta (DIN: 08850031), Non-Executive Director who retires by rotation and being eligible has offered herself for re-appointment,





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

Item No. 4: To consider and approve the appointment of M/s PNAM & Co. LLP, Chartered Accountants, having ICAI FRN: 001092N/N500395, as the Statutory Auditor of the Company for a term of five (5) years from FY 2025-26 to FY 2029-30

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142, 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the approvals of the Audit Committee and the Board of Directors of the Company accorded at their respective meetings, the consent of the Members of the Company be and is hereby accorded for the appointment of M/s PNAM & Co. LLP, Chartered Accountants, having ICAI FRN: 001092N/N500395, as Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing 16th Annual General Meeting of the Company till the conclusion of the 21st Annual General Meeting of the Company to be held for the financial year ending on March 31, 2030, at such remuneration as may be agreed upon between the Board of Directors and Statutory Auditor plus goods and services tax and out of pocket expenses for conducting Statutory Audit of the Company.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel (KMP) of the Company be and is hereby severally authorized to take all necessary steps and to do all such acts, deeds, filing and things which may deem necessary for and on behalf of the Company.”

**By the order of the Board
For Lava International Limited**




**Rahul Ghosh
Company Secretary & Compliance Officer
M. No. – A42036**

Date: August 11, 2026

Place: Noida

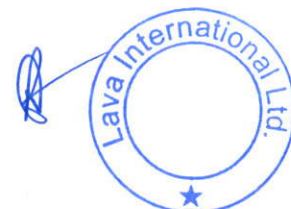
Notes: -

1. Pursuant to General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022, No. 09/2023 dated September 25, 2023, No. 09/2024 dated September 19, 2024 and No. 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 16th AGM through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at B-14, House 2, Basement, Shivlok Commercial Complex, Karampura Delhi 110015, which shall be deemed venue of the AGM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. And the Proxy Form, Attendance Slip and Route map of AGM are not annexed to this Notice.
3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/ OAVM facility. Corporate Members intending to appoint their authorized representatives to attend the AGM through VC or OAVM and to vote thereat through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by email at office@kumarwadhwa.co.in with a copy marked to RTA at enotices@in.mpms.mufig.com and the Company at compliance1@lavainternational.in.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The facility of participation at the AGM through VC/OAVM will be made available to at-least 1,000 Members on a first come first served basis as per the MCA Circulars. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee of Directors, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors,



etc. may be allowed to attend the meeting without any restrictions of first come first served basis.

7. In terms of the MCA Circulars, the Company is sending this AGM Notice along with the Annual Report for Financial Year 2024-25 in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Company shall send the physical copy of the Annual Report for FY 2024-25 only to those Member who specifically request for the same at compliance1@lavainternational.in. The Notice convening the AGM and the Annual Report for Financial Year 2024-25 have been uploaded on the website of the Company at <https://www.lavamobiles.com/investor-relations#financial>. The AGM Notice may also be download from the relevant section of the website of MUFG Intime India Private Limited ("MUFG Intime") at <https://instavote.linkintime.co.in>.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.
9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.
11. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Members desiring inspection of statutory registers during the AGM may send their request in writing in advance to the Company at compliance1@lavainternational.in.



13. Members who wish to inspect the relevant documents referred to in the Notice can send an email to compliance1@lavainternational.in in up-to the date of the AGM.
14. This AGM Notice is being sent by email only to those eligible Members who have already registered their email address with the Depositories/the DP/the Company's RTA/ the Company on or before 5 p.m. (IST) on **Friday, August 07, 2026**.
15. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA-MUFG Intime India Private Limited / Company in case the shares are held by them in physical form.
16. For permanent registration of their email address, Members are requested to register their email address, in respect of electronic holdings, with their concerned DPs and in respect of physical holdings, with the RTA/Company.
17. Those Members who have already registered their email addresses are requested to keep their email addresses validated with their DP to enable serving of notices/ documents/Annual Reports and other communications electronically to their email address in future.
18. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of **Monday, August 31, 2026 ("Cut-off date")**.
19. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. **Monday, August 31, 2026**, may obtain the login ID and password by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 600. However, if the person is already registered with MUFG Intime for remote e-Voting, then the existing user ID and password of the said person can be used for casting vote. If the person forgot his/her password, the same can be reset by using 'Forgot user Details/Password' or 'Physical user Reset Password' option available on MUFG Intime e-Voting system' or by calling on toll free no. 022 – 4918 6000. In case of Individual Members holding securities in De-mat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the notes to Notice under "Remote e-Voting Instructions for shareholders"/ "Process and manner for attending the Annual General Meeting through Insta Meet".
20. A person whose name is recorded in the Register of Members or in the Register of



Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting.

21. The Board of directors has appointed Mr. Sanjay Kumar (having membership no. 9211 and Certificate of Practice no. 7027), Managing Partner at Kumar Wadhwa and Company, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting.
22. The voting period begins on **Wednesday, September 02, 2026, at 9.00 a.m.** and ends on **Sunday, September 06, 2026, at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Monday, August 31, 2026**, may cast their vote electronically. The e-voting module shall be disabled by MUFG Intime India Private Limited (LIPL) for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
23. The Members, who will be present in the Annual General Meeting through Insta Meet 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 facility during the meeting. The e-voting module shall be disabled by MUFG Intime after 15 minutes from the conclusion of the meeting.
24. The Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through Insta Meet. However, they will not be eligible to vote again during the meeting.
25. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM but have not cast their votes by availing the remote e-Voting facility.
26. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the Meeting and, thereafter, unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three working days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website <https://www.lavamobiles.com/investor-relations#investor-relation>, immediately after the declaration of the result by the Chairman or a person authorized by him in writing.



authorized by him in writing.

28. Members who would like to express their views or ask questions may register themselves as a speaker by sending the request along with their queries in advance mentioning their name, demat account number / folio number, E-mail ID and mobile number at Compliance1@lavainternational.in. Only those speaker registration requests received till 05:00 PM (IST) on Friday, August 28, 2026, shall be considered and allowed as Speakers during the AGM.

The Company reserves the right to restrict the number of questions and / or number of speakers in the interest of smooth conduct of the AGM. Such questions by the Members shall be taken up during the meeting or replied within 7 working days from AGM by the Company suitably.

29. The Members are requested to adhere to the following general guidelines in addition to above guidelines during the Meeting in order to ensure smooth virtual meeting:

- i. Members/ invitees are requested to join the Meeting at least 15 minutes in advance through their respective devices for better experience.
- ii. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptops etc. 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.
- iii. In case of any loss of signal/drop out due to any technical glitch please re-join and confirm your presence at the earliest.
- iv. No person other than the invited participants should have access to this e-meeting.
- v. At the start of the Meeting, Members are required to keep video on so that the Company can complete the roll call.
- vi. The Company will undertake roll call to seek a confirmation on the presence of all the Members/ Invitees/ Directors.
- vii. The entire Meeting proceedings will be recorded.
- viii. The participants to remain on mute at the start of the meeting and the respective participants/ Members can unmute themselves at the time of speaking.
- ix. Every participant shall identify himself/ herself at the time of speaking on any query.
- x. To ensure smooth and orderly flow of the meeting, it is recommended that all questions/comments may be raised after the completion of particular agenda item.



30. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure as follows:

Login method for shareholders to attend the General Meeting through InstaMeet:

- a) Visit URL: <https://instameet.in.mpms.mufig.com> & click on "Login".
- b) Select the "Company Name" and register with your following details:
- c) Select Check Box - **Demat Account No. / Folio No. / PAN**
 - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
 - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
 - Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
 - Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
 - Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- d) Click "Go to Meeting"
You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.





*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
- c) Click on 'Submit'.
- d) After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
- e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet 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 facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.



Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufig.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

31. REMOTE EVOTING INSTRUCTIONS:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, 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 correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL OTP based login

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - NSDL IDeAS Facility

Shareholders registered for IDeAS Facility:



- a) Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “IDeAS Login Section”.
- b) Enter IDeAS User ID, Password, Verification code & click on “Log-in”.
- c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on “Access to e-Voting” under e-Voting services.
- d) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on “Submit”.
- c) Enter the last 4 digits of your bank account / generate ‘OTP’
- d) Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.



METHOD 2 - NSDL e-voting website

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL

METHOD 1 - CDSL e-voting page

- a) Visit URL: <https://www.cdslindia.com>



- b) Go to e-voting tab.
- c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or <http://www.cdslindia.com> & click on New System Myeasi Tab.
- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- a) To register, visit URL:
<https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/>
<https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password.
Follow steps given above in points (a-c).

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through "e-voting" option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository



- website after successful authentication, wherein user can see e-voting feature.
- d) Post successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

- a) Visit URL: <https://instavote.linkintime.co.in> & click on “Login” under ‘SHARE HOLDER’ tab.
- b) Enter details as under:
1. User ID: Enter User ID
 2. Password: Enter existing Password
 3. Enter Image Verification (CAPTCHA) Code
 4. Click “Submit”.

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (eg. 12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is Event No + Folio no. registered with the Company

Shareholders not registered for INSTAVOTE facility:

- a) Visit URL: <https://instavote.linkintime.co.in> & click on “Sign Up” under ‘SHARE HOLDER’ tab & register with details as under:
1. User ID: Enter User ID
 2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
 4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.



- Shareholders holding shares in NSDL form, shall provide '4' above
 - Shareholders, holding shares in CDSL form, shall provide 'point 3' or 'point 4' above.
 - Shareholders holding shares in physical form but have not recorded '3' and '4', shall provide their Folio number in '4' above
5. Set the password of your choice.
(The password should contain minimum 8 characters, at least one special Character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 6. Enter Image Verification (CAPTCHA) Code.
 7. Click "Submit" (You have now registered on InstaVote).
- Post successful registration, click on "Login" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (eg. 12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is Event No + Folio no., registered with the Company

STEP 2: Steps to cast vote for Resolutions through InstaVote

- a. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".
- b. Select 'View' icon. E-voting page will appear.
- c. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- d. After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- e. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email



Registered Office

Lava International Ltd.

B-14, House-2, Basement, Shivlok Commercial Complex,
Karampura, Delhi West, Delhi-110015
Corporate Identity No- U32201DL2009PLC188920

Corporate Office

Lava International Ltd.

A - 56 Sector -64
Noida - 201 301, India

T + 91 120 4637333

F + 91 120 4637240

E compliance1@lavainternational.in

W www.lavamobiles.com



address with a copy marked to RTA at enotices@in.mpms.muvg.com and the company at registered email address.

Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- a. Visit URL: <https://instavote.linkintime.co.in>
- b. Click on “Sign Up” under “Custodian / Corporate Body/ Mutual Fund”
- c. Fill up your entity details and submit the form.
- d. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- a. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b. Click on “Investor Mapping” tab under the Menu Section
- c. Map the Investor with the following details:
 - 1) ‘Investor ID’ – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
 - 2) ‘Investor’s Name - Enter Investor’s Name as updated with DP.
 - 3) ‘Investor PAN’ - Enter your 10-digit PAN.
 - 4) ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- d. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting



period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “Votes Entry” tab under the Menu section.
- c) Enter the “Event No.” for which you want to cast vote.
- d) Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- e) Enter “16-digit Demat Account No.”.
- f) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will see “Notification for e-voting”.
- c) Select “View” icon for “Company’s Name / Event number”.
- d) E-voting page will appear.
- e) Download sample vote file from “Download Sample Vote File” tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under “Upload Vote File” option.
- g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

NOTE: Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufig.com and the company at registered email address.



Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.muvg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on “Login” under ‘SHARE HOLDER’ tab.
- Click “forgot password?”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login



ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

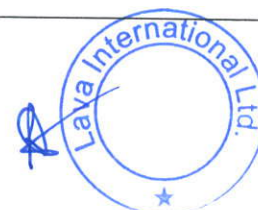
- ❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ❖ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ❖ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".



Annexure – 1

Details of Directors retiring by rotation and seeking re-appointment at the Annual General Meeting

Particulars	Mr. Shailendra Nath Rai	Ms. Deepika Gupta
Age	63 years	32 years
Date of first Appointment	27.03.2009	20.05.2024
Qualification	Mechanical Engineering	Member of the Institute of Company Secretaries of India
Experience	More than 24 years	More than 5 years
Directorships held/ KMP in other Companies/Forums	Yamuna Electronics Manufacturing Cluster Private Limited	1) SPG Agrovert Limited 2) Kishan Singh Hospital Limited 3) SPG Metals Limited
Memberships/Chairmanships of Committees of other Companies (excluding Section 8 Companies, Foreign Companies and Private Companies)	NIL	NIL
Number of shares held in the Company	2,64,12,782	NIL
Relationship with other Directors	No inter-se relation between directors	No inter-se relation between directors
Number of Meetings of the Board attended during the year 2024-25	5 (Five)	2 (Two)
Remuneration last drawn	CTC upto Rs. 1,30,00,000 as approved by the shareholders of the Company in their 11 th Annual General Meeting held on 31 st December 2020. However, he was redesignated as Non-Executive Director of the Company w.e.f. May 01, 2025.	NIL
Remuneration proposed to be paid	Not Applicable	Not Applicable



Terms of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Shailendra Nath Rai, Non-Executive Director is liable to retire by rotation.	In terms of Section 152(6) of the Companies Act, 2013, Ms. Deepika Gupta, Non-Executive Director is liable to retire by rotation.
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By the order of the Board

For Lava International Limited


Rahul Ghosh
Company Secretary & Compliance Officer
M. No. – A42036



Date: August 11, 2026
Place: Noida



DIRECTORS REPORT

To,

The Members,

Your directors are pleased to present the 16th Annual Report together with the audited Financial Statements for the financial year ended 31st March 2025.

1. FINANCIAL HIGHLIGHTS

The highlights of Standalone and Consolidated Financials result are as follows:

(All figures are in millions)

Particulars	Standalone		Consolidated	
	2024-25	2023-24*	2024-25	2023-24*
Revenue from Operations	16,009.92	22,685.81	20,190.32	40,395.68
Other Income	110.43	208.69	122.15	209.42
Total Revenue	16,120.35	22,894.50	20,312.47	40,605.10
Total Expense	20,067.71	26,424.10	23,434.50	44,930.01
Profit before Tax (PBT)	(3,947.36)	(3,529.60)	(3,121.77)	(4,325.14)
Less: Current Tax	-	169.96	0.17	170.11
Less: Tax charge/(credit) relating to earlier years	-	0.06	-	0.06
Less: Deferred Tax charge/(Income)	(627.43)	(756.59)	(639.36)	(758.03)
Profit for the year (PAT)	(3,319.93)	(2,943.03)	(2,482.58)	(3,737.28)
Other comprehensive (income)/loss for the year	3.63	0.25	(115.48)	367.29
Total comprehensive income for the year	(3,323.56)	(2,943.28)	(2,367.10)	(4,104.57)





***Note 1 – Note on the Restatement of Financials for the year ended 31st March 2024 and as at 1 April 2023:** During the year the Company identified prior period errors in accordance with the provisions of Ind AS 8, as referred to Note 22A of the Standalone Financial Statements of the Company for the period ended on 31st March 2025. In accordance with paragraphs 42 and 43 of Ind AS 8 and paragraph 40A of Ind AS 1, the Company has corrected these errors retrospectively by restating the comparative amounts for the year ended 31st March 2024 and the opening balances of assets, liabilities and equity as at 1st April 2023, and has presented a third balance sheet as at 1 April 2023.

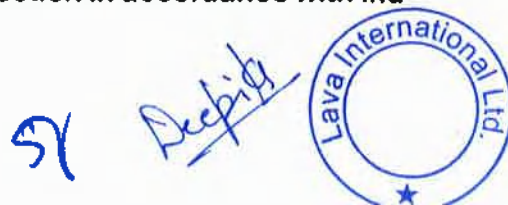
2. REASON FOR THE DELAY IN FINALISATION OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31ST MARCH 2025

The delay in the finalisation and approval of the financial statements for the financial year ended 31st March 2025 was primarily attributable to the following matters:

- a. First, the Company initiated the process for removal of M/s Raj Gupta & Co., the erstwhile Statutory Auditors, pursuant to the approval of the Board of Directors at its meeting held on 17th October 2025, based on the recommendation of the Audit Committee. In accordance with the applicable provisions of the Companies Act, 2013, the Auditors were provided an opportunity of being heard at the said Board Meeting, and the Board took on record their written representation received on 16th October 2025. The Board thereafter approved the application for removal of the Auditors under Section 140(1) of the Companies Act, 2013, on the grounds stated therein, and the application was filed with the Office of the Regional Director, Northern Region, Ministry of Corporate Affairs, on 31st October 2025.

During the course of subsequent proceedings and hearings before the Regional Director, M/s Raj Gupta & Co. resigned from office with effect from 10th December 2025. Consequently, the Company was required to undertake the process for appointment of successor Statutory Auditors under Section 139(8) of the Companies Act, 2013. M/s PNAM & Co. LLP were subsequently appointed by the Board of Directors on 18th December 2025, subject to the approval of the shareholders, as Statutory Auditors for FY 2024-25 to fill the casual vacancy arising from the resignation of M/s Raj Gupta & Co. The change in auditors and the consequent re-commencement of audit procedures contributed to the timelines for finalisation of the financial statements for FY 2024-25.

- b. Second, during the financial reporting process, the Company identified certain prior-period errors that required retrospective correction in accordance with Ind





AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Consequently, a third Balance Sheet as at 1 April 2023 has been presented together with the comparative financial statements, as required by paragraph 40A of Ind AS 1. The process of identifying, quantifying, reviewing and obtaining the necessary approvals for these retrospective adjustments required additional time before the financial statements could be finalised.

- c. Third, The Company was unable to obtain complete financial information and supporting records relating to its wholly owned subsidiary, China Bird Centroamerica, S.A., for an extended period. Following the phased receipt of the relevant financial information after May 2026, management completed the consolidation of the subsidiary in accordance with Ind AS 110.

3. CHANGE IN THE NATURE OF BUSINESS

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

4. DIVIDEND

The Company will be utilizing the funds for the current operations and as well as for upcoming projects, hence Board do not recommend any dividend for the financial year 2024-25.

5. TRANSFER TO RESERVES

During the year under review, no amount from the profit of the Company has been transferred to the General Reserve of the Company.

6. SHARE CAPITAL

Authorized Share Capital

During the year under review, there has been no change in the Authorized, Issued and Paid up Share capital of the Company. As at 31st March 2025, the Authorized Share Capital of the Company stood at Rs. 3,961,000,000 (Rs. Three Hundred Ninety Six Crore Ten Lac only) divided into 7,82,000,000 equity shares of ₹5 each; (ii) 100,000 Preference Shares of ₹10 each; and (iii) 500,000 Preference Shares of ₹100.

The paid up capital of the Company also stood at Rs. 2,73,90,48,280 (Rs. Two Hundred Seventy Three Crore Ninety Lakh Forty Eight Thousand Two Hundred Eighty Only) divided





into (i) 54,11,26,216 equity shares of Rs. 5 each; (ii) 1,00,000 Compulsory Convertible Preference Shares of Rs. 10 each; and (iii) 324,172 Compulsory Convertible Preference Shares of Rs. 100 each as at 31.03.2025.

7. NON CONVERTIBLE DEBENTURES AND DETAILS OF DEBENTURE TRUSTEE

During the year under review, the Company has not issued any Non-Convertible Debentures.

8. SUBSIDIARY COMPANIES

As at 31st March 2025, your Company had 9 direct subsidiaries (these 9 direct subsidiaries further had 26 direct/indirect subsidiaries), 1 Joint venture and 1 Associate Company.

A report on the performance and financial position of each of the direct subsidiaries, JVs and Associates has been provided in Form AOC-1 as per Section 129(2) of the Companies Act, 2013 (the Act) and is attached herewith as **Annexure "1"**.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors of the Company comprised of eminent persons with proven competence and integrity. Besides the experience, strong financial acumen, strategic astuteness, and leadership qualities, they have a significant degree of commitment towards the Company and devoted adequate time to the meetings and preparation. As at 31st March 2025 the board of directors comprised of the following:

1. Mr. Shailendra Nath Rai, Whole Time Director
2. Mr. Sunil Bhalla, Non-Executive Director
3. Mr. Vishal Sehgal, Non-Executive Director
4. Mr. Sunil Raina, Whole Time Director
5. Mr. Sanjeev Agarwal, Whole Time Director
6. Mr. Anupam Shrivastava, Independent Director
7. Mr. Rajiv Kumar Singh, Independent Director
8. Mr. Ajay Kumar Singh, Independent Director
9. Ms. Deepika Gupta, Non -Executive Director

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Deepika




Changes in Board

During the year under review, there had been following changes in the directorship of the Company.

S. No.	Name	Designation	Appointment/ Change In designation/C essation	Date Appointment/Change of In designation/Cessation
1.	Mr. Ajay Kumar Singh	Additional Independ ent Director	Appointment	16 th April, 2024
2.	Ms. Deepika Gupta	Additional Non- Executive Director	Appointment	20 th May, 2024
3.	Mr. Rajiv Kumar Singh	Additional Independ ent Director	Appointment	27 th August, 2024

Also, post closure of financial year under review, the Board composition has undergone the following changes:

S. No.	Name	Designation	Appointment/ Cossation/Cha nge In designation	Date Appointment/Cessation/ Change in designation of
1.	Mr. Shailender Nath Rai	Non- Executive Director	Change in designation	01 st May, 2025
2.	Mr. Sunil Raina	Managing Director	Change in designation	30 th May, 2025
3.	Mr. Sanjeev Agarwal	Whole-time Director	Cessation	30 th June, 2026

Retire by Rotation

During the year under review Mr. Sunil Raina – Whole Time Director having DIN: 09302069 and Mr. Vishal Sehgal – Director having DIN: 03127049 retired by rotation at the Annual General Meeting held on 30th September 2024.





Further in accordance with the provisions of Section 152 of the Companies Act, 2013, read with the Articles of Association of the Company. Mr. Shailendra Nath Rai – Non-Executive Director having DIN: 00908417 and Ms. Deepika Gupta – Non-Executive Director having DIN: 08850031, directors of the Company. will retire by rotation and being eligible offers themselves for their re- appointment at the forthcoming Annual General Meeting of the Company.

Changes in Key Managerial Personnel

During the year under review, there had been following changes in the Key Managerial Personnel of the Company.

S. No.	Name	Designation	Appointment/Change in designation/Cessation	Date of Appointment/Change in designation/Cessation
1.	Mr. Asitava Bose	Chief Financial Officer	Cessation	30 th June, 2024
2.	Ms. Preeti	Company Secretary	Cessation	05 th July, 2024
3.	Mr. Rajesh Sethi	Chief Financial Officer	Appointment	04 th September, 2024
4.	Mr. Ritesh Singh	Company Secretary	Appointment	04 th September, 2024
5.	Mr. Ritesh Singh	Company Secretary	Cessation	13 th December, 2024
6.	Mr. Rahul Ghosh	Company Secretary & Compliance Officer	Appointment	17 th December, 2024

10. MEETINGS OF COMMITTEE'S

The Board of Directors of the Company had duly constituted the following Committees: -

A) AUDIT COMMITTEE

The Audit Committee as on 31st March 2025 comprised of the following members:

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Deepika



Sr. No.	Name of member	Designation
1	Mr. Anupam Shrivastava	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Mr. Rajiv Kumar Singh	Member
4	Mr. Shailendra Nath Rai	Member
5	Ms. Rahul Ghosh	Secretary

Details of meeting of the members of the Audit Committee are as under: -

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1.	26 th May, 2024	3	2	66.66
2.	26 th June, 2024	3	2	66.66
3.	04 th September, 2024	3	2	66.66
4.	17 th December, 2024	3	2	66.66
5.	17 th February, 2025	4	4	100

The Committee comprises the following members as on date:

Sr. No.	Name of member	Designation
1	Mr. Rajiv Kumar Singh	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Ms. Deepika Gupta	Member
4	Ms. Rahul Ghosh	Secretary

B) NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee as on 31st March 2025 comprised of the following members:

Sr. No.	Name of member	Designation
1	Mr. Anupam Shrivastava	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Mr. Vishal Sehgal	Member

Details of meeting of the members of the Nomination & Remuneration Committee are as under: -

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1.	16 th April, 2024	3	3	100
2.	20 th May, 2024	4	3	75

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Lava International Ltd.

3.	26 th June, 2024	4	3	75
4.	04 th September, 2024	3	2	66.66
5.	17 th December, 2024	3	2	66.66
6.	17 th February, 2025	3	3	100

The Committee comprises the following members as on date:

Sr. No.	Name of member	Designation
1	Mr. Ajay Kumar Singh	Chairman
2	Mr. Anupam Shrivastava	Member
3	Mr. Rajiv Kumar Singh	Member
4	Ms. Rahul Ghosh	Secretary

C) OPERATIONAL COMMITTEE

The Operational Committee as on 31st March 2025 comprised of the following members:

Sr. No.	Name of member	Designation
1	Mr. Sunil Raina	Chairman
2	Mr. Shailendra Nath Rai	Member
3	Mr. Sanjeev Agarwal	Member

Details of meeting of the members of the Operational Committee are as under: -

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1.	01 st May, 2024	3	3	100
2.	30 th May, 2024	3	3	100
3.	04 th July, 2024	3	3	100
4.	06 th August, 2024	3	3	100
5.	05 th November, 2024	3	3	100
6.	22 nd November, 2024	3	2	66.66
7.	10 th December, 2024	3	3	100
8.	16 th January, 2025	3	3	100
9.	24 th January, 2025	3	3	100
10.	30 th January, 2025	3	2	66.66
11.	20 th February, 2025	3	3	100
12.	25 th March, 2025	3	3	100



The Committee comprises the following members as on date:

Sr. No.	Name of member	Designation
1	Mr. Sunil Raina	Chairman
2	Mr. Rajesh Sethi	Member
3	Mr. Rahul Ghosh	Company Secretary & Compliance Officer

D) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee as on 31st March 2025 comprised of the following members:

Sr. No.	Name of member	Designation
1	Mr. Ajay Kumar Singh	Chairman
2	Mr. Anupam Shrivastava	Member
3	Mr. Sunil Raina	Member
4	Mr. Shailendra Nath Rai	Member
5	Mr. Sanjeev Agarwal	Member

The Committee comprises the following members as on date:

Sr. No.	Name of member	Designation
1	Mr. Rajiv Kumar Singh	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Mr. Sunil Raina	Member
4	Mr. Rahul Ghosh	Company Secretary & Compliance Officer

11. ANNUAL RETURN

Pursuant to Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the F.Y. 2024-2025 shall be placed on the website of the Company at <https://www.lavamobiles.com/investor-relations#investor-relation>.

12. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

sf. *Deepest*





13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company being an unlisted public Company, Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable on the Company.

14. SECRETARIAL STANDARD

During the year under review, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

15. PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson. The Company has formulated a Board Evaluation template for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The template provides the criteria for assessing the performance of Directors and comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired regarding the Company's business/activities, understanding of industry and global trends, etc.

The evaluation involves self-evaluation by the Board Member and subsequent assessment by the Board of Directors. In accordance with the manner of evaluation specified by the Nomination, Remuneration & Compensation Committee, the Board carried out the annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out the annual performance evaluation of the Chairman, the non-independent Directors and the Board as whole. The performance of each Committee was evaluated by the Board.

The Independent Directors of the Company convened a separate meeting on 22nd March 2025, in accordance with the 'Code of Conduct' of the Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

Subsequently, a summary report of the feedback of Directors on the questionnaire(s) was considered by the Nomination & Remuneration Committee and the Board of Directors.

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The Board endeavoured to use the outcome of the evaluation process constructively, to improve its own effectiveness and deliver superior performance,

16. STATUTORY AUDITORS AND STATUTORY AUDIT REPORT

During the year under review, at the Annual General Meeting of the Company held on 14th August, 2024, M/s Raj Gupta & Co., Chartered Accountants (FRN: 00203N) were appointed as the Statutory Auditors of the Company for a term of five (5) consecutive years, commencing from the conclusion of the 14th Annual General Meeting held on 14th August 2024 until the conclusion of the Annual General Meeting to be held for the Financial Year ending 31st March, 2025.

However, post closure of the year under review, M/s Raj Gupta & Co., Chartered Accountants (FRN: 00203N), resigned from the position of Statutory auditors of the Company with effect from 10th December 2025.

To fill the casual vacancy caused by the resignation of M/s Raj Gupta & Co., Chartered Accountants (FRN: 00203N), M/s PNAM & Co. LLP, Chartered Accountants (FRN: 001092N/N500395), were appointed as the Statutory Auditor of the Company by way of a resolution passed by circulation by the Board of Directors on 18th December 2025, on the recommendation of the Audit Committee of the Board of Directors, subject to the approval of the members of the Company at the ensuing Annual General Meeting of the Company. Subsequently, the appointment was approved by the members of the Company by way of Postal Ballot through e-voting on 22nd February 2026.

M/s PNAM & Co. LLP shall conduct the statutory audit of the Company for the financial year ended 31st March 2025 and shall hold office until the conclusion of the ensuing Annual General Meeting of the Company to be held for the financial year ended 31st March 2025.

The Auditors' report is self-explanatory and therefore, do not require any further clarification/explanation. Further, there was no fraudulent activity reported by the Statutory Auditors of the Company for the FY 2024-25.

The Audit Report is annexed with the financial statements of the Company.

17. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Kumar Wadhwa & Company, Company Secretaries were appointed by the Board of Directors at its meeting

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held on 26th June, 2024, as the Secretarial Auditors of the Company to conduct the secretarial audit for the financial year 2024-25. The Secretarial Audit Report in form MR-3 is annexed herewith as "Annexure - 2". The Secretarial Auditor has highlighted following points in his report:

- I. *The Company convened its Annual General Meeting (AGM) on 14 August 2024 for the financial year 2022-23, which had not been held within the prescribed timeline.*

Clarification: *The Operational Committee in its meeting held on 22nd May 2025 approved the submission of Compounding application in the said matter and accordingly, the Company filed the application with the office of the Regional Director, Ministry of Corporate Affairs on 23rd July 2025.*

Subsequently, the Company has suo moto withdrew the application of Compounding application before the office of the Regional Director, Ministry of Corporate Affairs, on the date of hearing held on 24th November 2025.

The Company will re-file the compounding application along with the compounding application pertaining to the AGM for the year 2025 before the office of the Regional Director, Ministry of Corporate Affairs.

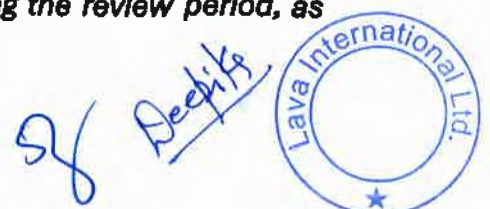
- II. *As of date of this report, the Company has not yet compounded the offence committed under Section 96 of the Companies Act for failing to hold the Annual General Meeting (AGM) for the financial year 2022-23 within the prescribed time.*

Clarification: *The Operational Committee in its meeting held on 22nd May 2025 approved the submission of Compounding application in the said matter and accordingly, the Company filed the application with the office of the Regional Director, Ministry of Corporate Affairs on 23rd July 2025.*

Subsequently, the Company has suo moto withdrew the application of Compounding application before the office of the Regional Director, Ministry of Corporate Affairs, on the date of hearing held on 24th November 2025.

The Company will re-file the compounding application along with the compounding application pertaining to the AGM for the year 2025 before the office of the Regional Director, Ministry of Corporate Affairs.

- III. *The Company did not publish requisite public notice(s) by way of newspaper advertisement for the general meetings conducted during the review period, as*





required under Rule 20 of the Companies (Management and Administration) Rules, 2014, in instances where e-voting provisions are applicable

Clarification: The Company convened Annual General Meeting of the Company for the FY 2022-23 on 14th August 2024 and for the FY 2023-24 on 30th September 2024. The newspaper publishment post-dispatch of Notice of AGMs was required to be issued in accordance with the provisions of the Companies Act 2013. The Notice of AGMs were issued in due compliance with the provisions of the Act and the Secretarial Standards on General Meeting issued by ICSI, however, inadvertently, the newspaper publishment of the fact that the AGM notice has been dispatched along with other relevant facts required to be captured in the newspaper publishment was missed.

Your Board has appointed M/s. Kumar Wadhwa & Company, Company Secretaries, at its meeting held on 28th August 2025, as the Secretarial Auditors of the Company, to conduct the secretarial audit for the Financial Year 2025 - 26.

18. DISCLOSURE ABOUT COST AUDIT

As per the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is applicable to the Company's products/ business in respect of Electricals or Electronic Machinery (mobile phones, tablets and communication equipment) as on 31st March 2024.

M/s. MM & Associates, Cost Accountants were appointed by the Board of Directors at its meeting held on 26th June 2024, as the Cost Auditors of the Company to conduct the audit of cost records for the financial year 2024-25.

A resolution seeking approval of the Members for ratification of the remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes, travel and actual out-of-pocket expenses payable to the Cost Auditors for Financial Year 2024-25 was approved by the members of the Company in the 15th Annual General Meeting held on 30th September 2024.

Your Board has appointed M/s. MM & Associates, Cost Accountants, at its meeting held on 28th August 2025, as the Cost Auditors of the Company for conducting cost audit for Financial Year 2025 - 26. Subsequently, the ratification of the remuneration was approved by the members of the Company by way of Postal Ballot through e-voting on 22nd February 2026.

The Cost Audit Report is annexed herewith as "Annexure - 3".





The Cost Audit Report on the accounts of the company for the year under consideration is self-explanatory and requires no comments. There is no qualification/ reservation/ adverse remark or disclaimer in the Cost Auditors' Report.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company has not made any Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013. The particulars of loans, guarantees and investments have been disclosed in note no. 6 & 7(a) of the standalone financial statements and note no. 6(a) and 6(b) of the consolidated financial statement for the financial year ended 31st March 2025:

20. TRANSACTIONS WITH RELATED PARTIES

During the year, none of the transactions with related parties came under the purview of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2024-25 and hence, does not form part of this report. Further for more details refer the note no. 30 of the standalone financial statements for the financial year ended 31st March 2025.

21. CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible Company, LAVA is committed to increasing its Corporate Social Responsibility (CSR) impact with an aim of playing a bigger role in sustainable development of our society. In pursuit of this objective, a Corporate Social Responsibility (CSR) Committee had been formed by the Company which oversees the activities relating to activities supporting the social and environmental causes.

The Company has in place a Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - 4** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprised of the following members as on 31st March 2025:

Sr. No.	Name of member	Designation
1	Mr. Sunil Raina	Chairman
2	Mr. Shailendra Nath Rai	Member



3	Mr. Anupam Shrivastava	Member
---	------------------------	--------

Details of meeting of the members of the Corporate Social Responsibility Committee held during the financial year ended 31st March 2025 are as under:

S. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1.	17 th February, 2025	3	3	100%
2.	24 th March, 2025	3	3	100%

The Committee comprises the following members as on date:

Sr. No.	Name of member	Designation
1	Mr. Anupam Shrivastava	Chairman
2	Mr. Shailendra Nath Rai	Member
3	Mr. Rahul Ghosh	Company Secretary & Compliance Officer

22. **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has laid down internal financial controls commensurate with nature and size of the business activity and with reference to the financial statements and that such internal financial controls are adequate and are operating effectively.

23. **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment and remuneration and other matters is available at the website of the Company and which can be accessed using <https://www.lavamobiles.com/investor-relations#corporate-governance>

24. **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2024-25 to which the financial statements relates and the date of this report.

25. **DIRECTORS RESPONSIBILITY STATEMENT**

As required under clause (c) of sub-section (3) of Section 134 of the Act, Directors, to the best of their knowledge and belief, state that:

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Lava International Ltd.

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. Appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March 2025 and of the profit and loss of the Company for the year ended 31st March 2025;
- c. Proper and sufficient care has been taken for 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. The annual accounts have been prepared on a going concern basis;
- e. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo are set out in Annexure – 5 forming part of the report.

27. **PREVENTION OF SEXUAL HARASSMENT POLICY**

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

During the period under consideration, the status of complaints received and cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is hereunder:

S. No.	Particulars	Remarks
1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than 90 days	Nil
4	Number of workshops on awareness programs against sexual harassment conducted during the year	4
5	Nature of action	NA



28. PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT, 1961

During the period under review, the Company has complied with all the provisions of the Maternity Benefit Act, 1961 and the rules made thereunder.

29. VIGIL MECHANISM POLICY

The Company has formulated and published a Whistle blower policy to provide whistle mechanism for employees including directors of the company to report the genuine concerns and ensure strict compliance with the ethical and legal standards across the Company in compliance with provision of section 177 (9) of the Companies Act, 2013. The same can be accessed at following web link: <https://www.lavamobiles.com/investor-relations#corporate-governance>

30. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has in place a Risk Management Policy for identification, assessment, measurement and reporting of business risks faced by the Company. The Risk Management Committee oversees the Risk Management framework. Risk Control and Mitigation mechanisms are tested for their effectiveness on regular intervals.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprised the following members as on 31st March 2025:

Sr. No.	Name of member	Designation
1	Mr. Shailendra Nath Rai	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Mr. Sunil Raina	Member
4	Mr. Sanjeev Agarwal	Member

During the Financial Year 2024-25, no meeting of Risk Management Committee was held.

However, post closure of the period under review, the Company dissolved the Risk Management Committee at its meeting held on 28th August 2025, stating that the Committee was formulated at the time of IPO preparations as a Statutory requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, no such committee requirement is required under the provisions of the Companies Act, 2013, the continuation of the Risk Management Committee was not considered necessary.

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31. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There is no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

32. EMPLOYEE STOCK OPTION

Under the various ESOP Plan, a total of 4,71,44,058 numbers of stock options were outstanding at the end of the financial year under consideration. Details of options vested, exercised and cancelled are provided in note 36 to Financial statement and Annexure – 6 to this report.

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

During the period ended 31st March 2025, your Company has not made any one time settlement in respect any loan taken from Banks or Financial Institutions.

34. DETAILS OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the period ended 31st March 2025, neither any application is made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

35. GENERAL

Your Directors state that no disclosure is required in respect of the following matters, as there were no transactions/events in relation thereto, during the period under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme of the Company.
4. Any money received from the Director and their relatives.
5. A disclosure in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates as per prescribed format under Companies (Share Capital and Debentures) Rules, 2014.

36. ACKNOWLEDGMENT

Your Directors acknowledge with gratitude the co-operation and support extended by Banks, Financial Institutions and various agencies of the Central Govt. and State Govt.





Your Directors would also like to express appreciation to the external advisors and consultants of the company for their constant co-operation and cordial relations with the company during the period under review.

For and on behalf of the Board of Directors
Lava International Limited

Sunil Raina
Managing Director
DIN: 09302069
Add: 2117, Tower-5, Valencia,
Mahagun Mezzaria, Sector-78,
Noida, Gautam Buddha Nagar,
Uttar Pradesh - 201301



Deepika Gupta
Non-Executive Director
DIN: 08850031
Add: Gali No-6, Near Jain Mandir,
Anand Vihar, Modinagar,
Ghaziabad (UP)-201204

Date: August 11, 2026
Place: Noida



ANNEXURE – 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in millions)

Particulars	Details					
	* Lava International (HK) Ltd. (Console) (Based in Hong Kong)		Lava Technologies DMCC. (Based in Dubai)		Xolo International (H.K.) Ltd. (Based in Hong Kong)	
Name of the subsidiary						
CIN/any other registration number	1542428		DMCC-78319		2202560	
Date since when subsidiary was acquired	20 th December, 2010		20 th February, 2017		10 th February, 2015	
Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii))	Section 2(87)(ii)		Section 2(87)(ii)		Section 2(87)(ii)	
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA		NA		NA	
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the	*HKD	Rs.	*AED	Rs.	*USD	Rs.



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case of foreign subsidiaries						
Share capital	10	109.82	18.37	427.40	0.01	1.10
Reserves & surplus	-41.08	-415.15	(37.84)	(880.20)	0.47	39.94
Total assets	8.76	96.24	0.23	5.44	2.24	191.51
Total Liabilities	39.84	437.58	19.70	458.24	1.76	150.47
Investments	-	-	-	-	-	-
Turnover	113.67	1248.37	-	-	11.53	984.66
Profit before taxation	1.39	15.27	(0.06)	(1.43)	0.19	16.01
Provision for taxation	-	-	-	-	-	-
Other Comprehensive Income: Translation difference	(0.84)	(9.21)	-	-	-	-
Profit after taxation	0.55	6.04	(0.06)	(1.43)	0.19	16.01
Proposed Dividend	-	-	-	-	-	-
Extent of shareholding	100		100		100	

Particulars	Lava Technologies LLC (Based in USA) (01.01.2024 – 31.12.2024)	
Name of the subsidiary	6884874	
CIN/any other registration number	14 TH May, 2018	
Date since when subsidiary was acquired	Section 2(87)(ii)	
Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii))	Calendar Year (01.01.2024 – 31.12.2024)	
Reporting period for the subsidiary concerned, if different from the holding company's reporting period		
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	*USD	INR
Share capital	0.40	34.17
Reserves & surplus	(0.40)	(34.17)
Total assets	0.02	1.71
Total Liabilities	0.02	1.71
Investments	-	-
Turnover	-	-
Profit before taxation	(0.03)	(2.56)
Provision for taxation	-	-



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Profit after taxation	(0.03)	(2.56)
Proposed Dividend	-	-
% of shareholding	100	

Particulars	China Bird Centro America, S.A. (Based in Panama)	
Name of the subsidiary	829392-1-501613	
CIN/any other registration number	September 2021	
Date since when subsidiary was acquired	Section 2(87)(ii)	
Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii))	Calendar Year (01.01.2024 – 31.12.2024)	
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The Company has provided the Financial Statements for the period 01.04.2024 – 31.03.2025.	
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	*USD	INR
Share capital	16.35	1396.38
Reserves & surplus	12.64	1079.34
Total assets	85.28	7284.95
Total Liabilities	56.30	4809.23
Investments	23.69	2023.34
Turnover	49.68	4244.06
Profit before taxation	3.34	285.27
Provision for taxation	(0.00)	(0.17)
Profit after taxation	3.34	285.10
Proposed Dividend	-	-
% of shareholding	100	

Notes:-

- Reporting periods for all the aforesaid entities are 31st March 2025
- Exchange rate as on the last date of the relevant financial year i.e., 31st March 2025:
HKD 1 = INR 10.982
AED 1 = INR 23.261
USD 1 = INR 85.424







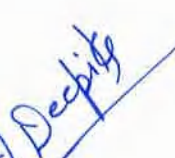


Particulars	Details			
Name of the subsidiary	Lava Enterprises Limited	Sojo Distribution Private Limited (SDPL)	Sojo Manufacturing Services Private Limited (SMSPL)	Sojo Manufacturing Services (AP) Private Limited (SMSAPPL)
CIN/any other registration number	U64100DL2013PLC260008	U74999DL2016PTC300501	U74999DL2016PTC300776	U74999DL2016PTC300552
Date since when subsidiary was acquired	25 th July, 2016	27 th May, 2016	02 nd June, 2016	27 th May, 2016
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
Share capital	52.50	0.10	22.20	39.60
Reserves & surplus	(38.63)	(11.03)	(33.66)	(0.32)
Total assets	14.16	14.38	0.96	40.01
Total Liabilities	0.29	25.31	12.43	0.73
Investments	-	-	-	0.20
Turnover	-	11.63	-	-
Profit before taxation	(50.52)	4.61	(32.11)	2.36
Provision for taxation	(13.13)	1.2	-	0.67
Profit after taxation	(37.38)	3.41	(32.11)	1.69
Proposed Dividend	-	-	-	-
% of shareholding	99.05	90	99.95	99.97

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations NA
- Names of subsidiaries which have been liquidated or sold during the year NA






Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1. Name of associates/Joint Ventures	MagicTel Solutions Pvt. Ltd.
2. Latest audited Balance sheet	31 st March, 2025
3. Date on which the Associate or Joint Venture was associated or acquired	17 th December, 2012
4. Shares of Associate/Joint Ventures held by the company on the year end	
- No.	2500 shares of Rs. 10/- per share
- Amount of Investment in Associates/Joint Venture	Rs. 25,000
- Extend of Holding%	25%
5. Description of how there is significant influence	25% of shareholding is held by the Company
6. Reason why the associate/joint venture is not consolidated	Not Applicable
7. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 12.98 million
8. Profit for the year	
A. Considered In Consolidation	Rs. 0.26 million
B. Not Considered in Consolidation	NA

Notes:

- 1) Amount of investment in joint venture/associate is based on the carrying value of investments in the standalone financial statements of venture/investor.

1. Name of associates/Joint Ventures	Yamuna Electronics Manufacturing Cluster Private Limited
2. Latest audited Balance sheet	31 st March, 2025
3. Date on which the Associate or Joint Venture was associated or acquired	02 nd February, 2016
4. Shares of Associate/Joint Ventures held by the company on the year end	
- No.	6,227,939 shares of Rs. 10/- per share
- Amount of Investment in Associates/Joint Venture	Rs. 62,279,390
- Extend of Holding%	45.33% (effective holding)
5. Description of how there is significant influence	Through the shareholder agreement of Yamuna Electronics manufacturing cluster private limited.
6. Reason why the associate/joint venture is not consolidated	Not Applicable



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Debit

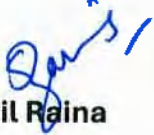
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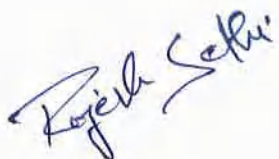
7. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. (8.66) million
8. Profit for the year	
Considered in Consolidation	Rs. (56.12) million
Not Considered in Consolidation	NIL

Effective holding of the Company has been considered for above information.

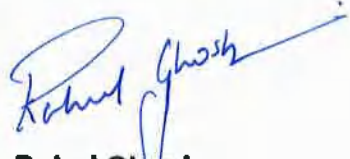
Amount of investment in joint venture/associate is based on the carrying value of investments in the standalone financial statements of venture/investor.


Sunil Raina
Managing Director
DIN: 09302069
Add: 2117, Tower-5, Valencia,
Mahagun Mezzaria, Sector-78,
Noida, Gautam Buddha Nagar,
Uttar Pradesh - 201301


Deepika Gupta
Non-Executive Director
DIN: 08850031
Add: Gali No-6, Near Jain Mandir,
Anand Vihar, Modinagar,
Ghaziabad (UP)-201204


Rajesh Sethi
Chief Financial Officer
ICAI M. No. - 078079
Add: #03163, ATS Advantage,
Ahinsa Khand 1, Near Habitat Centre,
Shipra Sun City, Indrapuram,
Ghaziabad -201014, Uttar Pradesh




Rahul Ghosh
Company Secretary
ICSI M. No. - A42036
Add: Flat No. 190C, 2nd Floor,
Block AG-1, Vikaspuri, New Delhi
110018

Date: August 11, 2026
Place: Noida



Annexure -2

Form No. MR-3 Secretarial Audit Report

For the Financial Year Ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
Lava International Limited
Regd. Off: B-14, House 2, Basement,
Shivlok Commercial Complex, Karampura,
New Delhi- 110015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lava International Limited (hereinafter 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 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 ended on **March 31, 2025**, 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 **Lava International Limited ("The Company")** for the period ended on **March 31, 2025** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- III. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- IV. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
Not Applicable as Company is an unlisted Company.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable as Company is an unlisted Company.**



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable as Company is an unlisted Company.**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as Company is an unlisted Company**
- d. The Securities and Exchange Board of India (Share Based Employee benefits and Sweat Equity) Regulations, 2021; **Not Applicable as Company is an unlisted Company.**
- e. The Securities and Exchange Board of India (issue and Listing of Debt Securities) Regulations, 2021: **Not Applicable as Company is an unlisted Company.**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; **Not Applicable as Company is an unlisted Company.**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as Company is an unlisted Company.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as Company is an unlisted Company.**
- i. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015; **Not Applicable as Company is an unlisted Company.**

VI. Other applicable Acts:

- (a) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (b) List of all other applicable acts are annexed in **Annexure B.**

We have relied on the presentation made by the Company and its Officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with any stock exchange(s); **Not Applicable as Company is an unlisted Company.**



We further report that:

During the period under review, the Board of Directors of the Company was duly constituted. However, during the financial year 2023–2024, a casual vacancy arose in the position of Woman Director on August 22, 2023. The Company did not fill the said vacancy within the prescribed timeframe, as required under Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Subsequently, in the financial year 2024–2025, the Company appointed **Ms. Deepika Gupta (DIN: 08850031)** as a Non-Executive Independent Director with effect from **May 20, 2024**, thereby complying with the applicable regulatory provisions.

Further, there were some changes in the composition of the Board of Directors and Key Managerial persons during the financial year under review, in accordance with the provisions of the Companies Act, 2013. Detailed information regarding changes in Board composition and Key Managerial persons is provided in **Annexure C**.

Observations under the Companies Act, 2013:

- The Company convened its Annual General Meeting (AGM) on August 14, 2024, for the financial year 2022–2023, which had not been held within the prescribed timeline.
- As of the date of this report, the Company has not yet compounded the offence committed under Section 96 of the Companies Act for failing to hold the Annual General Meeting (AGM) for the financial year 2022–23 within the prescribed time.
- The Company did not publish requisite public notice(s) by way of newspaper advertisement for the general meetings conducted during the review period, as required under Rule 20 of the Companies (Management and Administration) Rules, 2014, in instances where e-voting provisions were applicable.

Adequate notice is given to all Directors to attend the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at shorter notice.

The Company has obtained all necessary approvals under the various provisions of the Act; and

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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 period under review, it was observed that the Directorate of Enforcement (ED) has filed a case against the Company and its former Managing Director in connection with certain transactions pertaining to other company/companies relating to prior periods. The matter is currently under judicial consideration.

Note:

- i) This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.
- ii) The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/ expired on or before March 31, 2025 pertaining to Financial Year 2024-25.

Place: New Delhi
Date: 12.06.2025

**For Kumar Wadhwa & Company
Company Secretaries**




Sanjay Kumar
Managing Partner
Mem No.: F9211
COP No. 7027

UDIN: F009211G000586590
Peer Review Certificate No.: 3834/2023



“ANNEXURE A”

To,
The Members of
Lava International Limited
Regd. Off: B-14, House 2, Basement,
Shivlok Commercial Complex, Karampura,
West Delhi- 110015

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise 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.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Place: New Delhi
Date: 12.06.2025

For Kumar Wadhwa & Company
Company Secretaries




Sanjay Kumar
Managing Partner
Mem No.: F9211
COP No. 7027

UDIN: F009211G000586590
Peer Review Certificate No.: 3834/2023



“ANNEXURE B”

List of other laws applicable to the Company

1. The Indian Telegraph Act, 1885 (“Telegraph Act”)
2. The Legal Metrology Act, 2009 (“Legal Metrology Act”)
3. Bureau of Indian Standards Act, 2016 (“BIS Act”)
4. Consumer Protection Act, 2019 (the “Consumer Protection Act”) and rules made thereunder
5. Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (the “Electronics and IT Goods Order 2012”)
6. Production Linked Incentive Scheme for Large Scale Electronics Manufacturing (“PLI Scheme”)
7. Foreign Investment Regulations
8. Regulations specific to mobile handsets
 - (i) International Mobile Equipment Identity and Electronic Serial Number
 - (ii) Panic-button rules and Global Positioning System Facility in all Mobile Phone Handsets Rules, 2016 (“Panic Button Rules”)
9. Laws relating to Intellectual Property
 - (i) The Trademarks Act, 1999 (“Trademark Act”)
 - (ii) The Patents Act, 1970 (“Patents Act”)
 - (iii) The Copyright Act, 1957 (“Copyright Act”)
 - (iv) Semiconductor Integrated Circuits Layout-Design (SICLD) Act, 2000 (“Semiconductor Integrated Circuits Act”)
 - (v) Designs Act, 2000 (“Designs Act”)
10. Environmental Laws
 - (i) The Environment Protection Act, 1986 (the “Environment Act”)
 - (ii) The Environment (Protection) Rules, 1986 (the “Environment Rules”)
 - (iii) The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the “EIA Notification”)
 - (iv) E-Waste Management Rules, 2016 (the “E-Waste Rules”)
 - (v) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)
 - (vi) Plastic Waste Management Rules, 2016 (“Plastic Waste Management Rules”)
11. Laws relating to taxation
 - (i) Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017, each as amended, and various state-wise legislations made thereunder



- (ii) The Integrated Goods and Service Tax Act, 2017
- (iii) Professional Tax state-wise legislations
- (iv) Indian Stamp Act, 1899 and various state-wise legislations made thereunder
- (v) Customs Act, 1962 and the various rules issued thereunder

12. Laws relating to employment

- (i) Factories Act, 1948;
- (ii) Contract Labour (Regulation and Abolition) Act, 1970;
- (iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- (iv) Employees' State Insurance Act, 1948;
- (v) Minimum Wages Act, 1948;
- (vi) Payment of Bonus Act, 1965;
- (vii) Payment of Gratuity Act, 1972;
- (viii) Payment of Wages Act, 1936;
- (ix) Maternity Benefit Act, 1961;
- (x) Industrial Disputes Act, 1947;
- (xi) Employees' Compensation Act, 1923;
- (xii) Sexual Harassment of Women (Prevention, Prohibition and Redressal) Act, 2013; and
- (xiii) Public Liability Insurance Act, 1991

**For Kumar Wadhwa & Company
Company Secretaries**

Place: New Delhi

Date: 12.06.2025



**Sanjay Kumar
Managing Partner
Mem No.: F9211
COP No. 7027**

**UDIN: F009211G000586590
Peer Review Certificate No.: 3834/2023**



KUMAR WADHWA & COMPANY

COMPANY SECRETARIES

📍 C-1/113, Ground Floor, Sector-11, Opposite CNG Station, Rohini, Delhi-110085
☎ +91 9711636370, +91 9899889298 @ www.kumarwadhwa.com, ✉ office@kumarwadhwa.com, sssp28@gmail.com

“ANNEXURE C”

List of Changes in the composition of Board of Director and Key Managerial persons during the financial year 2024-25

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1.	Mr. Asitava Bose	CFO	03-12-2022	30-06-2024
2.	Mrs. Preeti	Company Secretary	01-09-2023	05-07-2024
3.	Mr. Ajay Kumar Singh	Independent Director	16-04-2024	-
4.	Mrs. Deepika Gupta	Non-Executive Director	20-05-2024	-
5.	Mr. Rajiv Kumar Singh	Independent Director	27-08-2024	-
6.	Mr. Ritesh Singh	Company Secretary	04-09-2024	13-12-2024
7.	Mr. Rajesh Sethi	CFO	04-09-2024	-
8.	Mr. Rahul Ghosh	Company Secretary	17-12-2024	-

For Kumar Wadhwa & Company
Company Secretaries

Place: New Delhi
Date: 12.06.2025



Sanjay Kumar
Managing Partner

Mem No.: F9211
COP No. 7027

UDIN: F009211G000586590
Peer Review Certificate No.: 3834/2023

**LAVA
INTERNATIONAL
LIMITED**

COST AUDIT REPORT

Year Ended 31st March 2025

MM & Associates

Cost Accountants

10D, Sector -7, Pocket- 1, Dwarka,
New Delhi-110075
E-mail: office@mmcma.com

COST AUDITOR'S REPORT

We, **M/s. MM & ASSOCIATES ,COST ACCOUNTANTS** having been appointed as Cost Auditor under section 148(3) of the Companies Act,2013 (18 of 2013) of **LAVA INTERNATIONAL LIMITED**, having its registered office at B-14, House 2, Basement, Shivlok, Commercial Complex, West Delhi, Delhi-110015, have audited the Cost Records maintained under Section 148 of the said Act, In compliance with the cost auditing standards, in respect of the products covered under Cost Audit for the period 2024-25 maintained by the company and report, in addition to our observations and suggestions in Para 2.

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- (ii) In our opinion, proper cost records, as per Rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the company in respect of product(s) under the rules.
- (iii) In our opinion, proper returns adequate for the purpose of the Cost Audit have been received from the branches not visited by us;
- (iv) In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013, in the manner so required;
- (v) In our opinion, company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
- (vi) In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of product(s), cost of sales, margin and other information relating to product(s) under the rules.
- (vii) Detailed unit-wise and product-wise cost statements and schedules thereto in respect of the product under reference of the company duly audited and certified by us are kept in the company.

Auditor's Responsibility

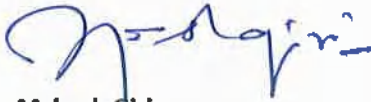
The Annexures forming part of this Cost Audit Report have been prepared by the Management based on the restated/revised financial statements of the Company. Our responsibility under the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 is limited to the examination of the cost records and cost statements maintained by the Company and the reporting thereon.

We have relied upon the restated financial information solely for the purpose of reconciliation of the cost records with the financial statements and for the prescribed annexures. We have neither audited nor verified the adjustments, reclassifications, or restatement entries made in the financial statements and, accordingly, do not express any opinion or assurance on the appropriateness, completeness, or correctness of such restatement. Our opinion in this Cost Audit Report should not be construed as an opinion on the restated financial statements or the adjustments giving rise thereto.

Cost Auditor's observation and suggestions

- a) The Available Capacity shown in Para B (Annexure 1) of the cost audit report is as certified by the management.
- b) Closing stock in terms of quantities and values for the audited products are as certified by the management.
- c) Cost of Sales for the company as a whole includes cost of production and cost of sales of the audited products as well as unaudited products/activities. The figures for the unaudited products/activities are as certified by the management
- d) Normal Price (Ann5-Part D) and basis adopted to determine the normal price are as certified by the management and have not been verified/audited by us.
- e) Reconciliation of Indirect Taxes for the company as a whole (Ann 6-Part D) are based on the monthly returns submitted by the company to various authorities and prima facie reviewed by us. We have, however, not made a detailed examination of the GST records with a view to determine whether they are accurate or complete.
- f) The comparative figures for the financial year 2023-24 presented in the annexures to this Cost Audit Report have been restated by the Management, wherever considered necessary, to conform to the accounting treatment, classification, and presentation adopted in the current financial year, thereby ensuring comparability between the two financial years.

**For M/s MM & Associates
Cost Accountants**



**Mahesh Giri
Membership No.- 34012
Partner
UDIN: 2634012ZZFXN70JW07**

**Date:11/08/2026
Place: New Delhi**



ANNEXURE TO THE COST AUDIT REPORT

Part A

Year ended 31st March, 2025

1. General Information		
1.	Corporate identity number or foreign company registration number	U32201DL2009PLC188920
2.	Name of company	LAVA INTERNATIONAL LIMITED
3.	Address of registered office or of principal place of business in India of company	B-14, House 2, Basement, Shivlok, Commercial Complex, West Delhi, Delhi-110015
4.	Address of corporate office of company	A-56, Sector – 64, Noida-201301 (UP), Noida, Uttar Pradesh 201301
5.	Email address of company	compliance1@lavainternational.in
6.	Date of reporting	1 st April 2024 to 31 st March 2025
7.	Dates of previous financial year	1 st April 2023 to 31 st March 2024
8.	Level of rounding used in cost statements	Million
9.	Reporting currency of entity	INR
10.	Number of cost auditors for reporting period	One
11.	Date of board of directors meeting in which annexure to cost audit report was approved	11.08.2026
12.	Whether cost auditor's report has been qualified or has any reservations or contains adverse remarks	No
13.	Consolidated qualifications, reservations or adverse remarks of all cost auditors	No
14.	Consolidated observations or suggestions of all cost auditors	Observation and suggestions are part of Auditor's Report
15.	Whether company has related party transactions for sale or purchase of goods or services	Yes



ANNEXURE TO THE COST AUDIT REPORT

Part A

Year ended 31st March, 2025

2. General Details of Cost Auditor		
1.	Whether cost auditor is lead auditor	Yes
2.	Category of cost auditor	Partnership Firm
3.	Firm's registration number	000454
4.	Name of cost auditor's firm	M/s. MM & Associates
5.	PAN of cost auditor's firm	AAXFM0019L
6.	Address of cost auditor or cost auditors firm	10D, Sector-7, Pocket-1, Dwarka, New Delhi-110075
7.	Email id of cost auditor or cost auditors firm	office@mmcma.com
8.	Membership number of member signing report	34012
9.	Name of member signing report	Mahesh Giri
10.	Name of product or service with Service code, if applicable	Feature Phone and Smart Phone
11.	SRN number of Form CRA-2	F96991567
12.	Number of audit committee meeting attended by cost auditor during year	Nil
13.	Date of signing cost audit report and annexure by cost auditor	11.08.2026
14.	Place of signing cost audit report and annexure by cost auditor	New Delhi



3. Cost Accounting Policy read with CRA-1

1. The company is involved in manufacturing and trading activity of mobile handsets in its plants located in Uttar Pradesh. Cost Accounting Records compilation is made in correspondence with financial accounting system on broad basis as far as totality of revenue and expenses are concerned. Detail allocation of revenue and cost to the products manufactured takes consideration of cost centers relating to the products at different plants operated by the company. The company takes into consideration the production of feature phones as a base to convert the production of smart phones (including HMD) into the equivalent production of feature phones. Allocations of the expenses related to the manufacturing activity is then done on the basis of cost drivers such as equivalent production and sales values.

(a) Identification of cost centers/cost objects and cost drivers.

The products are broadly categorized in two product segments. One is feature phone and the other category is smart phone. The expenses are accumulated under different cost centers classified as production cost centers, service cost centers, works overheads, administration overheads and selling & distribution overheads.

The following cost Centre has been identified by the company for the purpose of collection analysis and allocation of expenses: -

(1) Production Cost Centers

- LM 01
- LM 02

(2) Service Cost Centre

- Repair & Maintenance
- Utilities
- Administration overheads
- Selling overheads.
- Others.

(b) Accounting for material cost including packing materials, stores and spares etc., Employee cost, utilities and other relevant cost components.

Material Cost, Packing Material, Stores & Spares: Material, packing material, stores and spares are valued at purchase cost, comprising purchase price, non-creditable duties and taxes, freight inward, insurance and other directly attributable procurement costs, net of trade discounts, rebates and recoverable taxes. Issues to production are valued using the weighted average cost method. Material costs are directly assigned to the respective products wherever identifiable.

Employee Cost: Direct employee costs are assigned directly to the respective production cost centres. Indirect employee costs are accumulated under the relevant overhead cost centres and allocated to products on the basis of appropriate cost drivers, including equivalent production, wherever applicable.

Utilities and Other Cost Components: Power, fuel, water, utilities, repairs and maintenance, depreciation and other manufacturing costs are accumulated at the respective cost centres and allocated to products based on appropriate allocation bases such as actual consumption, equivalent production or other relevant cost drivers, as applicable.



(c) Accounting, allocation and absorption of overheads

Overheads are classified into production overheads, administrative overheads, selling and distribution overheads and other overheads based on the nature and purpose of the expenditure. Wherever practicable, overhead costs are directly assigned to the respective cost centres.

Common overheads that cannot be directly identified with a specific cost centre are apportioned using appropriate cost drivers such as equivalent production quantity, sales value, or other equitable bases, depending upon the nature of the expense.

The overheads accumulated in the respective cost centres are absorbed into the cost of products using equivalent production quantity or such other appropriate absorption bases that reflect the consumption of resources by the products. The methods of allocation and absorption are applied consistently and are in accordance with the Generally Accepted Cost Accounting Principles and the applicable Cost Accounting Standards issued by the Institute of Cost Accountants of India.

(d) Accounting for Depreciation/Amortization

Depreciation and amortisation are accounted for in the cost records in accordance with the applicable Cost Accounting Standards and are based on the depreciation and amortisation recognised in the financial books, subject to adjustments, wherever required, for cost accounting purposes.

Depreciation and amortisation directly attributable to a specific production or service cost centre are assigned to the respective cost centre and absorbed into the cost of products appropriate cost drivers such as using equivalent production quantity or sales value.

(e) Accounting for by-products/joint-products, scraps, wastage etc.

Joint Products/By- Products: - There are no Joint Products/By- Products.

Scrap/Wastage: - Scrap/ Wastage generated valued at realizable value.

(f) Basis for Inventory Valuation

Finished goods and work-in-progress are valued at cost, comprising direct material, direct employee cost, direct expenses and an appropriate share of production overheads. Inventories are valued at the lower of cost and net realisable value wherever required under the applicable accounting framework.

(g) Methodology for valuation of Inter-Unit/Inter Company and Related Party transactions

The basis of valuation adopted for such transactions is disclosed in Annexure D-5.

(h) Treatment of abnormal and non-recurring costs including classification of other non-cost items

All abnormal and non-recurring costs including other non-cost item are excluded from cost accounts and shown as part of reconciliation statement. Finance cost forms part of reconciliation statement.

(i) Other relevant cost accounting policy adopted by the Company

NA



2. Briefly specify the changes, if any, made in the cost accounting policy for the product / activities under audit during the current financial year as compared to previous financial year.

There has been no change as such in the cost accounting policy.

3. Observation of the Cost Auditor regarding adequacy or otherwise of the budgetary Control System, if any, followed by the company.

Based on our examination of the records and explanations provided by the management, the Company has an adequate budgetary control system commensurate with the size, scale and complexity of its operations. Annual operating and financial budgets are prepared and approved by the management. Actual performance is periodically compared with budgeted figures through the ERP/MIS reporting framework, and significant variances are reviewed by the management for appropriate corrective action.



Part A (Annexure 4)
Product/Service Details
Year ended 31st March, 2025

Product/Service Name	UOM	CETA Heading (wherever applicable)	Covered In Cost Audit	Previous Year Figures	Net Operational Revenue	
					2024-25 (in Mn.)	2023-24 (in Mn.)
Feature Phone	Nos.	85171219	Yes	Yes	9,023.58	10,253.36
Smart Phone	Nos.	85171211	Yes	Yes	5,864.96	11,624.18
Total Net Operational Revenue of Manufactured Product or Services	-	-	-	-	14,888.55	21,877.54
Other Operating Incomes of Company	-	-	-	-	1,121.38	808.28
Total Operating Incomes of Company	-	-	-	-	16,009.92	22,685.81
Other Incomes of Company	-	-	-	-	110.43	208.69
Total Revenue as per Financial Accounts	-	-	-	-	16,120.35	22,894.50
Exceptional and Extra Ordinary Incomes	-	-	-	-	-	-
Other Comprehensive Income, if any	-	-	-	-	-	-
Total Revenue including Extra Ordinary Income	-	-	-	-	16,120.35	22,894.50
Turnover as per Excise/Service Tax/ GST Records.*	-	-	-	-	27,560.10	33,635.27
Difference	-	-	-	-	(11,439.75)	(10,740.76)

Reconciliation as under	(11,439.75)	(10,740.76)
Stock Transfer	8,943.46	9,192.00
Cross Charge	231.17	240.60
Consignment Sales	1,534.04	606.96
Other Income	(110.43)	(208.69)
Ind AS Adjustments	484.85	748.65
GST under RCM	271.29	170.06
Other Sales Adjustments	85.35	(11.48)
	(0.02)	2.67



Para B (Annexure 1)
Quantitative Information
Year ended 31st March, 2025

Name of Product	:	Feature Phone
CETA Heading	:	85171219
Unit of Measurement	:	Nos.

Particulars	2024-25	2023-24
1. Available Capacity		
(a) Installed Capacity at the beginning of the year	4,25,25,101	4,25,25,101
(b) Capacity enhanced during the year	-	-
(c) Capacity available through leasing arrangements	-	-
(d) Capacity available through loan license/third parties	-	-
(e) Total available Capacity	4,25,25,101	4,25,25,101
2. Actual Production		
(e) Self – manufactured	1,25,63,982	1,36,16,161
(b) Under leasing arrangements	-	-
(c) On loan license/by third parties on job work	-	-
(d) Total Production	1,25,63,982	1,36,16,161
3. Production as per Excise Records/GST	1,25,63,982	1,36,16,161
4. Capacity Utilization (In - house)	29.54%	32.02%
5. Finished Goods Purchased		
(a) Domestic Purchase of Finished Goods	-	-
(b) Imports of Finished Goods	-	-
(c) Total Finished Goods Purchased	-	-
6. Stock and Other Adjustments		
(a) Change in Stock of Finished Goods	(18,467)	1,02,459
(b) Self/Captive Consumption	-	-
(c) Other Quantitative Adjustments	5,746	(2,773)
(d) Total Adjustments	(12,721)	99,686
7. Total Available Quantity for Sale	1,25,51,261	1,37,15,847
8. Actual Sales		
(a) Domestic Sales of Manufactured Products	1,19,67,798	1,35,46,549
(b) Domestic Sales of Traded Products	-	-
(c) Export Sale of Manufactured Products	5,83,463	1,69,298
(d) Export Sale of Traded Products	-	-
(e) Total Quantity Sold	1,25,51,261	1,37,15,847



Para B (Annexure 2)
Abridged Cost Statement
Year ended 31st March, 2025

Name of Product	:	Feature Phone
CETA heading	:	85171219
Unit of Measurement	:	Pcs

Year	Production	Finished Goods Purchased	Finished Stock Adjustment	Captive Consumption	Other Adjustments	Quantity Sold
2024-25	1,25,63,982	-	(18,467)		5,746	1,25,51,261
2023-24	1,36,16,161	-	1,02,459		(2,773)	1,37,15,847

Particulars	2024-25		2023-24	
	Amount (in Mn.)	Cost/Unit (Rs.)	Amount (in Mn.)	Cost/Unit (Rs.)
Material Consumed	5,707.97	454.31	6,756.62	496.22
Process Materials/Chemicals	-	-	-	-
Utilities	32.08	2.55	32.40	2.38
Direct Employees Cost	253.94	20.21	275.29	20.21
Direct Expenses	45.19	3.60	45.54	3.34
Consumable Stores & Spares	30.13	2.40	23.42	1.72
Repairs & Maintenance	15.48	1.23	14.77	1.09
Quality Control Expenses	-	-	-	-
Research & Development Expenses	-	-	-	-
Technical know-how Fee / Royalty	-	-	-	-
Depreciation / Amortization	103.05	8.20	110.19	8.09
Other Production Overheads	114.72	9.13	95.24	6.99
Industry Specific Operating Expenses	-	-	-	-
Total	6,302.56	501.64	7,353.47	540.05
Increase / Decrease in Work-in-Progress	-	-	-	-
Less: Credits for Recoveries	-	-	-	-
Primary Packing Cost	-	-	-	-
Cost of Production / Operation	6,302.56	501.64	7,353.47	540.05
Cost of Finished Goods Purchased	-	-	-	-
Total Cost of Production and Purchased	6,302.56	501.64	7,353.47	540.05
Increase / Decrease in Stock of Finished Goods	8.87	0.71	115.29	8.47
Less: Self/Captive Consumption	-	-	-	-
Other Adjustments	-	-	-	-
Cost of Production of Goods Sold	6,311.43	502.85	7,468.76	544.53
Administrative Overheads	1,366.91	108.91	1,116.94	81.43
Secondary Packing Cost	-	-	-	-
Selling & Distribution Overheads	1,182.96	94.25	890.74	64.94
Interest & Financing Charges	-	-	-	-
Cost of Sales	8,861.30	706.01	9,476.44	690.91
Net Sales Realization	9,023.58	718.94	10,253.36	747.56
Margin [Profit/Loss]	162.28	12.93	776.92	56.64

Notes to Annexure B2 (Feature Phone)**Note 1:**

The comparative figures have been restated pursuant to the correction of the revenue recognition treatment in accordance with the requirements of Ind AS 115 – Revenue from Contracts with Customers. Accordingly, sales of 187,000 units, which were recognised in the previous financial year 2023-24, have been reversed as the related revenue did not meet the criteria for recognition under Ind AS 115. Consequently, the sales quantity has been reduced by 187,000 units, with a corresponding increase in closing inventory by 187,000 units. The comparative figures have accordingly been restated to reflect the revised revenue recognition treatment and to ensure comparability with the current financial year.

Note 2:

The comparative figures have been restated to correct the classification of certain purchases pertaining to trading activities, which were inadvertently included in the manufacturing activities in the previous financial year 2023-24. Pursuant to the correction, the production quantity has been reduced by 97,000 units, representing quantities which were incorrectly considered as part of manufacturing operations. Consequently, the related impact has been removed from the closing inventory. The correction has also resulted in a corresponding reduction in raw material consumption and the value of closing inventory, to appropriately reflect the nature of the underlying trading transactions and ensure consistency and comparability of the comparative figures.



Para B (Annexure 2A)
Details of Material Consumed

Name of Product	Feature Phone
CETA Heading	85171219
UOM	Pcs

Description of material	Category	UOM	2024-25			2023-24		
			Quantity	Rate per unit (Rs.)	Amount (in Mn.)	Quantity	Rate per unit (Rs.)	Amount (in Mn.)
PCBA Components	IMP	Pcs	1,28,03,692	188.68	2,415.86	1,36,12,043	219.07	2,982.04
TP/LCD	IMP	Pcs	1,19,81,963	54.64	654.66	1,36,12,171	59.24	806.42
Battery	IND	Pcs	1,22,85,414	61.37	753.98	1,25,25,154	73.16	916.39
Others	IND	Pcs	27,49,23,995	4.99	1,370.59	26,49,34,307	3.17	840.01
Others	IMP	Pcs	12,68,95,396	4.04	512.90	18,68,75,241	6.48	1,211.77
Total			43,88,90,460		5,707.97	49,15,58,916		6,756.62

Para B (Annexure 2B)
Details of Utilities Consumed

Name of Product	Feature Phone
CETA Heading	85171219

Description of Utilities	2024-25			2023-24		
	Quantity	Rate per unit (Rs.)	Amount	Quantity	Rate per unit (Rs.)	Amount
Power & Fuel	35,32,478	9.08	32.08	34,47,500	9.40	32.40
Total	35,32,478		32.08	34,47,500		32.40



Para B (Annexure 1)
Quantitative Information
Year ended 31st March, 2025

Name of Product	:	Smart Phone
CETA Heading	:	85171211
Unit of Measurement	:	Pcs

Particulars	2024-25	2023-24
1. Available Capacity		
(a) Installed Capacity at the beginning of the year	2,43,36,000	2,43,36,000
(b) Capacity enhanced during the year	-	-
(c) Capacity available through leasing arrangements	-	-
(d) Capacity available through loan license/third parties	-	-
(a) Total available Capacity	2,43,36,000	2,43,36,000
2. Actual Production		
(a) Self – manufactured	8,77,799	16,49,234
(b) Under leasing arrangements	-	-
(c) On loan license/by third parties on job work	-	-
(d) Total Production	8,77,799	16,49,234
3. Production as per Excise Records/GST	8,77,799	16,49,234
4. Capacity Utilization (in - house)	3.61%	6.78%
5. Finished Goods Purchased		
(a) Domestic Purchase of Finished Goods	-	-
(b) Imports of Finished Goods	-	-
(c) Total Finished Goods Purchased	-	-
6. Stock and Other Adjustments		
(a) Change in Stock of Finished Goods	11,370	29,236
(b) Self/Captive Consumption	-	-
(c) Other Quantitative Adjustments	1,479	(2,420)
(d) Total Adjustments	12,849	26,816
7. Total Available Quantity for Sale	8,90,648	16,76,050
8. Actual Sales		
(a) Domestic Sales of Manufactured Products	8,62,942	16,58,649
(b) Domestic Sales of Traded Products	-	-
(c) Export Sale of Manufactured Products	27,706	17,401
(d) Export Sale of Traded Products	-	-
(e) Total Quantity Sold	8,90,648	16,76,050



Para B (Annexure 2)
Abridged Cost Statement
Year ended 31st March, 2025

Name of Product	:	Smart Phone
CETA heading	:	85171211
Unit of Measurement	:	Pcs

Year	Production	Finished Goods Purchased	Finished Stock Adjustment	Captive Consumption	Other Adjustments	Quantity Sold
2024-25	8,77,799	-	11,370		1,479	8,90,648
2023-24	16,49,234	-	29,236		(2,420)	16,76,050

Particulars	2024-25		2023-24	
	Amount (in Mn.)	Cost/Unit (Rs.)	Amount (in Mn.)	Cost/Unit (Rs.)
Material Consumed	5,547.60	6,319.89	10,181.83	6,173.67
Process Materials/Chemicals	-	-	-	-
Utilities	5.74	6.54	6.57	3.98
Direct Employees Cost	45.46	51.78	55.84	33.86
Direct Expenses	8.09	9.21	9.24	5.60
Consumable Stores & Spares	5.39	6.14	4.75	2.88
Repairs & Maintenance	2.77	3.16	3.00	1.82
Quality Control Expenses	-	-	-	-
Research & Development Expenses	-	-	-	-
Technical know-how Fee / Royalty	-	-	-	-
Depreciation / Amortization	18.45	21.01	22.35	13.55
Other Production Overheads	20.53	23.39	19.32	11.71
Industry Specific Operating Expenses	-	-	-	-
Total	5,654.03	6,441.14	10,302.89	6,247.07
Increase / Decrease in Work-in-Progress	-	-	-	-
Less: Credits for Recoveries	-	-	-	-
Primary Packing Cost	-	-	-	-
Cost of Production / Operation	5,654.03	6,441.14	10,302.89	6,247.07
Cost of Finished Goods Purchased	-	-	-	-
Total Cost of Production and Purchased	5,654.03	6,441.14	10,302.89	6,247.07
Increase / Decrease in Stock of Finished Goods	8.54	-	116.19	-
Less: Self/Captive Consumption	-	-	-	-
Other Adjustments	-	-	-	-
Cost of Production of Goods Sold	5,662.57	6,357.81	10,419.07	6,216.44
Administrative Overheads	793.55	890.98	949.50	566.51
Secondary Packing Cost	-	-	-	-
Selling & Distribution Overheads	267.24	300.05	131.88	78.69
Interest & Financing Charges	-	-	-	-
Cost of Sales	6,723.36	7,548.84	11,500.46	6,861.64
Net Sales Realization	5,864.96	6,585.05	11,624.18	6,935.46
Margin [Profit/Loss]	(858.40)	(963.79)	123.72	73.82



Notes to Annexure B2 (Smart Phone)**Note 1:**

The comparative figures have been restated pursuant to the correction of the revenue recognition treatment in accordance with the requirements of Ind AS 115 – Revenue from Contracts with Customers. Accordingly, sales of 99,376 units, which were recognised in the previous financial year 2023-24, have been reversed as the related revenue did not meet the criteria for recognition under Ind AS 115. Consequently, the sales quantity has been reduced by 99,376 units, with a corresponding increase in closing inventory by 99,376 units. The comparative figures have accordingly been restated to reflect the revised revenue recognition treatment and to ensure comparability with the current financial year.

Note 2:

The comparative figures have been restated to correct the classification of certain purchases pertaining to trading activities, which were inadvertently included in the manufacturing activities in the previous financial year 2023-24. Pursuant to the correction, the production quantity has been reduced by 98,038 units, representing quantities which were incorrectly considered as part of manufacturing operations. Consequently, the related impact has been removed from the closing inventory. The correction has also resulted in a corresponding reduction in raw material consumption and the value of closing inventory, to appropriately reflect the nature of the underlying trading transactions and ensure consistency and comparability of the comparative figures.



Para B (Annexure 2A)**Details of Material Consumed**

Name of Product	Smart Phone
CETA Heading	85171211
UOM	Pcs

Description of material	Category	UOM	2024-25		Amount (in Mn.)	2023-24		
			Quantity	Rate per unit (Rs.)		Quantity	Rate per unit (Rs.)	Amount (in Mn.)
PCBA Components	IMP	Pcs	17,51,019	1,564.48	2,739	30,70,382	1,686.88	5,179
TP/LCD	IMP	Pcs	1,86,742	1,083.16	202	13,60,677	913.67	1,243
Battery	IND	Pcs	7,35,194	320.03	235	15,30,357	370.14	566
Others	IND	Pcs	1,43,18,446	22.10	316	2,47,51,114	16.68	413
Others	IMP	Pcs	4,07,96,040	50.35	2,054	7,97,80,846	34.84	2,780
Total			5,77,87,441		5,547.60	11,04,93,375		10,182

Para B (Annexure 2B)**Details of Utilities Consumed**

Name of Product	Smart Phone
CETA Heading	85171211

Description of Utilities	2024-25			2023-24		
	Quantity	Rate per unit (Rs.)	Amount (in Mn.)	Quantity	Rate per unit (Rs.)	Amount (in Mn.)
Power & Fuel	6,32,316	9.08	5.74	6,99,253	9.40	6.57
Total	6,32,316		5.74	6,99,253		6.57



Para D (Annexure 1)
Product/Service Profitability Statement
Year ended 31st March, 2025

S.No.	Particulars	2024-25			2023-24		
		Sales (Rs. In Mn.)	Cost of Sales (Rs. In Mn.)	Margin (Rs. In Mn.)	Sales (Rs. In Mn.)	Cost of Sales (Rs. In Mn.)	Margin (Rs. In Mn.)
1.	Feature Phone	9,023.58	8,861.30	162.28	10,253.36	9,476.44	776.92
2.	Smart Phone	5,864.96	6,723.36	(858.40)	11,624.18	11,500.46	123.72
	Total	14,888.55	15,584.66	(696.11)	21,877.54	20,976.90	900.64



Para D (Annexure 2)
Profit Reconciliation
Year ended 31st March, 2025

Particulars	2024-25 (Rs. In Mn.)	2023-24 (Rs. In Mn.)
Profit for the Audited Product Groups	(696.11)	900.64
Profit for the Un- Audited Product Groups	(838.64)	(149.65)
Add: Income not considered in Cost	110.43	208.69
Less: Expenses not considered in Cost	2,523.04	4,489.28
Total	(3,947.36)	(3,529.60)
Difference in stock valuation as per cost and financial records.	-	-
Profit as per P&L Account	(3,947.36)	(3,529.60)

Details of Income not considered in Cost

Particulars	2024-25 (Rs. In Mn.)	2023-24 (Rs. In Mn.)
Interest income on financial asset at amortised cost	(0.31)	1.27
Interest income on fixed deposits with banks	46.02	92.03
Net gain on sale of mutual fund investments	0.56	(0.24)
Incentive from government	23.57	-
Fair value gain on derivative financial instruments	-	1.83
Foreign exchange differences (net)	20.78	107.34
Profit on Sales of assets	-	0.65
Miscellaneous income	19.81	5.81
Total	110.43	208.69

Details of Expenses not considered in Cost

Particulars	2024-25 (Rs. In Mn.)	2023-24 (Rs. In Mn.)
Donation	-	0.07
Corporate social responsibility expense	10.80	10.79
Provision on legal Cases	1,037.09	2,867.13
Provision of taxation matters	18.63	30.54
Provision on custom matters	354.08	-
Provision on disputed statutory liability	53.61	-
Provision on advances	353.30	-
Provision for other receivable	296.93	-
Provision for impairment of investment in subsidiary	425.69	-
Impairment loss on corporate guarantee	1.54	-
Loss on sale of property, plant and equipment	1.16	-
Preliminary Expenditure	-	(0.11)
Bad Debts (Provision)	10.78	0.81
Bad Debts Exp written of	-	0.13
ECL Provision Expense	(259.99)	500.93
Sprocom CN ECL	-	522.06
Trade Receivable ECL	-	211.69
Fair value loss on derivative financial instrument at fair value through profit or loss	0.54	-
Finance Cost	218.88	345.24
Total	2,523.04	4,489.28



Para D (Annexure 3)
Value Addition and Distribution of Earnings
Year ended 31st March, 2025

S.no.	Particulars	2024-25 (Rs. In Mn.)	2023-24 (Rs. In Mn.)
	<u>Value Addition:</u>		
1	Gross Revenue from Operations	16,009.92	22,685.81
2	Less: Excise and Other Duties	-	-
3	Net Revenue from Operations	16,009.92	22,685.81
4	Add: Export Incentives	-	-
5	Add/Less: Adjustment in Finished Stocks	153.89	300.22
6	Less: Cost of bought out inputs		
	(a) Cost of Materials Consumed	13,044.22	17,798.15
	(b) Process Materials / Chemicals	-	-
	(c) Consumption of Stores & Spares	-	-
	(d) Utilities (e.g. power & fuel)	50.00	49.77
	(e) Cost of Other Bought-Out Inputs	2,560.39	1,979.22
	Total Cost of bought out inputs	15,654.61	19,827.14
7	Value Added	201.42	2,558.45
8	Add: Income from any other sources	110.43	208.69
9	Add: Extra Ordinary Income	-	-
10	Earnings available for distribution	311.85	2,767.14
	<u>Distribution of Earnings to:</u>		
1	Employees as salaries & wages, retirement benefits, etc.	1,495.01	1,607.11
2	Shareholders as dividend	-	-
3	Funds retained by Company	(3,090.43)	(2,746.14)
4	Government as taxes	(619.40)	(583.35)
5	Extra Ordinary Expenses	3.63	0.25
6	Other Distributions of Earnings	2,523.04	4,489.28
	Total distribution of earnings	311.85	2,767.15



Para D (Annexure 4)
Financial Position and Ratio Analysis
Year ended 31st March, 2025

Sno.	Particulars	Units	2024-25 (Rs. in Mn.)	2023-24 (Rs. in Mn.)
A	Paid-up Capital	INR Mn	2,739.05	2,739.05
	Reserves & Surplus	INR Mn	(3,532.61)	(225.56)
	Loans (secured & unsecured)	INR Mn	24.82	132.77
	(a) Gross Fixed Assets	INR Mn	2,864.71	2,770.68
	(b) Net Fixed Assets	INR Mn	693.55	810.91
	(a) Total Current Assets	INR Mn	5,289.42	7,717.69
	(b) Less: Current Liabilities & Provisions	INR Mn	13,629.80	11,966.80
	(c) Net Current Assets	INR Mn	(8,340.39)	(4,249.11)
	Capital Employed	INR Mn	(1,498.81)	2,610.29
	Net Worth	INR Mn	(793.56)	2,513.49
B	Financial Performance			
1	Value Added	INR Mn	201.42	2,558.45
2	Net Revenue from Operations	INR Mn	16,009.92	22,685.81
3	Profit before Tax (PBT)	INR Mn	(3,947.36)	(3,529.60)
C.	Profitability Ratios			
1	PBT to Capital Employed	%	263.37	(135.22)
2	PBT to Net Worth	%	497.42	(140.43)
3	PBT to Net revenue from Operations	%	(24.66)	(15.56)
4	PBT to Value Added	%	(1,959.77)	(137.96)
D.	Other Financial Ratios			
1	Debt-Equity Ratio		(0.03)	0.05
2	Current Assets to Current Liabilities		0.39	0.64
3	Value Added to Net Sales	%	1.26	11.28
E.	Working Capital Ratios			
1	Raw Materials Stock to Consumption	Months	0.47	1.30
2	Finished Goods Stock to Cost of Sales	Months	0.69	0.63



LAVA INTERNATIONAL LIMITED

Para D (Annexure 5) Related Party Transactions Year ended 31st March, 2025

S. No.	Name of Related Party	Name of foreign country (if foreign Transaction)	Identification of Related Party	Nature of Transaction (sale, purchase etc.)	Aggregate Quantity	Average Transfer Price	Aggregate Amount of Transaction (In Mn.)	Basic adopted to determine the Normal Price
1	Sojo Distribution Private Limited	India	U74999DL2016PTC300501	Services Rendered	-	-	0.12	Transactional net margin method
2	Lava International (H.K.) Limited	Hong Kong		Services Rendered	-	-	8.42	Transactional net margin method
3	XOLO International (Hk) Ltd.	Hong Kong		Services Rendered	-	-	2.46	Transactional net margin method
4	Lava International (H.K.) Limited	Hong Kong		Purchase of goods	17,62,58,467	5	903.18	Transactional net margin method
5	XOLO International (Hk) Ltd.	Hong Kong		Purchase of goods	8,99,48,598	2	189.31	Transactional net margin method



LAVA INTERNATIONAL LIMITED

Part D (Annexure 6) Reconciliation of Indirect Taxes Year ended 31st March, 2025

	Particulars	Assessable Value	Excise Duty/ VAT, CST, Cess etc./ Other State Taxes, if any	Goods & Services Tax			
				CGST	SGST/ UTGST	IGST	Cess and Others
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
S. No.	Duties/Taxes Payable						
	Excise Duty						
1	Domestic	-	-	-	-	-	-
2	Export	-	-	-	-	-	-
3	Stock Transfers (Net)	-	-	-	-	-	-
4	Others, if any	-	-	-	-	-	-
5	Total Excise Duty (1 to 4)	-	-	-	-	-	-
6	VAT, CST, Cess etc.	-	-	-	-	-	-
7	Other State Taxes If any	-	-	-	-	-	-
	Goods & Services Tax						
8	Outward Taxable Supplies (other than zero rated, Nil Rated and Exempted)	26,818.63		857.35	857.35	3,111.61	
9	Outward Taxable Supplies (zero rated)	470.18		-	-	-	
10	Other Outward Supplies (Nil Rated, Exempted)	271.29		0.88	0.88	46.59	
11	Inward Supplies (liable to Reverse Charge)	-	-	-	-	-	
12	Non-GST Outward Supplies	-	-	-	-	-	
13	Total (8 to 12)	27,560	-	858	858	3,158	
14		27,560	-	858	858	3,158	



LAVA INTERNATIONAL LIMITED

	Total Duties/Taxes Paid (5 + 6 + 7 + 13)						
	Duties/ Taxes paid [by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be]						
	Input Tax Credit Utilised						
15	CGST/ CENVAT			156.38	-	17.68	-
16	SGST/ UTGST/ VAT			-	157.73	17.68	-
17	IGST			640.09	589.41	2,795.85	-
18	Cess			-	-	-	-
19	Traditional Credit		-	-	-	-	-
20	Others, if any, specify		-	-	-	-	-
21	Total Input Tax Credit Utilised (15 to 20)		-	796.46	747.14	2,831.22	-
22	Payment through Cash Ledger		-	61.77	111.09	326.98	-
23	Total Duties/Taxes Paid (21 + 22)		-	858.23	858.23	3,158.20	-
	Differences between Taxes Paid and Payable (14-23)		-	(0.00)	(0.00)	0.00	-
24	Interest/ Penalty/ Fines Paid		-	0.40	0.40	2.33	-

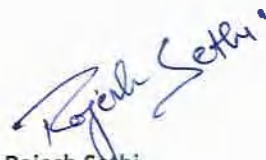
For M/s. MM & ASSOCIATES
Cost Accountants



Mahesh Giri
Membership No. 34012
Partner



For and on behalf of Lava International Limited



Rajesh Sethi
Chief Financial Officer
ICAI Membership No. 078079



Sunil Raina
Managing Director
DIN : 09302069



Deepika Gupta
Non- Executive Director
DIN : 08850031

MM & ASSOCIATES
Cost Accountants

Annexure - 4

1. Brief outline on CSR Policy of the Company:

Lava International Limited ("Company") recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavours to make CSR for sustainable development. The Company through its CSR Committee shall identify the activities/projects in line with Section 135 read with Schedule VII of the Companies Act 2013 and the Rules made thereunder. Our company is committed for better utilisation of CSR funds so that it can serve the of public at large.

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee was constituted by a resolution of the Board dated September 22, 2014. The Committee was last reconstituted on 26th March 2024 and comprised of the following members as at 31st March 2025:

Sr. No.	Name of member	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sunil Raina	Chairman	2	2
2	Mr. Shailendra Nath Rai	Member	2	2
3	Mr. Anupam Shrivastava	Member	2	2

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://www.lavamobiles.com/investor-relations#corporate-governance>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

5. (a) Average net profit of the company as per section 135(5): Rs. 524.83 million

(b) Two percent of average net profit of the company as per section 135(5): Rs. 10.50 million



Deepika



(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(a) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 10.50 million

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects): 10.80 million

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial year [(a)+(b)+(c)]: 10.80 million

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In Rs. million)	Amount Unspent (in Rs. Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.80	NA	NA	NA	NA	NA

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (In Rs. Million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	10.50
(ii)	Total amount spent for the Financial Year	10.50
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.30

7. Details of Corporate Social Responsibility amount for the preceding three Financial Years: Nil





8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

Deepika Gupta

DIN: 08850031

(Non-Executive Director)



Sunil Raina

DIN: 09302069

**(Managing Director & Chairman of
CSR Committee as at 31st March
2025)**

INFORMATION AS PER SECTION 134(3)(m) READ WITH THE COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2025

(A) CONSERVATION OF ENERGY -

i. the steps taken or impact on conservation of energy;

The operations of the company are of such nature that energy consumption is on a lower side. However, your company continues to invest in replacement of low energy efficiency systems and take adequate measures in order to conserve energy.

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

The Company is not required to look for alternate source of energy due to its nature of business.

iii. the capital investment on energy conservation equipments; Nil

(B) TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

i. the efforts made towards technology absorption;

The company is having in-house technical department which keep on updating the company with the latest technology available in market related to mobile industry. The company is using latest technology in its products and keep on updating its products in terms of quality and technology. The company also arranges sessions on regular basis for its employees and impart technical knowledge and training to keep them abreast with the latest technologies in the market.

ii. the benefits derived like product improvement, cost reduction, product development or Import substitution;

We are able to deliver quality products in the hands of the customers in terms of new features in the handsets we keep on updating the technology in our products.

iii. in case of Imported technology (Imported during the last three years reckoned from the beginning of the financial year) -

iv. the details of technology imported; Nil





- v. the year of import; Nil
- vi. whether the technology been fully absorbed; Nil
- vii. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and Nil
- viii. the expenditure incurred on Research and Development

Expenditure	FY 2024-25 Amount (In Rs million.)	FY 2023-24 Amount (In Rs million.)
Amount Charged to Statement of Profit & Loss	155.16	188.30
Amount capitalized		
(i) Property, plant & equipment	0.51	3.27
TOTAL	155.67	191.57

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activates relating to exports, Initiative taken to increase Export, Development of new export markets for products, Export Plans:

The Company had exported its material, considering the increasing demand of mobile handsets all over the world. The company is planning to export its products in the Asian and African Countries in the forthcoming financial year.

Total Foreign Exchange used and earned

		FY 2024-25 Amount (In Rs. Million)	FY 2023-24 Amount (In Rs. Million)
Earnings	FOB Value of Exports	497.43	518.87
Outgo	CIF Value of Imports	8100.15	18112.10
	Expenditure in Foreign Currency	181.16	180.53



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Annexure - 6

EMPLOYEE STOCK OPTION					
Sr. No.	Particulars	Lava Employee Stock Option Plan 2020 - I ("ESOP 2020-I")	Lava Employee Stock Option Plan 2020 - II ("ESOP 2020-II")	Lava Employee Stock Option Plan 2015 ("ESOP 2015")	Total
1	Number of Options granted during FY 2024-25	27,05,631	-	-	27,05,631
2	Number of Options vested during FY 2024-25	5,10,452	-	-	5,10,452
3	Number of Options Settled/ exercised during FY 2024-25	-	-	-	-
4	Number of shares arising as a result of exercise of options	-	-	-	-
5	Number of options forfeited / lapsed during FY 24-25	12,85,310	-	40,03,812	52,89,122
6	The Exercise Price (weighted average for the grant made during the year)	17.10	-	-	17.16
7	Variation of the terms of option	-	-	-	-
8	Money realized by exercise of options	-	-	-	-
9	Total no. of options in force as at 31.03.2025	1,05,55,768	2,04,44,744	1,61,43,546	4,71,44,058
10	Employee wise details (name of employee, designation,	-	-	-	-



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number of options granted during the year (2024-25), exercise price) of options granted to				
(a) Key Managerial Personnel;	Name – Mr. Rajesh Sethi Designation – Chief Financial Officer No. of Option Granted – 27,05,631 Exercise Price – 17.16	-	-	-
(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year; and	-	-	-	-
(c) Identified employees who were granted option, 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	-	-	-	-



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INDEPENDENT AUDITOR'S REPORT**To the Members of Lava International Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **Lava International Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss, total comprehensive loss, changes in equity and its cash flows for the year then ended.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 41 to the standalone financial statements, which describes that the Company has incurred a total comprehensive loss of ₹ 3,323.56 million during the year ended 31 March 2025, its accumulated losses have fully eroded its net worth, which stands negative at ₹ 793.60 million as at that date, and its current liabilities exceed its current assets by ₹ 8,340.37 million. The Company is further subject to material contingent liabilities aggregating ₹ 3,928.50 million as disclosed in Note 31B, and to the regulatory inspection/investigations and legal proceedings referred to in the 'Emphasis of Matter' sections of this report, the outcomes of which are uncertain and could result in significant additional outflows or other consequences materially adverse to the Company.



As stated in Note 41, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The standalone financial statements have, however, been prepared by management on a going concern basis, having regard to the Committed Bridge Loan facility aggregating ₹ 1,842 million entered into on 15 July 2026, subsequent to the year end, together with projected cash flows from operations and other mitigating actions described in the said Note. Management's assessment of the Company's ability to continue as a going concern, having regard to the mitigating factors described in Note 41, extends to a period of not less than twelve months from the date of approval of these standalone financial statements:

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters described in the notes to the standalone financial statements:

(a) Note 22A, which describes the restatement of the comparative financial information for the year ended 31 March 2024 and the opening balance sheet as at 1 April 2023 in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to correct prior period errors relating, inter alia, to the useful lives applied to Property, Plant and Equipment, the net realisable value of inventories, expected credit loss on trade receivables, non-recognition of provisions for legal and tax matters, and the accounting for certain distributor arrangements previously recognised as outright sales under Ind AS 115 and now reassessed as consignment arrangements. The corresponding figures presented in the standalone financial statements have been restated accordingly.

(b) We draw attention to Note 6 to the standalone financial statements regarding China Bird Centro America, S.A. ("CBCA"), a Panama-based entity, 100% subsidiary acquired through a share swap arrangement. The Company has invoked arbitration proceedings against the relevant parties to the acquisition agreement to seek enforcement of its contractual rights and thereafter kept in abeyance due to support extended by the management of CBCA. The Company has also carried out an impairment assessment and concluded that the value in use exceeds the carrying amount of the investment; therefore, no impairment provision is required as at the reporting date.

Further, the Company's Non-current investments, including investment in CBCA, have also been attached due to the order of the Hon'ble Delhi High Court in the case of Unic Memory Technologies Hong Kong Limited vs Hari Om Rai & others.

Further, CBCA & its subsidiaries have jointly availed a credit facility which is secured by 100% of the equity shares of CBCA & its subsidiaries to the extent of ₹ 11.20 million.



(c) As described in Note 40 to the standalone financial statements, the Company is subject to ongoing proceedings, inspections, investigations initiated by, inter alia, the Serious Fraud Investigation Office, the Directorate of Enforcement and the National Financial Reporting Authority. In connection therewith, it was represented that specified information and records have been furnished by the Company and the matters remain under review as at the date of this report.

(d) As stated in Note 23 to the standalone financial statements, the Company has recognized deferred tax assets on provisions for legal cases, provision for impairment, provision for obsolescence inventory, property plant and equipment, unused brought forward losses etc. as at 31 March, 2025 of ₹2,515.93 million (As at 31 March, 2024 of ₹1,889.24 million) including deferred tax credit recognised in the Statement of profit and loss of ₹627.43 million for the year ended 31 March, 2025 on the basis of expectation of availability of future taxable profits against which unused brought forward losses will be utilised.

The Management believes that considering the business plan and an assessment of the future taxable profits likely to be available, the amount of deferred tax assets on carried forward business losses in the books of account is considered to be recoverable in entirety and no adjustment for reversal is required.

Our opinion is not modified in respect of the matters stated in paragraphs (a) to (d) above.

Other Matters

1. The audited standalone financial statements of the Company for the year ended 31 March 2024 included in these standalone financial statements have been audited by Raj Gupta & Co., Chartered Accountants, whose audit report dated 4 September 2024 expressed an unmodified opinion on those audited standalone financial statements.
2. We audited the restatement adjustments, as disclosed in Note No. 22A to the Standalone Financial Statements, which have been made to the comparative Standalone Financial Statements presented for the years prior to the year ended 31 March 2025, in accordance with the requirements of applicable Ind AS.

Our opinion is not modified in respect of the aforesaid matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, including annexures thereto, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether it is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
- If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary action as required under applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is 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 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.



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 standalone 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 evaluating the results of our work; and (ii) evaluating 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
 - (h) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) The matters described in the 'Material Uncertainty Related to Going Concern' sections above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on 31 March 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
 - (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 to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act;



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- (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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, 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 — Refer Note 46;
 - (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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, 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 — Refer Note 47; and
 - (c) Based on the audit procedures performed, which 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 (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.



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- vi. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account which have 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(s).

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, and the audit trail was enable and operated for the year ended 31 March 2025 and has been preserved by the Company as per the statutory requirements for record retention.

For P N A M & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 001092N/N500395

Abhishek Naha

Partner

Membership No.: 513559

UDIN: 26513559SXRKHG2260

Place: New Delhi

Date: August 11, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the standalone financial statements of Lava International Limited for the year ended 31 March 2025)

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

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

- (b) Property, Plant and Equipment have been physically verified by management during the year in accordance with a programme of verification which, in our opinion, provides for physical verification at reasonable intervals; no material discrepancies were noticed on such verification.

- (e) The Company does not own any immovable property (freehold or leasehold, other than right-of-use assets recognised under Note 5 in respect of leased premises). Accordingly, reporting on title deeds of immovable properties under clause (i)(c) of the Order does not apply to the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets during the year.

- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

- (ii) (a) The inventories were physically verified during the year by management at reasonable intervals. In our opinion, the coverage and procedure of such verification is appropriate, and no discrepancies of 10% or more in the aggregate were noticed for any class of inventory on such verification during the year, other than the write-down recognised in respect of obsolete inventory arising from technological obsolescence, which has been dealt with as a prior period restatement under Ind AS 8 as described in Note 22A(b) and Note 8 to the standalone financial statements.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks/financial institutions on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks/financial institutions are in agreement with the books of account of the Company for the respective periods.



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- (iii) (a) During the year, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, except for a guarantee provided to a subsidiary in connection with certain purchases made on credit terms. The aggregate amount during the year and the balance outstanding as at the balance sheet date in respect of such guarantee are as follows:

Category	Guarantees – Aggregate amount during the year (₹ in millions)	Guarantees – Balance outstanding as at 31 March 2025 (₹ in millions)
Subsidiaries	10.89	10.89

- b) In our opinion, the guarantee provided by the Company and the terms and conditions thereof are not prejudicial to the interests of the Company.
- (c) The Company has not granted any loans or advances in the nature of loans during the year. Accordingly, the reporting requirements under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or securities to parties covered under Section 185 of the Act. Further, provisions of Section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.



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(vii)(a) According to the records examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, customs duty, cess and other material statutory dues, with the appropriate authorities; there were no undisputed statutory dues outstanding as at 31 March 2025 for a period of more than six months from the date they became payable except for the following:

Name of Statute	Nature of Dues	Amount (₹ Million) in	Period to which amount relates	Due Date	Date of Payment	Remarks (If Any)
Custom Act	Duty of Custom	44.64	2018-2019	13-09-2019	Not paid	-

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, GST, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the dues	Amount of disputed dues	Amount paid under dispute	Period to which amount relates	Forum where the dispute is pending
		(₹ in Millions)	(₹ in Millions)		
Income Tax Act, 1961	Income Tax	1.06	-	2015-16	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	16.41	5.05	2016-17	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	18.01	1.00	2019-20	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	15.31	-	2020-21	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	23.31	-	2021-22	The Commissioner of Income Tax (Appeals)
Sales Tax Act and VAT Laws	Sales Tax	57.52	21.86	2012-17	Hon'ble Bihar Commercial Tax, Tribunal Patna
Sales Tax Act and VAT Laws	Sales Tax	1.45	-	2013-14	Assistant Commissioner Bihar Commercial Tax



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Sales Tax Act and VAT Laws	Sales Tax	15.85	6.67	2009-13	Assessing Officer, Jaipur
Sales Tax Act and VAT Laws	Sales Tax	3.53	1.16	2009-12	The Deputy Commissioner (Appeal), Ernakulam.
Sales Tax Act and VAT Laws	Sales Tax	23.77	2.93	2012-17	Pending before Tribunal
Sales Tax Act and VAT Laws	Sales Tax	17.90	4.48	2014-15 (Jun'14 to Dec'15) and 2015-16	High Court Judicature at Hyderabad
Sales Tax Act and VAT Laws	Sales Tax	1.51	0.17	2012-16	Commercial Tax Department, Chennai
Sales Tax Act and VAT Laws	Sales Tax	283.70	70.93	Feb'14 to Mar'15 and 2015-17	High Court Judicature at Hyderabad
Goods and Services Tax, 2017	Goods and Services tax.	1367.78	-	2017-19	Commissioner Appeal
Goods and Services Tax, 2017	Goods and Services tax.	571.14	-	2017-18	Assessing Officer, Delhi
Goods and Services Tax, 2017	Goods and Services tax.	897.36	25.00	2019-22	Commissioner Appeal
Goods and Services Tax, 2017	Goods and Services tax.	10.50	-	2021-22	GST Tribunal Appellate Authority
Goods and Services Tax, 2017	Goods and Services tax.	3.71	-	2017-18	GST Assessing Officer (Appeal)
Goods and Services Tax, 2017	Goods and Services tax.	2.68	0.13	2017-23	GST Assessing Officer (Appeal)
Goods and Services Tax, 2017	Goods and Services tax.	3.42	0.56	2018-19	GST Tribunal Appellate Authority

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Goods and Services Tax, 2017	Goods and Services tax.	1.50	0.14	2018-19	GST Assessing Officer (Appeal)
Goods and Services Tax, 2017	Goods and Services tax.	0.28	0.01	2018-19	GST Assessing Officer (Appeal)
Goods and Services Tax, 2017	Goods and Services tax.	0.24	0.02	2020-21	GST Tribunal Appellate Authority
Goods and Services Tax, 2017	Goods and Services tax.	0.55	0.05	2020-21	GST Assessing Officer (Appeal)
Goods and Services Tax, 2017	Goods and Services tax.	1.08	0.06	2020-21	GST Assessing Officer (Appeal)
Customs Act	Duty of Custom	533.35	40.00	Oct'21 to Dec'23	CESTAT
Customs Act	Duty of Custom	6.08	0.46	Mar'22	CESTAT
Customs Act	Duty of Custom	23.71	1.56	Feb'18 to Jul'19	Adverse order passed by CESTAT, now waiting for filing appeal before Supreme Court
Sales Tax Act and VAT Laws	Sales Tax	7.95	5.11	2009-2014	Tribunal Appeal
Sales Tax Act and VAT Laws	Sales Tax	0.43	0.06	2016-2017	Assessing Officer
Goods and Services Tax, 2017	Goods and Services tax.	0.46	-	2021-2022	Assessing Officer, Telangana
Goods and Services Tax, 2017	Goods and Services tax.	8.45	8.45	2024-2025	GST Assessing Officer (Appeal), Gorakhpur



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Goods and Services Tax, 2017	Goods and Services tax.	254.54	-	2021-2022	Assessing Officer, Noida (UP)
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(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 that were not recorded in the books of account.

(ix) (a) According to the records examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank, financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, term loans availed by the Company were applied for the purposes for which they were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.



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- (xi) (a) Based on our examination and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year. However, the Company is subject to ongoing inspection/investigations by the Serious Fraud Investigation Office, the Directorate of Enforcement and the National Financial Reporting Authority, as described in Note 40 and in the 'Emphasis of Matter Paragraph' section of our main report; pending conclusion of these proceedings, we are unable to determine whether the matters under inspection/investigation involve fraud by or on the Company within the meaning of the Act, and the amounts involved, if any.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014, with the Central Government during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the company during the year. Further, during the course of audit, an anonymous whistle blower complaint was received by the company and is presently under investigation.
- (xii) The Company is not a Nidhi Company and, accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them within the meaning of Section 192 of the Act.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a), (b) and (c) of the Order are not applicable. (d) According to the information and explanations given to us, the Group does not have any Core Investment Company (CIC) as part of the Group.
- (xvii) The Company has incurred cash losses of ₹ 1,260.78 million during the financial year covered by our audit and ₹ 165.55 million in the immediately preceding financial year (as restated).



P N A M & CO. LLP
LLPIN: ABA-8514
ICAI FRN: 001092N/N500395

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Middle Circle, Connaught Place,
New Delhi 110 001

t: +91 11 2140 0294/295
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P N A M & CO. LLP

Chartered Accountants

(xviii) There has been a resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditor.

(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 standalone financial statements, and our knowledge of the Board of Directors' and management's plans, and having regard to the losses, cash losses and negative net worth of the Company and the matters described in the 'Material Uncertainty Related to Going Concern' section of our report, material uncertainty exists as on the date of the audit report as to whether the Company will be capable of meeting its liabilities existing at the date of the 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; our reporting is based on the facts up to the date of this audit report, and we are neither providing 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 respect of the Company's obligation under Section 135 of the Act, the amount required to be spent on Corporate Social Responsibility activities during the year, being ₹ 10.5 million, has been spent by the Company, amounts spent in cash aggregating ₹ 10.8 million. Accordingly, reporting under clause 3(xx)(b) of the Order, concerning unspent amounts, is not applicable for the year.

For P N A M & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 001092N/N500395



Membership No.: 513559

UDIN:26513559SXRKHG2260

Place: New Delhi

Date: August 11, 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our 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 Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of Lava International Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date which includes internal financial controls with reference to standalone financial statements.

Management's Responsibility and Those Charged with Governance's responsibility for Internal Financial Controls

The Company's management and Those charged with Governance is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 ("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 the Company's business, including adherence to the 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.



Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to 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 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 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 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 financial statements to future periods are subject to the risk that such controls 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to 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 P N A M & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 001092N/N500395

Abhishek Nanta

Partner

Membership No.: 513559

UDIN: 26513559SXRKHG2260

Place: New Delhi

Date: August 11, 2026

Lava International Limited
Audited standalone balance sheet as at 31 March 2025
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024*	As at 01 April 2023*
I. Assets				
Non-current assets				
Property, plant and equipment	3(a)	429.70	520.47	583.29
Capital work-in-progress	3(b)	202.61	201.69	191.99
Intangible assets	4	3.44	6.59	14.01
Right of use asset	5	57.78	82.14	116.89
Financial Assets				
Investment in subsidiaries and associate	6	3,830.87	4,256.55	4,256.55
Other financial asset	7 (e)	11.67	35.35	103.39
Deferred tax assets (net)	23	2,515.93	1,889.24	1,132.69
Other non-current assets	9 (a)	562.44	32.00	208.05
		7,614.44	7,024.03	6,606.86
Current assets				
Inventories	8	1,706.46	2,804.47	3,288.52
Financial assets				
Investments	7 (a)	-	3.06	28.73
Trade receivables	7 (b)	56.04	451.37	738.71
Cash and cash equivalents	7 (c)	108.36	441.87	771.09
Other bank balances	7 (d)	262.24	843.09	914.95
Other financial assets	7 (f)	132.02	273.38	351.33
Other current assets	9 (b)	3,024.31	2,900.45	2,541.22
		5,289.43	7,717.69	8,634.55
TOTAL ASSETS		12,903.87	14,741.72	15,241.41
II. Equity and liabilities				
Equity				
Equity share capital	10	2,705.63	2,705.63	2,705.63
Instruments entirely equity in nature	10	33.42	33.42	33.42
Other equity				
Securities premium		5,690.34	5,690.34	5,690.34
Share based payment reserve		378.32	381.16	372.14
Retained earnings		(9,593.62)	(6,289.41)	(3,371.13)
Other reserve		(7.69)	(7.69)	17.31
Total Equity		(793.60)	2,513.45	5,447.71
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	11 (a)	24.82	132.77	229.82
Lease liabilities	11 (d)	18.78	66.75	109.47
Provisions	12 (a)	24.07	61.94	59.34
		67.67	261.46	398.63



Deepak

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Lava International Limited
Audited standalone balance sheet as at 31 March 2025
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024*	As at 01 April 2023*
Current liabilities				
Financial liabilities				
Borrowings	11 (b)	542.95	991.00	1,815.08
Lease liabilities	11 (e)	58.95	42.70	38.40
Trade payables				
- total outstanding dues of micro enterprises and small enterprises	11 (c)	164.38	229.93	132.17
- total outstanding dues of creditors other than micro enterprises and small enterprises	11 (c)	3,332.87	3,274.76	3,286.76
Other financial liabilities	11 (f)	2,388.87	1,850.10	1,675.46
Other current liabilities	13	695.14	462.18	301.52
Provisions	12 (b)	6,446.64	4,965.65	2,037.52
Current tax liabilities (net)	14	-	150.48	108.16
		13,629.80	11,966.80	9,395.07
TOTAL EQUITY AND LIABILITIES		12,903.87	14,741.72	15,241.41

* Restated - Refer Note 22A

Material accounting policy information
Note

2.2

The accompanying notes forms an integral part of these standalone financial statements.

As per our report of even date as attached

For PNAM & Co. LLP
Chartered Accountants
Firm's Registration No.: 001092N/N500395

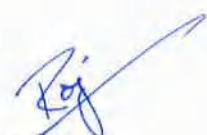
Lava International Limited
CIN: U32201DL2009PLC188920


Abhishek Nahta
Partner
Membership No. 513559




Sunil Ratra
Managing Director
(DIN-09302069)


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



Standalone statement of profit and loss account for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024*
Income			
Revenue from operations	15	16,009.92	22,685.81
Other income	16	110.43	208.69
Total income (I)		16,120.35	22,894.50
Expenses			
Cost of raw material and components consumed	17	12,824.03	17,485.67
Purchase of stock-in-trade		220.19	312.48
Changes in inventories of finished goods, spares and stock in trade	18	153.89	300.22
Employee benefits expense	19	1,495.01	1,607.11
Finance costs	20	218.88	345.24
Depreciation and amortisation expense	21	233.13	197.14
Other expenses	22	4,922.58	6,176.24
Total expense (II)		20,067.71	26,424.10
Profit/(Loss) before tax		(3,947.36)	(3,529.60)
Tax Expenses			
- Current tax		-	169.96
- Tax charge/(credit) relating to earlier years		-	0.06
- Deferred tax expense/(income)		(627.43)	(756.59)
Total tax expense		(627.43)	(586.57)
Profit/(Loss) for the year		(3,319.93)	(2,943.03)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods :			
- Re-measurement (gains)/losses of defined benefit plan		2.90	0.20
- Income tax relating to this item		0.73	0.05
Other comprehensive (income)/loss for the year		3.63	0.25
Total comprehensive income for the year		(3,323.56)	(2,943.28)
Earnings per equity share (in rupees)	24		
Basic		(6.14)	(5.44)
Diluted		(6.14)	(5.44)
Material accounting policy information	2.2		
* Restated - Refer Note 22A			

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Lava International Limited

Standalone statement of profit and loss account for the year ended March 31, 2025
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024*
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The accompanying notes forms an integral part of these standalone financial statements.

As per our report of even date as attached

For PNAM & Co. LLP
Chartered Accountants
Firm's Registration No.: 001092N/N500395

Lava International Limited
CIN: U32201DL2009PLC188920

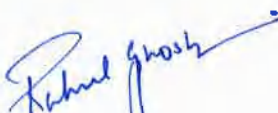

Abhishek Nahta
Partner
Membership No. 5106559




Sunil Raina
Managing Director
(DIN-09302069)


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No 078079


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



Lava International Limited

Standalone statement of cash flow for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	For the year ended 31 Mar 2025	For the year ended 31 March 2024*
Cash flow from operating activities		
Profit/(Loss) before tax	(3,947.36)	(3,529.60)
Adjustment to reconcile profit/(loss) before tax to net cash flows		
Depreciation/amortization	233.13	197.14
(Profit)/ loss on sale of property, plant and equipment	1.16	(0.65)
Unrealized foreign exchange (gain)/ loss	(47.05)	0.14
Net (gain)/loss on sale of mutual fund investments	(0.56)	0.22
Fair value (gain)/loss on derivative financial instrument at FVTPL	0.54	(1.83)
Provision for Share based payment Expenses	16.51	9.02
Provision for Inventories obsolescence	500.59	(69.54)
Allowance for expected credit loss on trade receivables	(259.99)	500.93
Provision for advances	353.30	-
Provision for legal matters	1,037.09	2,867.13
Provision on taxation matters	18.63	30.54
Provision on export obligations	354.08	-
Provision on disputed statutory liability	53.61	-
Provision for impairment of investment in subsidiaries	425.69	-
Provision for impairment of investment in equity instruments	-	-
Amortization of prepaid security deposit	(0.15)	0.97
Interest expense	218.88	228.09
Interest income	(45.71)	(93.30)
Operating profit/(loss) before working capital changes	(1,087.61)	139.26
Movements in working capital:		
Increase/ (Decrease) in trade payables	(7.44)	85.76
Increase/ (Decrease) in other liabilities	(690.17)	(2,560.06)
Increase/ (Decrease) in provisions	1,439.49	2,930.73
(Increase)/ Decrease in trade receivables	702.37	(213.73)
(Increase)/ Decrease in inventories	597.42	553.59
(Increase)/ Decrease in other assets	(842.41)	(38.16)
Cash generated from operations	111.66	897.39
Income taxes paid (net of refunds)	(149.75)	(127.64)
Net cash flow from / (used) in operating activities (A)	(38.09)	769.75
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and intangibles	(105.23)	(103.04)
Proceeds from sale of property, plant and equipment (including intangibles)	0.63	3.16
Purchase of mutual fund investments	-	(63.00)
Sale of mutual fund investments	3.08	88.91
Investment in bank deposits	(652.22)	(1,929.09)
Maturity of bank deposits	1,233.07	2,000.95
Interest received	45.71	93.07
Net cash flow from / (used in) investing activities (B)	525.04	90.96
Cash flow from financing activities		
Proceeds from borrowings (non-current)	-	80.61
Payment of borrowings (non-current)	(107.95)	(457.45)
Proceeds/ (repayment) from borrowings (current) (net)	(448.05)	(544.28)
Payment of principal portion of lease liabilities	(44.07)	(38.42)
Interest paid on lease liability	(13.01)	(16.30)
Interest paid on borrowings	(207.41)	(214.09)
Net cash from / (used in) financing activities (C)	(820.49)	(1,189.93)
Net increase in cash and cash equivalents (A + B + C)	(333.52)	(329.22)
Cash and cash equivalents at the beginning of the year	441.87	771.09
Cash and cash equivalents at the end of the year	108.36	441.87



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Lava International Limited
Standalone statement of cash flow for the year ended March 31, 2025
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	For the year ended 31 Mar 2025	For the year ended 31 March 2024*
Components of cash and cash equivalents	As at 31 March 2025	As at 31 March 2024
Cash on hand	2.47	2.32
Balances with banks:		
On current accounts	105.89	140.40
Deposits with original maturity of less than three months	-	299.15
Total cash and cash equivalents [refer note 7 (c)]	108.36	441.87

Changes of borrowings are as follows:

	As at 31 March 2025	As at 31 March 2024
Borrowings at the beginning of the year*	1,127.55	2,050.98
Cash outflows during the year	(556.00)	(921.12)
Non Cash charges during the year arising out of interest cost	(1.51)	(2.31)
Borrowings at the end of the year	570.04	1,127.55

* It includes current borrowings, non-current borrowings, interest accrued thereon

Changes of lease liability are as follows:

	As at 31 March 2025	As at 31 March 2024
Lease liability at the beginning of the year	109.45	147.87
Cash outflows during the year	(31.72)	(38.42)
Lease liability at the end of the year	77.73	109.45

Material accounting policy information

2.2

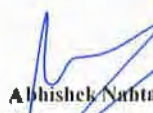
The accompanying notes forms an integral part of these standalone financial statements.

The schedules referred to above and notes on accounts form an integral part of the standalone cash flow statement.

The above cash flow statement has been prepared under the Indirect method set out in Ind AS-7 'Statement of Cash Flow'.

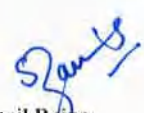
Cash flow from operating activities include Rs. 10.80 millions (31st March 2024 : Rs. 10.79 millions) being expenses towards corporate social responsibility.

For PNAM & Co. LLP
Chartered Accountants
Firm's Registration No. 001092N/N500395


Abhishek Nahla
Partner
Membership No. 513559

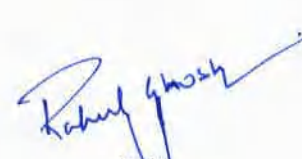


Lava International Limited
CIN: U32201DL2009PLC188920


Sunil Rajna
Managing Director
(DIN-09302069)


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Rahul Ghosh
Company Secretary
ICSI Membership No. A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



Lava International Limited

Standalone statement of changes in equity for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2024	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2024	Changes in equity share capital during the year	Balance as at 31 Mar 2025
2,705.63	Nil	2,705.63	Nil	2,705.63

Balance as at 01 April 2023	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
2,705.63	Nil	2,705.63	Nil	2,705.63

b. Instruments entirely equity in nature

Balance as at 01 April 2024	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2024	Changes in instruments entirely equity in nature during the year	Balance as at 31 Mar 2025
33.42	Nil	33.42	Nil	33.42

Balance as at 01 April 2023	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2023	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2024
33.42	Nil	33.42	Nil	33.42



Deepika

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Lava International Limited

Standalone statement of changes in equity for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

c. Other equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities premium [refer note (i)]	Share based payment reserve [refer note (ii)]	Debentures Redemption Reserve [refer note (iii)]	Retained earnings	FVTOCI - equity Investment reserve [refer note (iv)]	
As at 31 March 2023	5,690.34	372.14	25.00	765.10	(7.69)	6,844.89
Restatement Adjustments:						
(i) Provision on inventories (refer note 22A)				(1,322.63)		(1,322.63)
(ii) Provision for expected credit loss (refer note 22A)				(1,803.53)		(1,803.53)
(iii) Provision for legal matters and taxation matters (refer note 22A)				(1,903.73)		(1,903.73)
(iv) Deferred taxes on legal cases (refer note 22A)				825.25		825.25
(v) Change in depreciation (refer note 22A)				15.23		15.23
(vi) Consignment Stock (refer note 22A)				53.18		53.18
Restated Balance as at 01 st April 2023	5,690.34	372.14	25.00	(3,371.13)	(7.69)	2,708.66
Debenture redemption reserve			(25.00)	25.00		-
Total profit/(loss) for the year	-	-	-	(2,943.03)	-	(2,943.03)
Other comprehensive income for the year	-	-	-	(0.25)	-	(0.25)
Total comprehensive income for the year	-	-	(25.00)	(2,918.28)	-	(2,943.28)
Share based payment expense	-	9.02	-	-	-	9.02
As at 31 March 2024	5,690.34	381.16	-	(6,289.41)	(7.69)	(225.60)
Total profit/(loss) for the year	-	-	-	(3,319.93)	-	(3,319.93)
Reversal of employee stock option plan	-	(19.35)	-	19.35	-	-
Other comprehensive income for the year	-	-	-	(3.63)	-	(3.63)
Total comprehensive income for the year	-	(19.35)	-	(3,304.21)	-	(3,323.56)
Share based payment expense	-	16.51	-	-	-	16.51
As at 31 Mar 2025	5,690.34	378.32	-	(9,593.62)	(7.69)	(3,532.65)



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Lava International Limited

Standalone statement of changes in equity for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Note:

- (i) **Securities premium :** Securities premium represents the amount received in excess of the face value of equity shares issued by the Company. This reserve is utilised in accordance with the provisions of the Companies Act, 2013
- (ii) **Share based payment reserve :** Share-based payment reserve represents the cumulative fair value of stock options granted to employees under the Company's Employee Stock Option Plan (ESOP). The expense is recognised over the vesting period with a corresponding credit to this reserve
- (iii) **Debenture redemption reserve:** Debenture redemption reserve was created in accordance with the provisions of the Companies Act, 2013 for redemption of debentures. During the year 2023-24, the reserve has been reversed upon full repayment of the related debentures
- (iv) **FVTOCI equity investment reserve :** This reserve represents the cumulative gains or losses arising from changes in the fair value of equity investments designated at fair value through other comprehensive income (FVTOCI), such changes are recognised in other comprehensive income and accumulated in this reserve

The accompanying notes forms an integral part of these standalone financial statements

As per our report of even date as attached

For PNAM & Co. LLP

Chartered Accountants

Firm's Registration No. 001092NAN500395


Abhishek Nahta
Partner

Membership No. 513556



Lava International Limited

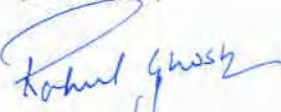
CIN: U32201DL2009PLC188920


Sumil Rana
Managing Director
(DIN-09302069)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No 078079

Place: Delhi
Date: 11th August 2026


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rahul Ghosh
Company Secretary
ICSI Membership No A42036



1. Corporate information

Lava International Limited (the 'Company') is a public limited company incorporated under the provisions of the Companies Act applicable in India on March 27, 2009. The Company is domiciled in India with its registered office located at Karampura, New Delhi, and maintains its principal place of business in Noida, Uttar Pradesh.

The Company is engaged in the trading and manufacturing of mobile phones, tablets, smart watches, accessories, and other telecommunication devices and has established its presence across multiple locations in India.

These presentation and functional currency of the Company is Indian rupees (INR). Figures in financial statements are presented in millions by rounding off up to two decimals except for per share and as otherwise stated.

The standalone financial statements of the Company are approved for issue by the Company's Board of Directors in their meeting held on 11th August 2026.

2.1 Basis of preparation

i) Statement of compliance

The standalone financial statements of the Company have been prepared on going concern basis following accrual system of accounting and in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

ii) Basis of measurement

The standalone financial statements have been prepared under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

2.2 Material accounting policy information

A summary of the material accounting policy information applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.2.1 Current vs Non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.2 Property, plant and equipment

Property, plant and equipment are initially stated at their cost. The cost of an item of property, plant and equipment includes:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts



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and rebates;

- b) Cost directly attributable to the acquisition of the asset which is incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- c) Present value of the estimated costs of dismantling & removing the items & restoring the site to the original condition on which it is located if recognition criteria are met.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the Statement of Profit and Loss.

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as specified under Part C of Schedule II of the Companies Act 2013. However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013 as specified below: -

Assets	Useful Lives	As per Schedule II
Office Equipment	5 Years	5 Years
Furniture and fixtures	10 Years	10 Years
Demonstration Fixtures	2 Years	2 Years
Vehicles	8 Years	8 Years
Computer and Components	3 Years	3 Years
Plant and Machinery*		
Jigs	1 Years	
Other Plant and Machinery	10 Years	15,25 Years
Electrical Installations	10 Years	10 Years

* The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end. The residual values of the assets is considered to be nil.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

Leasehold Improvements are amortized over the useful life or 10 years whichever is less.

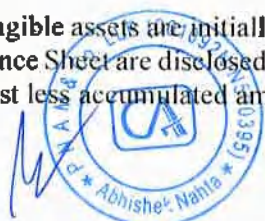
Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets.

2.2.3 Capital work in progress

Property, plant and equipment that are not yet ready for their intended use on the reporting date are disclosed as "capital work in progress". Capital work in progress is carried at cost less accumulated impairment loss, if any. The cost comprises of direct cost and related incidental expenses.

2.2.4 Intangible assets

Intangible assets are initially measured at cost. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development". Subsequently, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.



Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Amortisation methods and useful lives are reviewed at each financial year end. The useful lives of intangible assets are assessed as finite as stated below and the assets are amortised over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired.

Assets	Useful Lives
Computer software (over license period)	1-5 Years
Internally generated software	5 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

2.2.5 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

2.2.6 Investment in equity instruments of subsidiaries and associates

Investment in equity instruments of subsidiaries and associates are stated at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount of investments is recognised to the statement of profit and loss.

2.2.7 Inventories

Inventories are valued at the lower of cost or net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- 2.2.7.1 Raw materials and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- 2.2.7.2 Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- 2.2.7.3 Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

2.2.8 Revenue recognition

Revenue from contract with customers is recognised when control of the goods or services ("performance obligation") are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services ("transaction price").

a) Sale of Goods

Revenue from sale of goods primarily comprises the fair value of consideration received or receivable for the sale of goods in the ordinary course of company's business activities. Revenue is presented net of Goods and Services Tax (GST), returns, sales incentives and discounts.

The Company has assessed its revenue arrangements and concluded that it acts as a principal in substantially all




of its revenue transactions. This determination is based on the following key indicators:

- The Company has primary responsibility for fulfilling contracts with customers
- The Company has pricing discretion and latitude in establishing selling prices
- The Company bears inventory risk before and after transfer of goods to customers
- The Company is exposed to credit risk for the amount receivable from customers
- The Company controls the goods before they are transferred to customers

The Company accounts for the pricing incentives and volume discounts as a reduction of revenue based on the estimated amount of applicable discount or incentive that customers are expected to earn.

b) Sale of Services

Revenue from sale of services primarily arises from installation of third-party mobile applications in the mobile devices and is recognized based on the stage of completion. The stage of completion for service contracts is determined based on services performed to date as a percentage of total services to be performed.

e) Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

d) Other operating revenue

Other operating revenue represents scrap sale and export incentives that is earned from the activities incidental to the business. The incentive income in form of Merchant export incentive income (MEIS), Duty drawback income is recognized based on export made.

e) Other income

- Interest income is recognised using Effective Interest rate method.
- Dividend income is recognised when the right to receive payment is established.
- Miscellaneous income is recognised when performance obligation is satisfied and right to receive the income is established.

2.2.9 Borrowing cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are charged to statement of profit and loss in the period in which they are incurred except when it meets the criteria for capitalisation as part of qualifying asset.

2.2.10 Taxes

Tax expense comprises current tax and deferred income tax.

a) Current income tax

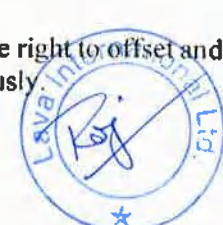
Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



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b) Deferred Tax

Deferred tax is provided for temporary taxable/ deductible difference arising on the difference of tax base and accounting base of assets/liabilities using the liability method and are measured at the enacted tax rates or substantively enacted tax rates at reporting date.

Deferred tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case it is recognised (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.11 Foreign currencies

Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupees.

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are reported in the functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are not retranslated and are reported using the exchange rate at the date of the transaction.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise and are presented on net basis.

Foreign operations

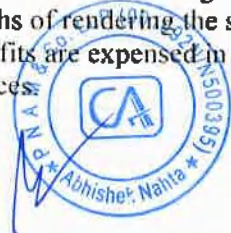
Financial statements of foreign operations whose functional currency is different from Indian Rupees are translated into Indian Rupees as follows:

- assets and liabilities (both monetary and non-monetary) are translated at the closing rate at the date of Balance Sheet;
- income and expenses are translated at average exchange rate for the reporting period, unless exchange rate fluctuate significantly during the period, in which case, the exchange rates at the dates of transaction are used; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to statement of profit and loss on disposal of such foreign operations.

2.2.12 Employee benefit

a) Short-term employee benefits

Employee benefits such as wages, salaries, bonus and short term compensated absences falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the statement of profit and loss in the period in which the employee renders the related services.



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b) Post employment benefits

Defined contribution plan: The contributions towards defined contribution plans are recognized in the statement profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions

Defined benefit plan: The Company's liability towards gratuity is in the nature of defined benefit plan. The plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The calculation is performed by an independent actuary using the projected unit credit method.

The company's obligation is measured at present value of the estimated future cash flows using a discount rate based on market yield on government securities

Other short-term employee benefits

The Company provides for the liability towards the compensated absences benefits on the basis of actuarial valuation carried out as at the reporting date, by an independent actuary using the projected unit credit method. The related re-measurements are recognized in the Statement of Profit and Loss in the period in which they arise.

2.2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes unrestricted cash and short-term deposits with original maturities of one day to less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.2.14 Dividend

Annual Dividend distribution to the Company's equity shareholders is recognised as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognised as liability on approval by the Board of Directors. Dividend payable is recognised directly in equity.

2.2.15 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provision for warranty-related costs is recognized at the time when the product is sold to the customer. The amount of the provision is estimated based on:

- Historical claim experience;
- Expected costs of repair, replacement, or service support during the warranty period;
- Adjustments for any known product-specific issues or expected changes in warranty terms.

The initial estimate of the warranty provision is reviewed at each reporting date and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation at the balance sheet date. Any changes in the provision due to revised estimates are recognized in the Statement of Profit and Loss.



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Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.2.16 Leases

If the contract conveys the right to control the use of an identified asset for a period in exchange for consideration, it is treated as lease.

a) Company as a lessee: The Company recognises 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.

i) Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of the lease payments, the company uses interest rate implicit in the lease if that rate can be readily determined. However, if that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Company applies the short-term lease recognition exemption to its short term leases contracts i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.



2.2.17 Financial instruments

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

All financial assets (excluding trade receivables which do not contain a significant financing component, being measured at transaction price) are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss (FVTPL) are expensed in statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories based on the Company's business model and the cash flow characteristics of the asset:

Financial assets at amortised cost

After initial measurement, the financial assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest (SPPI) on the principal amount outstanding are measured at amortised cost using the effective interest rate (EIR) method. Interest income from these financial assets is included in other income.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Financial assets at fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss (FVTPL). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category is applicable to investments in mutual funds.

Impairment of financial asset

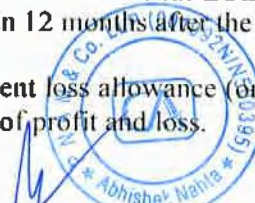
The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost or financial assets measured at FVTOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under simplified approach, impairment loss allowance is recognised based on lifetime ECLs at each reporting date.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.


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The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance. The impairment allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Derecognition of financial asset

The Company derecognises 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.

The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

b) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade payables, borrowings and other financial liabilities etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or

premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a financial instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.18 Derivative financial instrument

The Company uses derivative financial instruments i.e., forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.2.19 Share based payments

Equity-settled transactions

Share-based payment transactions with employees including senior employees are measured at the fair value of the equity instruments granted at the grant date.

The fair value determined at the grant date of the equity settled share based payments is **expensed on a straight-line basis over the vesting period**, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity under **"Share-Based Payment Reserve."**

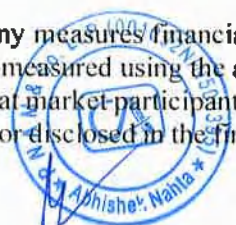
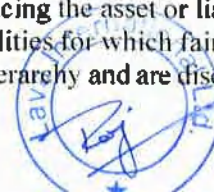
Fair value is determined by using Black-Scholes pricing model, taking into account the terms and conditions under which the equity instruments are granted. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. The impact of the revision of original estimates, if any, is recognized in the Statement of Profit and Loss with a corresponding adjustment to equity.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the fair value of the option at the grant date, unless the original terms are not met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

In the event of cancellation, any remaining unrecognized cost is expensed immediately.

2.2.20 Fair value measurement

The Company measures financial instruments at fair value at each reporting period. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy and are disclosed

accordingly in the financial statements. External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

2.2.21 Earnings per share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.2.22 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.2.23 Prior Period

Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

Prior Period Adjustment

Errors/omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 0.50% of total operating revenue as per last audited financial statement of the Company.

2.2.24 Significant accounting estimates and judgments

The preparation of Standalone Financial Statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

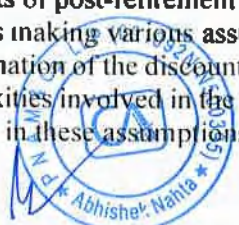
This policy provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Significant areas of estimation and judgements as stated in the respective accounting policies that have the most significant effect on the financial statements are as follows:

Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable's balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

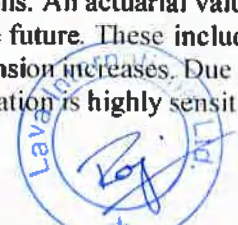
Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



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Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes.

Impairment of financial assets

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Determining the recoverable amount of the assets is judgmental and involves the use of significant estimates and assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Provisions for warranties

The Company recognises a provision for expected warranty claims in respect of mobile devices sold, in line with the terms of the warranty obligations provided at the time of sale. The estimate of such provisions is a significant judgment, involving a number of assumptions and estimates that affect the reported amounts of provisions and expenses.

Provision for warranty-related costs is recognised when the product is sold, based on historical trend of service



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Lava International Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in Indian Rupees million unless otherwise stated)

claims, nature and frequency of defects, replacement costs, and future expectations of defect rates during the warranty period. These estimates are reassessed periodically to reflect the latest trends and actual outcomes.

The assumptions used to calculate the provision may be affected by changes in failure rates, usage patterns, introduction of new models or technology, and changes in customer expectations. Any change in the estimates or assumptions could materially affect the provision amount and profit or loss for the reporting period.

Due to the inherent uncertainty involved in such estimation, actual outcomes may differ from the estimated provision, and such differences are recognised in the period in which they are determined.



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3(a) Property, plant & equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers*	Vehicles	Demonstration fixtures	Leasehold improvements	Electrical installations	Total
Gross Block									
As at 1st April 2023	1,042.45	36.50	76.27	191.38	20.52	128.11	385.49	0.86	1,881.58
Additions	69.12	-	3.20	13.18	6.53	-	-	-	92.03
Disposals / Capitalized	1.05	0.59	0.09	5.47	-	-	-	-	7.20
As at 31 March 2024	1,110.52	35.91	79.38	199.09	27.05	128.11	385.49	0.86	1,966.41
Additions	89.75	-	2.10	9.02	-	-	0.93	-	101.80
Disposals / Capitalized	19.88	0.04	0.05	3.56	-	-	-	-	23.53
As at 31 Mar 2025	1,180.39	35.87	81.43	204.55	27.05	128.11	386.42	0.86	2,044.68
Accumulated Depreciation									
As at 1st April 2023	563.82	36.47	72.65	156.28	14.19	128.11	341.63	0.37	1,313.52
Depreciation Adjustments	(4.45)	(9.72)	0.01	0.83	(1.17)	-	0.07	-	(15.23)
Restated as at 1st April 2023	559.37	26.75	72.66	156.31	13.02	128.11	341.70	0.37	1,298.29
Charge for the year	108.66	3.69	1.60	20.18	1.40	-	19.22	0.09	154.84
Disposals / Capitalized	1.05	0.59	0.09	5.47	-	-	-	-	7.20
As at 31 March 2024	666.98	29.85	74.17	171.02	14.42	128.11	360.92	0.46	1,445.94
Charge for the year	149.64	3.21	1.87	20.22	2.00	-	13.76	0.09	190.79
Disposals / Capitalized	18.10	0.04	0.05	3.56	-	-	-	-	21.75
As at 31 Mar 2025	798.52	33.02	75.99	187.68	16.42	128.11	374.68	0.55	1,614.98
Net Block									
Restated as at 1st April 2023	483.08	9.75	3.61	35.07	7.50	-	43.79	0.49	583.29
As at 31 March 2024	443.54	6.06	5.21	28.07	12.63	-	24.57	0.40	520.47
As at 31 Mar 2025	381.87	2.85	5.44	16.87	10.63	-	11.74	0.31	429.70

*Capital work-in-progress includes plant and machinery

Note:

Property, Plant & Equipment represent tangible assets used in the Company's operations. These include plant & machinery, furniture, office equipment, computers, vehicles and leasehold improvements. During FY 2025, additions of Rs 101.8 million were made, primarily towards plant & machinery and IT equipment. Certain assets amounting to Rs 23.53 million were disposed of during the year. Depreciation for the year amounted to Rs 190.78 million. Net carrying value of PPE as at 31 March 2025 stands at Rs 429.70 million (FY24: Rs 520.47 million). Some of the PPE are hypothecated as security against borrowings (refer Note 11(a) & 11(b)).

**Balance of Computers include balance of Rs 0.08 million (FY24: Rs 0.33 million) of representative office situated at China.



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Note3(b) : Capital Work-in-progress

Particulars	Total
As at March 31, 2025	
Opening carrying amount as at April 01, 2024	201.69
Addition during the year	0.92
Capitalised during the year	-
Closing carrying amount as at March 31, 2025	202.61
As at March 31, 2024	
Opening carrying amount as at April 01, 2023	191.99
Addition during the year	9.70
Capitalised during the year	-
Closing carrying amount as at March 31, 2024	201.69
As at March 31, 2023	
Opening carrying amount as at April 01, 2022	182.24
Addition during the year	10.81
Capitalised during the year	(1.06)
Closing carrying amount as at March 31, 2023	191.99

Ageing of Capital work-in-progress; -

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 Mar 2025					
Projects in progress		9.66			9.66
Projects temporarily suspended	0.92	-	192.03	-	192.95
Capital work-in-progress	0.92	9.66	192.03	-	202.61

	Amount
Projects which have exceeded their original timeline	192.95
Projects which have exceeded their original budget	-

Details of project which has been temporarily suspended

Particulars	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Project 1	0.92	-	192.03	-	192.95

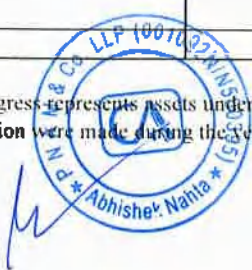
Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	9.66	192.03	-	-	201.69
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	9.66	192.03	-	-	201.69

	Amount
Projects which have exceeded their original timeline	201.69
Projects which have exceeded their original budget	-

Details of project which has been temporarily suspended

Particulars	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Project 1	9.66	192.03	-	-	201.69

Note: Capital Work-in-Progress represents assets under construction or installation. Closing CWIP as at 31 March 2025 is Rs. 202.61 million. Additions of Rs. 0.92 million were made during the year. CWIP of Rs. 192.03 million is aged between 2-3 years.



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Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)***4 Intangible assets**

Particulars	Computer softwares and licenses	Internally generated software	Total
Gross Block			
As at 1st April 2023	233.08	125.65	358.73
Additions	0.13	-	0.13
Disposals	-	-	-
Other adjustments	-	-	-
As at 31 March 2024	233.21	125.65	358.86
Additions	2.45	-	2.45
Disposals	-	-	-
Other adjustments	-	-	-
As at 31 March 2025	235.66	125.65	361.31
Accumulated Amortisation			
As at 1st April 2023	219.07	125.65	344.72
Charge for the year	7.55	-	7.55
Disposals	-	-	-
Other adjustments	-	-	-
As at 31 March 2024	226.62	125.65	352.27
Charge for the year	5.60	-	5.60
Disposals	-	-	-
Other adjustments	-	-	-
As at 31 March 2025	232.22	125.65	357.87
Net Block			
As at 1st April 2023	14.01	-	14.01
As at 31 March 2024	6.59	-	6.59
As at 31 March 2025	3.44	-	3.44

Note:

Intangible assets primarily comprise computer software and licenses. Additions during the year: Rs. 2.45 million, Amortisation expense: Rs. 5.60 million, Net carrying value as at 31 March 2025: Rs. 3.44 million (FY24: Rs. 6.59 million), the reduction is mainly due to amortisation of existing software assets.



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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

5 Right of use asset

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
Gross Block					
As at 1st April 2023	62.81	159.15	2.69	19.08	243.73
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2024	62.81	159.15	2.69	19.08	243.73
Additions	-	-	-	12.39	12.39
Disposals	-	-	-	-	-
As at 31 March 2025	62.81	159.15	2.69	31.47	256.12
Accumulated Depreciation					
As at 1st April 2023	37.17	87.28	1.58	0.81	126.84
Charge for the year	9.29	21.82	0.39	3.25	34.75
Disposals	-	-	-	-	-
As at 31 March 2024	46.46	109.10	1.97	4.06	161.59
Charge for the year	9.29	21.82	0.39	5.25	36.75
Disposals	-	-	-	-	-
As at 31 March 2025	55.75	130.92	2.36	9.31	198.34
Net Block					
As at 1st April 2023	25.64	71.87	1.11	18.27	116.89
As at 31 March 2024	16.35	50.05	0.72	15.02	82.14
As at 31 March 2025	7.06	28.23	0.33	22.16	57.78

Note:

ROU assets represent leased assets such as office buildings, warehouses, and vehicles as per Ind AS 116. Additions during the year relate to vehicles of Rs. 12.39 million, Depreciation for the year: Rs. 36.75 million, Net carrying value: Rs. 57.78 million (FY24: Rs. 82.14 million), Decrease is primarily due to depreciation over the lease tenure.



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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

All amounts in Indian Rupees millions unless otherwise stated.

4 Investment in subsidiaries and associate	As at 31 March 2025		As at 31 March 2024		As at 01 April 2023	
	No of units	Amount	No of units	Amount	No of units	Amount
<i>Equity investments fully paid-up</i>						
Investments in equity instruments of subsidiaries (at cost)						
Equity share of 1 HKD each fully paid up of Lava International (H K) Limited	10,000,000	57.48 (57.48)	10,000,000	57.48	10,000,000	57.48
Less - Provision for impairment						
Equity share of 1 HKD each fully paid up of Lava International (H K) Limited	100,000	0.83	100,000	0.83	100,000	0.83
Equity shares of Rs. 10 each fully paid up of Lava Enterprises Limited	5,200,000	52.00	5,200,000	52.00	5,200,000	52.00
Equity shares of Rs. 10 each fully paid up of Sojo Manufacturing Services Private Limited	2,219,000	22.19	2,219,000	22.19	2,219,000	22.19
Equity shares of Rs. 10 each fully paid up of Sojo Manufacturing Services (A P) Private Limited	3,959,000	39.59	3,959,000	39.59	3,959,000	39.59
Equity shares of Rs. 10 each fully paid up of Sojo Distribution Private Limited	9,000	0.09	9,000	0.09	9,000	0.09
Equity shares of 1000 AED each fully paid up of Lava Technologies DMCC	18,350	339.41 (339.41)	18,350	339.41	18,350	339.41
Less:- Provision for impairment						
Equity shares of 0.0001 USD each fully paid up of Lava Technologies L.L.C.	4,000,000,000	28.79 (28.79)	4,000,000,000	28.79	4,000,000,000	28.79
Less:- Provision for impairment						
Equity Share of 1000 USD each fully paid up of China Bird Centromerica, S.A. #	15,000	3,716.14	15,000	3,716.14	15,000	3,716.14
Investments in equity instruments of associate (at cost)						
Equity share of Rs. 10 of MagicTel Solutions Private Limited	2,500	0.03	2,500	0.03	2,500	0.03
		<u>3,830.87</u>		<u>4,256.55</u>		<u>4,256.55</u>

The Company holds investments in its subsidiaries and associate at cost

* During the year, impairment provision of Rs. 425.69 millions has been recognised. Impairment relates to overseas subsidiaries: Lava International (H.K.) Limited - Rs 57.48 millions, Lava Technologies DMCC - Rs 339.41 millions, Lava Technologies L.L.C. - Rs 28.79 millions. Value in Use relates to overseas subsidiaries: Lava International (H.K.) - Rs Nil, Lava Technologies DMCC - Rs Nil, Lava Technologies L.L.C. - Rs Nil.



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The Company acquired 100% of the equity share capital of China Bnd Centroamerica S.A. ("CBCA"), a Panama-based company involved in the distribution and sales of mobile handsets in Latin America during September 2021 through a share swap transaction. In the said transaction, the Company issued equity shares representing 5% of its equity share capital in exchange for 100% of the equity share capital in CBCA. The acquisition was undertaken to provide the Company with access to an established distribution network and customer base in the Latin American markets.

Subsequent to the acquisition, the Company had received the requisite financial information and underlying accounting records from CBCA and had consolidated CBCA's financial statements up to 31 March 2023. However, the Company experienced significant difficulty in obtaining the financial statements and underlying accounting records required from the management of CBCA for the purposes of consolidation for the Financial Year 2023-24, despite repeated follow-up and escalation. The Board was apprised of the matter and directed management to enforce the Company's contractual and shareholder rights and to take appropriate legal steps to safeguard the Company's interests.

Consequently, the Company initiated arbitration proceedings against the relevant parties to the acquisition agreement on 2 April 2026 in New Delhi to seek enforcement of its contractual rights. Subsequently, following further engagement between the parties, management of CBCA started cooperating with the Company and began providing historical financial statements and underlying accounting records. In view of the above development, the arbitration proceedings have been kept in abeyance since 15 June 2026.

The Company subsequently obtained an independent valuation report dated 17 July 2026 with a valuation date of 31 March 2025 and has carried out an impairment assessment of its investment in CBCA in accordance with the applicable requirements of Ind AS 36. The information subsequently obtained from CBCA, including the financial and operating information relevant to the valuation date, was considered in determining the Value in Use of the investment as at 31 March 2025. Based on the impairment assessment, the Value in Use exceeds the carrying amount of the investment as at 31 March 2025 and accordingly, no impairment loss has been recognised.

Pursuant to the order dated 11 November 2024 passed by the Hon'ble Delhi High Court in *Unit Memory Technology Hong Kong Limited vs. Hui On Rai & Ors*, the Company's non-current investments, including its investment in CBCA, have been attached. The Company is monitoring the proceedings and is taking appropriate legal steps to protect its rights and interests.

CBCA, along with its subsidiaries, Mobile Consumer Products, S.A. and Azumi, S.A., has jointly availed a USD 20.00 million revolving credit facility from Banco Agrario de Guatemala S.A. carrying interest at a nominal rate of 8.00% per annum (effective rate 8.30% per annum). This facility is secured, inter alia, by pledge of 100% of the equity shares of CBCA, Mobile Consumer Products S.A. and Azumi, S.A., securing USD 11.20 million of the facility, and personal guarantees of the borrowers for the remaining USD 8.80 million of the facility. The Company became aware of this facility upon receipt of the financial statements from CBCA. The Company has not provided any guarantee or other financial support in respect of the aforesaid facility.

Management continues to monitor the legal, regulatory, financial and other implications of the above matters and will evaluate any further information or developments for their consequential impact on the financial results and disclosures of the Company.

7 Financial assets

7 (a) Investments (current)

	As at 31 March 2025		As at 31 March 2024		As at 01 April 2023	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment in Mutual funds (Quoted) (at fair value through profit or loss)						
LIC MF Overnight Fund-Regular Plan Growth	-	-				
Union Corporate Bond Fund-Regular Plan - Growth	-	-	299,975	3.06	17,387.16	20.11
MARG- Union Multi-asset allocation Fund-Regular Growth	-	-			390,959.78	5.04
				3.06		25.15
Investment in Mutual funds (Unquoted) (at fair value through profit or loss)						
Canara Robeco MF - Regular Plan Growth	-	-		-		-
				-		-
				-		-
				-		-
Investment in Mutual funds (Unquoted) (at fair value through profit or loss)						
Canara Robeco MF - Regular Plan Growth	-	-		-	344.798	3.58
				-		3.58
Aggregate book value of quoted investment	-	-		3.06		25.15
Aggregate market value of quoted investment	-	-		3.06		25.15
Aggregate book value of unquoted investment	-	-		-		3.58
Aggregate market value of unquoted investment	-	-		-		3.58



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7 (b) Trade receivables

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Unsecured	56.04	451.37	738.71
- Considered good	362.71	839.15	848.42
- Receivables from related parties - considered doubtful	8,879.47	8,663.03	7,940.34
- Considered doubtful	9,298.22	9,953.55	9,527.47
Less	(9,242.18)	(9,502.18)	(8,788.76)
- Allowance for expected credit loss (ECL) (Refer Note 22A)	56.04	451.37	738.71

Ageing of trade receivables: -

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2025							
Undisputed trade receivables - considered good	26.43	22.95	5.90	-	-	-	55.28
Undisputed trade receivables - significant increase in credit risk	2.45	2.12	1.33	3.42	3.44	358.38	371.14
Disputed trade receivables - considered good	-	0.01	0.75	-	-	-	0.76
Disputed trade receivables - significant increase in credit risk	-	0.00	0.17	264.69	609.89	7,996.29	8,871.04
Total trade receivables	28.88	25.08	8.15	268.11	613.33	8,354.67	9,298.22
Less: Allowance for expected credit loss (ECL)							(9,242.18)
Net trade receivables							56.04

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed trade receivables - considered good	24.85	12.78	208.83	-	-	-	246.46
Undisputed trade receivables - significant increase in credit risk	3.80	1.95	53.96	3.52	297.34	537.26	897.83
Disputed trade receivables - considered good	-	0.26	204.66	-	-	-	204.92
Disputed trade receivables - significant increase in credit risk	-	0.04	53.69	1,048.94	1,773.75	6,277.92	8,604.34
Total trade receivables	28.65	15.03	521.14	1,052.46	1,521.09	6,815.18	9,953.55
Less: Allowance for expected credit loss (ECL)							(9,502.18)
Net trade receivables							451.37



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7 (c) Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Cash on hand	2.47	2.32	5.16
Balances with banks:			
On current accounts*	105.89	140.40	23.37
Deposits with original maturity of less than three months # (Refer footnote to note 7(c))	-	299.15	742.56
	108.36	441.87	771.09

*Balance with bank includes bank balance of representative office situated at China amounting to Rs 4.03 millions as at March 31, 2025 (March 31, 2024 : Rs 3.41 million)

Short-term deposits are placed for periods ranging from one day to three months, based on the Company's immediate liquidity requirements, and earn interest at applicable short-term deposit rates

7 (d) Other bank balances

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Deposits with bank for original maturity of more than three months but less than twelve months (Refer footnote to note 7(e), 11(a) Note I(viii))	262.24	843.09	914.95
	262.24	843.09	914.95

7 (e) Other financial asset (Non-current)

Unsecured, considered good unless stated otherwise

Security deposits	11.33	35.29	31.62
- Considered good	15.71	4.92	4.92
- Considered doubtful	27.04	40.21	36.54
	(15.71)	(4.92)	(4.92)
Less: Provision for doubtful deposits	11.33	35.29	31.62
Bank deposits with remaining maturity of more than twelve months #	0.29	0.04	65.36
Interest accrued on bank deposits	0.05	0.02	6.41
	11.67	35.35	103.39

Note:

Includes margin money deposits under lien (refer note 7(c), note 7(d) and, note 7(e)) - against letter of credit facility, bank guarantees and other margin

252.40 717.77 1,317.28

7 (f) Other financial assets (current)

Unsecured, considered good unless stated otherwise

Security deposits	(A)	19.46	8.01	17.48
Interest accrued on bank deposits	(B)	17.84	148.65	173.92
Derivative asset	(C)	-	0.54	-
Others receivables		15.63	17.13	17.58
- Considered good		79.09	99.05	142.35
- Considered good, recoverable from related parties (refer note 30)		565.46	522.06	713.27
- Considered doubtful		660.18	638.24	873.20
		(565.46)	(522.06)	(713.27)
Less: Allowance for expected credit loss (ECL)	(D)	94.72	116.18	159.93
Total (A + B + C + D)		132.02	273.38	351.33

Note: Security deposits include balance of Rs 5.83 million as at March 31, 2025 (March 31, 2024 : Rs 7.74 million) of representative office situated at China



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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

8 Inventories

(Valued at lower of cost or net realisable value)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Raw materials and components	504.97	1,412.30	1,520.86
Finished goods			
-In hand	449.93	871.28	1,242.80
-With consignee	555.61	287.85	216.17
Stock-in-trade	-	0.30	0.68
Spares	195.95	232.74	308.01
	1,706.46	2,804.47	3,288.52

Note 1 The above inventory is net of :-

a) Write down of inventory from cost to net realisable value

Finished goods	4.72	30.89	25.68
Traded goods	-	0.01	0.02
Spares	-	-	4.13

b) Write down of inventory for obsolescence

Finished goods	84.64	17.92	13.69
Traded goods	0.01	0.02	0.01
Spares	67.13	58.96	132.43
Raw materials and components*	1,774.88	1,323.29	1,324.67

*Refer note 22A(b)

9 (a) Other non-current assets

Unsecured, considered good, unless otherwise stated

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Capital advances	12.00	32.00	32.11
Advances to vendors	550.44	-	-
Prepaid expenses	-	-	175.94
	562.44	32.00	208.05



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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

9 (b) Other current assets

		As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Unsecured, considered good, unless otherwise stated				
Prepaid expenses	(A)	26.30	348.84	590.60
Balance with statutory/ government authorities	(B)	779.93	752.36	672.51
Advances to vendors				
- Considered good		488.15	1,107.72	858.46
- Advances to related parties, considered good		279.43	295.57	23.69
- Considered doubtful		371.28	9.76	9.76
		1,138.86	1,413.05	891.91
Less: Provision for doubtful advances		(371.28)	(9.76)	(9.76)
	(C)	767.58	1,403.29	882.15
Deposits against disputed demand (Refer Foot Note 12b)	(D)	1,450.50	395.96	395.96
Total (A + B + C + D)		3,024.31	2,900.45	2,541.22

Note: Prepaid expenses include balance of Rs 0.03 million as at March 31, 2025 (March 31, 2024 : Rs 0.03 million) of representative office situated at China.

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10	Equity share capital and instruments entirely equity in nature	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
	Authorised share capital			
	782,000,000 equity shares of Rs. 5 each	3,910.00	3,910.00	3,910.00
	100,000 (31 March 2024: 100,000) Compulsory Convertible Preference	1.00	1.00	1.00
	500,000 (31 March 2024: 500,000) Compulsory Convertible Preference	50.00	50.00	50.00
		3,961.00	3,961.00	3,961.00
	Issued, subscribed and fully paid-up share capital			
	541,126,216 equity shares of Rs. 5 each	2,705.63	2,705.63	2,705.63
	100,000 (31 March 2024 : 100,000) Compulsory Convertible Preference	1.00	1.00	1.00
	324,172 (31 March 2024 : 324,172) Compulsory Convertible Preference	32.42	32.42	32.42
	Total issued, subscribed and fully paid-up share capital	2,739.05	2,739.05	2,739.05

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**
(i) **Equity shares**

	Amount			No of Shares		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
At the beginning of the year	2,705.63	2,705.63	2,705.63	541,126,216	541,126,216	541,126,216
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	2,705.63	2,705.63	2,705.63	541,126,216	541,126,216	541,126,216

(ii) **Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)**

	Amount			No of Shares		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
At the beginning of the year	33.42	33.42	33.42	424,172	424,172	424,172
Converted to equity and other equity	-	-	-	-	-	-
Outstanding at the end of the year	33.42	33.42	33.42	424,172	424,172	424,172

(b) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 5 per share (31 March 2024: Rs. 5 per share). Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to compulsory convertible preference shares (CCPS)

During financial year 2017-18, the Company has issued 500,000 CCPS of Rs.100 each. The preference shares shall collectively be entitled to dividend of 0.0001% of the aggregate face value of the preference shares. As per the terms of Subscription and Shareholders Agreement, the preference shares may be converted, at any time at the discretion of the CCPS holder, into fixed number of equity shares, further, if any of the preference shares have not been converted into equity shares within 19 years and 11 months, remaining preference shares shall be automatically and compulsorily converted into equity shares upon the expiry of such period.

i. Pursuant to approval of board of directors of the company in the meeting held on 9th Aug, 2021, the Holding Company has converted its 175,828 CCPS into 1,528,834 Equity Shares of Rs. 10 each at the premium of Rs. 1.5 per Share. Out of the total CCPS issued, 324,172 CCPS remained outstanding as at 31st March 2025 (Out of the total CCPS issued, 324,172 CCPS remained outstanding as at 31st March 2024).

ii. During financial year 2017-18, the Company had issued 100,000 CCPS of Rs. 10 each for a consideration of Rs. 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Company. The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If any of the preference shares have not been converted to equity shares within 10 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

In response of the exercise of the option available, the Company has to issue 5,368,832 equity shares against 100,000 CCPS.



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(c) Number of bonus shares issued during the period of five years immediately preceding the reporting date:

	No of Shares				
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Equity shares allotted during the year as fully paid bonus shares				256,618,862	

(d) Details of shareholders holding more than 5% shares in the Company:

Equity Shares of Rs. 5 each fully paid (31 March 2024 : Rs 5 each fully paid)

Name of Shareholders	No of Shares			Percentage shareholding		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2023	As at 31 March 2024	As at 01 April 2023
Axis Capital Limited*	145,020,160	145,020,160	-	26.80%	26.80%	0.00%
Hari Om Rai	82,650,240	82,650,240	140,658,304	15.27%	15.27%	25.99%
Sunil Bhalla	62,123,163	62,123,163	98,378,203	11.48%	11.48%	18.18%
Yash Investments	60,693,140	60,693,140	60,693,140	11.22%	11.22%	11.22%
Vishal Sehgal	36,989,083	36,989,083	73,244,123	6.84%	6.84%	13.54%
Shailendra Nath Rai	26,412,782	26,412,782	40,914,798	4.88%	4.88%	7.56%
Shibani Sehgal	29,042,880	29,042,880	29,042,880	5.37%	5.37%	5.37%

* Shares held by Axis Capital Limited as on 31.03.2025, has been acquired by Gyanmay Investment Advisers LLP as per BENPOS dated 31st December 2025

Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

Name of Shareholders	No of Shares			Percentage shareholding		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
UNIC Memory Technology (Hong Kong) Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	324,172	324,172	324,172	100.00%	100.00%	100.00%
Bennett Coleman And Company Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	100,000	100,000	100,000	100.00%	100.00%	100.00%

(e) Shareholdings of Promoters

Equity Share held by promoters as of 31st March 2025

Promoters Name	No of Shares	% of total Shares	% Change during the year
Hari Om Rai	82,650,240	15.27%	0.00%
Sunil Bhalla	62,123,163	11.48%	0.00%
Vishal Sehgal	36,989,083	6.84%	0.00%
Shailendra Nath Rai	26,412,782	4.88%	0.00%
Total	208,175,268	38.47%	

Equity Share held by promoters as of 31st March 2024

Promoters Name	No of Shares	% of total Shares	% Change during the year
Hari Om Rai	82,650,240	15.27%	-10.72%
Sunil Bhalla	62,123,163	11.48%	-6.70%
Vishal Sehgal	36,989,083	6.84%	-6.70%
Shailendra Nath Rai	26,412,782	4.88%	-2.68%
Total	208,175,268	38.47%	



(f) **Shares reserved for issue under options :**

Shares are reserved for issuance under the Company's Employee Stock Option Plan (ESOP). Refer Note 36 for detailed disclosures.

11 Financial liabilities**11(a) Borrowings (Non-current)****Secured (refer note I below)**

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Term loan from banks	24.82	6.44	2.86
Term loan from other parties	-	126.33	226.96
	24.82	132.77	229.82
Current maturities of non current borrowings [refer note 11(b)]	134.89	121.43	401.23

Note I Security disclosure for the outstanding current borrowings are as follows:

(i) Car loan had been obtained from HDFC bank amounting to Rs. 2.32 million during the earlier year and the amount outstanding against the said loan is Rs. 0.58 million (31 March 2024: Rs. 1.07 million, 31 March 2023 : Rs. 1.53 million) which carries interest @ 7.50% p.a. and repayable in 60 equal monthly instalments starting from 07th May 2021. The loan is scheduled to be repaid by 07th April 2026. The loan is secured against the vehicle funded out of aforesaid loan. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 10.04.2026.

(ii) Car loan has been obtained from HDFC bank amounting to Rs. 2.53 million during the earlier year and the amount outstanding against the said loan is Rs. 1.30 million (31 March 2024: 1.79 million, 31 March 2023 : Rs. 2.25 million) which carries interest @ 7.70% p.a. and repayable in 60 equal monthly instalments starting from 05th August 2022. The loan is scheduled to be repaid by 05th July 2027. The loan is secured against the vehicle funded out of aforesaid loan. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 18.07.2026.

(iii) Car loan has been obtained from HDFC bank amounting to Rs. 2.10 million in August 2023 and the amount outstanding against the said loan is Rs. 1.53 million (31 March 2024: 1.89 million, 31 March 2023 : Rs. Nil million) which carries interest @ 8.80% p.a. and repayable in 60 equal monthly instalments starting from 05th September 2023. The loan is scheduled to be repaid by 05th August 2028. The loan is secured against the vehicle funded out of aforesaid loan.

(iv) Car loan has been obtained from Indian bank amounting to Rs. 3.96 million in November 2023 and the amount outstanding against the said loan is Rs. 3.00 million (31 March 2024: 3.72 million, 31 March 2023 : Rs. Nil million) which carries interest @ 8.65% p.a. and repayable in 60 equal monthly instalments starting from 07th December 2023. The loan is scheduled to be repaid by 07th November 2028. The loan is secured against the vehicle funded out of aforesaid loan.

(v) Term loan from Bajaj Finance Ltd. had been obtained amounting to Rs. 350 million during the earlier year and the amount outstanding against the said loan is Rs. 102.94 million (31 March 2024: Rs. 185.30 million, 31 March 2023 : Rs. 267.65 million) which carries interest @ 11.55% p.a. (31 March 2024: 11.35% p.a.) and repayable in 51 equal monthly instalments starting from 05th April 2022 to 05th June 2026. The loan is secured by exclusive charge over plant and machinery funded under the term loan with minimum Fixed Assets Coverage Ratio (FACR) of 1.33x and second pari-passu charge on overall current assets (current and future) of the Company. Further, the loan has been personally guaranteed by promoters of the Company. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 10.06.2026.

(vi) Term loan from Oxyzo Financial Services Private Ltd. had been obtained amounting to Rs. 20 million during the earlier year and the amount outstanding against the said loan is Rs. Nil million (31 March 2024: Rs. Nil, 31 March 2023 : Rs. 5.47 million) which carries interest @ 12.25% p.a. and repayable in 24 equal monthly instalments. The loan repaid on 05th September 2023. The loan was secured by personal guarantee by promoter of the Company. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 12.09.2023.

(vii) Term loan from Oxyzo Financial Services Private Ltd. had been obtained in July 2023 amounting to Rs. 75 million and the amount outstanding against the said loan is Rs. 23.80 million (31 March 2024: Rs. 60.43 million, 31 March 2023 : Rs. Nil million) which carries interest @ 12.5% p.a. and repayable in 24 equal monthly instalments. The loan to be repaid on monthly EMI ending on 05th October 2025. The loan was secured by Unconditional and Irrevocable Bank Guarantee of Rs. 100 Million. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 07.11.2025.



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(viii) Working Capital Term loan from Junoon Capital Services Private Ltd. had been obtained in June 2024 amounting to Rs. 50 million and the amount outstanding against the said loan is Rs. 26.60 million (31 March 2024: Nil million, 31 March 2023 : Rs. Nil million) which carries interest @ 17.50% p.a. and repayable in 18 equal monthly instalments. The loan to be repaid on monthly EMI ending on 29th December 2025. The loan was secured by FDR of Rs. 7.5 Million Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 07.01.2026

(ix) Non-Convertible Debentures (NCDs) had been issued during the financial year 2021-22 amounting to Rs. 250 million which carries interest @ 12.41% p.a. and the amount outstanding against the said NCD is Rs. Nil million (31 March 2024: Rs. Nil million, 31 March 2023 : Rs. 250 million). NCD were fully repaid in September 2023. The NCD's were secured by first and exclusive charge by pledge of certain shares of the Company held by the promoters. Further, the loan has been personally guaranteed by certain directors of the Company. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 12.12.2023.

(x) Term loan from Tata Capital Financial Services Ltd. has been obtained in Financial Year 2022-23 amounting to Rs. 125 million which carries interest @ 11.10% p.a. and the amount outstanding against the said loan is Rs. Nil million (31 March 2024: Nil million, 31 March 2023 : Rs. 104.17 million). The loan was fully repaid in Feb-2024. The loan was secured by guarantee equivalent to the 50% of the facility amount and personal guarantee by certain directors of the Company. Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 16.11.2024.

Note II: Satisfaction of charges:

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.



11(b) Borrowings (current)**Secured**

Cash credit / overdraft facility from banks (repayable on demand)*

Buyer's credit

Working capital demand loan**

Current maturities of non current borrowings [refer note 11(a)]

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
408.06	714.57	743.82
-	-	139.03
-	155.00	531.00
134.89	121.43	401.23
542.95	991.00	1,815.08

*Secured by way of hypothecation on first pari-passu charge basis, on overall current assets of the Company (current and future) and collateral securities/personal guarantees of promoter and relative of promoter. The said loan is further secured:

(1) by way of a first charge on pari-passu basis, of existing and future movable fixed assets of the Company excluding software and machineries/ assets created by way of term loans from other banks and financial institutions.

(2) by way of a second charge on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions. The cash credit is repayable on demand and carries interest @ 11.55% p.a. to 14.85% p.a. (31 March 2024: 10.35% p.a. to 11.30% p.a.).

**Working capital demand loan from Tata Capital Financial Services Ltd of Rs. Nil million (31 March 2024: Rs. 125 million, 31 March 2023: Rs. 125 million) is secured by way of Bank guarantee equivalent to the 100% of the facility amount and personal guarantee by promoters of the Company and repayable on demand and carries interest @ Nil % (31 March 2024: 11.35% p.a.). Subsequent to the year end, the Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 16.11.2024.

Working capital demand loan of Rs. Nil million (31 March 2024: Rs. Nil million, 31 March 2023: Rs. 370 million) is secured by way of the personal guarantee by promoters of the Company and repayable on demand and carries interest @ Nil % (31 March 2024: Nil % p.a., 31 March 2023 : 8.90% p.a. to 9.25% p.a.).

Working capital demand loan of Rs. Nil million (31 March 2024: 30 million, 31 March 2023: Nil million) is secured similar to cash credit facilities as mentioned above and repayable on demand and carries interest @ Nil. (31 March 2023: 11.20%).

Working capital demand loan of Rs. Nil million (31 March 2024: Nil million, 31 March 2023: 36 million) is secured against fixed deposit and repayable on demand and carries interest @ Nil (31 March 2024: NIL, 31 March 2023: 9.25% p.a.).

Subsequent to the year end, the Company has fully repaid/closed all working capital facility including cash credit/ overdraft facility, Buyer's credit and WCDL facility and respective charge has been satisfied on ROC dated 18.06.2026.

Note I:

In respect of working capital loans, quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.



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Lava International Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amounts in Indian Rupees millions unless otherwise stated)

11(c) Trade payables

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Micro and small enterprises	164.38	229.93	132.17
Other than micro and small enterprises	3,122.28	3,064.44	3,259.10
Payable to related parties	210.59	210.32	27.66
	3,497.25	3,504.69	3,418.93

Ageing of trade payables: -

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025					
Outstanding dues to micro and small enterprises	162.53	0.09	-	-	162.62
Others	2,712.76	6.21	0.62	253.81	2,973.40
Disputed - dues to micro and small enterprises	1.76	-	-	-	1.76
Disputed - Others	2.06	0.26	0.08	0.58	2.98
Total trade payables	2,879.11	6.56	0.70	254.39	3,140.76
Provision for Expenses					356.49
Net trade payables					3,497.25

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Outstanding dues to micro and small enterprises	229.93	-	-	-	229.93
Others	2,831.37	8.16	0.81	153.37	2,993.71
Disputed - dues to micro and small enterprises	-	-	-	-	-
Disputed - Others	-	-	-	-	-
Total trade payables	3,061.30	8.16	0.81	153.37	3,223.64
Provision for Expenses					281.05
Net trade payables					3,504.69



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11(d) Lease liabilities (Non-current)

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
18.78	66.75	109.47
18.78	66.75	109.47

Lease Liabilities

11(e) Lease liabilities (current)

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
58.95	42.70	38.40
58.95	42.70	38.40

Lease Liabilities

11 (f) Other financial liabilities (current)

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
-	-	1.27
1,884.21	1,495.65	1,460.31
409.02	212.34	163.00
45.00	100.00	-
2.26	3.77	6.08
43.72	38.34	43.51
-	-	1.29
4.66	-	-
2,388.87	1,850.10	1,675.46

Payable for capital purchases

Security deposits

Security deposit from consignee

Inter company deposit

Interest accrued on borrowings

Employee payables

Derivative liability

Other financial liability

12 (a) Provisions (Non-current)

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
10.63	59.88	57.28
12.50	-	-
0.94	2.06	2.06
24.07	61.94	59.34

Provision for employee benefits

Provision for gratuity

Provision for compensated absences

Other provisions

Provision for decommissioning liabilities

Under the terms of lease agreements, the Company is required to restore leased premises to their original condition upon expiry of the lease term. Accordingly, a provision has been recognised for the estimated restoration costs.



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12 (b) Provisions (Current)

Provision for employee benefits

Provision for gratuity

Provision for compensated absences

Other provisions

Provision for warranties*

Provision for legal matters

Provision for taxation matters

Provision for custom matters

Provision for other disputed statutory liability matters

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
-	16.27	25.67
10.28	17.10	20.59
10.28	33.37	46.26
171.54	130.88	87.53
5,374.37	4,337.27	1,470.14
482.76	464.13	433.59
354.08	-	-
53.61	-	-
6,436.36	4,932.28	1,991.26
6,446.64	4,965.65	2,037.52

* The Company provides warranties on its products, under which it undertakes to repair or replace items that fail to perform satisfactorily during the warranty period. The provision represents management's best estimate of the expected cost of meeting such obligations. The related cash outflows are expected to occur within the next 12 months (31 March 2024: 12 months).

Provision for warranties

At the beginning of the year

Arising during the year

Less: Utilized / reversed during the year

At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
130.88	87.53	101.56
263.29	185.31	86.92
(222.63)	(141.96)	(100.95)
171.54	130.88	87.53

Provision for decommissioning liabilities

At the beginning of the year

Arising during the year

Less: Utilized / reversed during the year

At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
2.06	2.06	2.06
0.94	-	-
(2.06)	-	-
0.94	2.06	2.06

Provision for legal matters

At the beginning of the year

Arising during the year

Less: Utilized / reversed during the year

At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
4,337.26	1,470.14	1,470.14
1,037.08	2,867.12	-
-	-	-
5,374.34	4,337.26	1,470.14



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Provision for taxation matters

At the beginning of the year	
Arising during the year	
Less: Utilized / reversed during the year	
At the end of the year	

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
464.13	433.59	433.59
18.63	30.54	-
-	-	-
482.76	464.13	433.59

Provision for custom matters

At the beginning of the year	
Arising during the year	
Less: Utilized / reversed during the year	
At the end of the year	

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
-	-	-
354.08	-	-
-	-	-
354.08	-	-

Provision for other disputed statutory liability matters

At the beginning of the year	
Arising during the year	
Less: Utilized / reversed during the year	
At the end of the year	

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
-	-	-
53.61	-	-
-	-	-
53.61	-	-

The Company is involved in certain legal and regulatory proceedings arising in the ordinary course of business, principally relating to commercial, taxation, customs and other disputed statutory liability matters. Management evaluates these matters based on the facts and circumstances available at each reporting date, including the status of the proceedings and legal advice obtained where considered appropriate. Provisions are recognised where, based on such assessment, an outflow of economic resources is considered probable, and the amount of the obligation can be reliably estimated.

In respect of certain matters, the Company has not disclosed certain information relating to the nature of the obligations, expected timing of outflows, uncertainties surrounding the amount or timing of such outflows and key assumptions, as management has concluded that, in the specific circumstances, disclosure of such information could be expected to seriously prejudice the Company's position in the ongoing disputes. The Company has nevertheless disclosed the general nature of the matters and the aggregate amounts provided, where applicable.

The Company continues to monitor the status of these proceedings and reassesses the related provisions when significant developments occur and at each reporting date. Based on the information currently available and the assessments performed, management considers that the provisions recognised represent its best estimate of the obligations for matters where an outflow is considered probable, and the amount can be reliably estimated.

The Company has also given deposits amounting to Rs 1,450.50 millions in respect of the above legal and tax matters as at 31 March 2025 (Rs 395.96 millions as at 31 March 2024). Refer Note 9(b)



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13 Other current liabilities

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Advance from customers	540.57	354.50
Tax deductible at source	34.81	29.74
Other statutory liabilities#	119.76	77.94
	695.14	462.18
		301.52

Other statutory liabilities include Rs 1.31 millions as on 31 March 2025 related to representative office situated at China.

14 Current tax liabilities (net)

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Provision for income tax*	-	150.48
	150.48	108.16

*The above amount is net of advance tax and tax deducted at source (TDS) receivable aggregating to Rs. Nil (31 March 2024: Rs. 3,871.59 million)




15 Revenue from operations

	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products	15,982.84	22,658.97
Sale of services	8.85	14.44
Other operating revenues		
- Scrap sale	6.62	9.22
- Export incentives	11.61	3.18
	16,009.92	22,685.81

Notes

(A). Revenue from contracts with customers disaggregated based on nature of product or service

a. Revenue from sale of products

Sale of products

b. Revenue from sale of services

c. Other Operating revenue

Total revenue from operations

For the year ended 31 March 2025	For the year ended 31 March 2024
-------------------------------------	-------------------------------------

15,994.45 22,662.15

8.85 14.44

6.62 9.22

16,009.92 22,685.81

(B). Revenue from contracts with customers disaggregated based on geography

a. Domestic

b. Export

For the year ended 31 March 2025	For the year ended 31 March 2024
-------------------------------------	-------------------------------------

15,508.63 22,147.66

485.82 514.49

15,994.45 22,662.15

(C) Disclosure based on time

Sale of products

Goods transferred at a point of time

Sale of services and lease

Services transferred at a point of time

For the year ended 31 March 2025	For the year ended 31 March 2024
-------------------------------------	-------------------------------------

15,994.45 22,662.15

8.85 14.44

16,003.30 22,676.59

(D) Export benefit and other incentives

On systematic basis when benefit accrued

Export incentive

For the year ended 31 March 2025	For the year ended 31 March 2024
-------------------------------------	-------------------------------------

11.61 3.18

11.61 3.18



57

*



16 Other income

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income on financial asset at amortised cost	(0.31)	1.27
Interest income on fixed deposits with banks	46.02	92.03
Net gain on sale of mutual fund investments	0.56	(0.24)
Incentive from government	23.57	-
Fair value gain on derivative financial instruments at fair value through profit or loss	-	1.83
Foreign exchange differences (net)	20.78	107.34
Profit on sale of property, plant and equipment	-	0.65
Miscellaneous income	19.81	5.81
	110.43	208.69

17 Cost of raw material and components consumed

	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventory materials at the beginning of the year		
-Raw Material	1,412.30	1,520.86
-Spare parts	232.74	308.01
Purchase during the year	11,709.49	17,121.85
Less: Inventory materials at the end of the year		
-Raw Material	(504.97)	(1,412.30)
-Spare parts	(195.95)	(232.74)
Other Directs Expense & trf to warranty	170.42	179.99
	12,824.03	17,485.67

18 Changes in inventories of finished goods, spares and stock in trade

	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the end of the year		
Stock-in-trade	-	0.30
Finished goods	1,005.54	1,159.13
	1,005.54	1,159.43
Inventories at the beginning of the year		
Stock-in-trade	0.30	0.68
Finished goods	1,159.13	1,458.97
	1,159.43	1,459.65
	153.89	300.22



Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)***19 Employee benefits expense**

	For the year ended 31 March 2025	For the year ended 31 March 2024
Salary, wages and bonus	1,148.36	1,248.06
Contribution to provident and other funds	64.04	68.17
Gratuity expense	17.42	20.70
Share based payment expense	16.51	9.02
Staff welfare, recruitment and training	248.68	261.16
	1,495.01	1,607.11

20 Finance costs

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on		
-Term loan	39.50	120.94
-Cash credit	64.41	78.74
-Security deposits	0.27	3.47
-Income tax	21.41	12.11
-on Lease Liability	13.01	16.30
Bank charges	80.28	113.68
	218.88	345.24



Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

21 Depreciation and amortisation expense

Depreciation expense

- on Property, Plant & Equipment

- on ROU Asset

Amortisation expense on Intangible Assets

**For the year ended
31 March 2025**

**For the year ended
31 March 2024**

190.78

154.83

36.75

34.76

5.60

7.55

233.13

197.14

22 Other expenses

**For the year ended
31 March 2025**

**For the year ended
31 March 2024**

Power and fuel

50.00

49.77

Rent

47.09

49.97

Rates and taxes**

8.03

3.22

Insurance

13.16

15.37

Repair and maintenance - others

91.57

107.73

Advertisement and marketing expenses

554.09

472.60

Sales promotion, scheme expenses and expected credit loss

661.55

1,795.97

Freight and cartage

257.48

196.24

Outsourced salary cost

74.28

60.46

Travelling and conveyance

111.95

107.42

Communication costs

8.60

8.01

Warranty expenses

263.29

185.31

Legal and professional fees

206.06

173.45

Payment to Auditor (refer detail below)

3.40

2.50

Donation

-

0.07

Corporate social responsibility expense

10.80

10.79

Loss on sale of property, plant and equipment

1.16

-

Fair value loss on derivative financial instrument at fair value through profit or loss

0.54

-

Miscellaneous expenses

18.66

39.69

Provision on advances

353.30

-

Provision on legal matters*

1,037.09

2,867.13

Provision on taxation matters*

18.63

30.54

Provision on custom matters*

354.08

-

Provision on disputed statutory liability*

53.61

-

Provision for other receivable

296.93

-

Provision for impairment of investment in subsidiary

425.69

-

Impairment loss on corporate guarantee

1.54

-

4,922.58

6,176.24

*Refer note 12(b)

Payment to auditor

As auditor:

-Audit fee

3.40

2.50

Reimbursement of expenses

3.40

2.50

**Rates & Taxes include local rates and taxes paid at representative office situated at China amounting to Rs 2.94 millions



22A Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'**Restatement for the year ended 31 March 2024 and as at 1 April 2023**

The Company has identified certain prior-period errors relating to, inter alia, provisions for inventories, expected credit losses, legal and taxation matters, deferred taxes relating to legal matters, depreciation and accounting for consignment stock. These matters have been evaluated by management and the related errors have been corrected retrospectively in these financial statements in accordance with the requirements of Ind AS 8 as applicable. The nature of the prior-period errors and the corresponding impact on the financial statements for the affected periods are set out in the tables below. The restated comparative financial information presented in these financial statements incorporates the effects of the aforesaid retrospective adjustments. The Company has also reviewed the relevant processes and controls associated with the matters identified and has initiated appropriate measures, where considered necessary, to strengthen the related financial reporting processes and controls. Reconciliations of the financial statement line items so restated are set out below.

The correction of the errors described below has resulted in a change in earnings per share for the year ended 31 March 2024 as follows: basic earnings per share from Rs. 0.79 as previously reported to Rs. (5.44) as restated, and diluted earnings per share from Rs. 0.73 as previously reported to Rs. (5.44) as restated. The amounts presented in the reconciliations below represent the correction of errors only. Reclassifications between line items, which do not represent the correction of errors, are disclosed separately in Note 52 and are not included in the adjustment column below.

Reconciliation of restated items of Balance Sheet as at 31 March 2024 and 1 April 2023

Particulars	Note	31 March 2024			01 April 2023		
		As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Property, Plant and Equipment	a	474.82	45.65	520.47	568.06	15.23	583.29
Inventories	b&c	3,839.26	(1,034.79)	2,804.47	4,394.99	(1,106.47)	3,288.52
Trade receivables	c	2,751.87	(2,300.50)	451.37	2,542.25	(1,803.54)	738.71
Deferred tax assets (net)	d	360.16	1,529.08	1,889.24	307.45	825.24	1,132.69
Retained earnings		484.90	(6,774.31)	(6,289.41)	765.10	(4,136.23)	(3,371.13)
Current Provisions	d	164.25	4,801.40	4,965.65	133.79	1,903.73	2,037.52
Other current financial liabilities	e	1,637.76	212.34	1,850.10	1,512.46	163.00	1,675.46

Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Note	As previously reported	Adjustments	As restated
Revenue from Operations	e	23,295.45	(609.64)	22,685.81
Cost of raw material and components consumed	e	17,858.79	(373.12)	17,485.67
Changes in inventories of finished goods, spares and stock in trade	e	376.41	(76.19)	300.22
Depreciation and amortisation expense	a	227.57	(30.43)	197.14
Sales promotion, scheme expenses and expected credit loss	b&c	566.78	1,229.19	1,795.97
Provision on legal matters	d	-	2,867.13	2,867.13
Provision on taxation matters	d	-	30.54	30.54
Deferred tax expense/(income)		(52.77)	(703.82)	(756.59)




Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Reconciliation of Statement of Cash Flow for the year ended 31 March 2024

Particulars	As previously reported	Adjustments	As restated
Cash flow from operating activities			
Profit/(Loss) before tax	546.03	(4,075.63)	(3,529.60)
Adjustment to reconcile profit/(loss) before tax to net cash flows	304.84	3,364.02	3,668.86
Operating profit/(loss) before working capital changes	850.87	(711.61)	139.26
Movements in working capital:			
Cash generated from operations	(70.06)	828.19	758.13
Income taxes paid (net of refunds)	780.81	116.58	897.39
Net cash flow from / (used) in operating activities (A)	(116.63)	(11.01)	(127.64)
Net cash flow from / (used) in investing activities (B)	664.18	105.57	769.75
Net cash flow from / (used) in financing activities (C)	184.42	(93.46)	90.96
Net cash from / (used) in financing activities (C)	(1,177.83)	(12.10)	(1,189.93)
Net increase in cash and cash equivalents (A + B + C)			
Cash and cash equivalents at the beginning of the year	(329.22)	0.01	(329.22)
Cash and cash equivalents at the end of the year	771.09	-	771.09
Cash and cash equivalents at the end of the year	441.87	0.01	441.87
Components of cash and cash equivalents			
Cash on hand	2.32	-	2.32
Balances with banks:			
On current accounts	-	-	-
Deposits with original maturity of less than three months	140.40	-	140.40
Total cash and cash equivalents [refer note 7 (c)]	299.15	-	299.15
Total cash and cash equivalents [refer note 7 (c)]	441.87	-	441.87

Refer note (a) to (d) below



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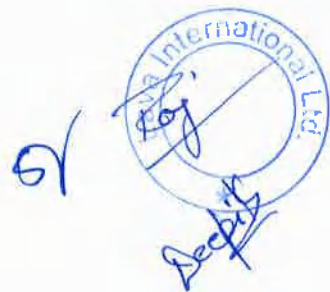


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- a) During the year, the Company undertook a review of the useful lives applied to its Property, Plant and Equipment ("PPE") pursuant to which it was identified that the useful lives adopted for certain asset classes in the years ended 31 March 2024 and 31 March 2023 were not in conformity with those prescribed under Part C of Schedule II to the Companies Act, 2013 and depreciation for those periods was accordingly computed on useful lives other than as so prescribed. The useful lives of the affected asset classes have been aligned with Schedule II, and since the matter pertains to periods prior to the current year, the resulting difference in depreciation has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and not a change in an accounting estimate under Ind AS 16 – Property, Plant and Equipment. The error has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8 by restating the comparative amounts for the year ended 31 March 2024 and the opening balances as at 1 April 2023, with depreciation and the written down value of PPE recomputed on the basis of the useful lives prescribed under Schedule II. Consequent to the above, accumulated depreciation on PPE has decreased by Rs. 15.24 million as at 1 April 2023 and by Rs. 45.64 million as at 31 March 2024, with the corresponding adjustment made to retained earnings amounting to Rs. 15.24 million as at 1 April 2023 and to the Statement of Profit and Loss for the year ended 31 March 2024 amounting to Rs. 30.44 million.
- b) During the current financial year, pursuant to a detailed technical evaluation of its inventory holdings, the Company identified that certain inventory items had, on account of technological obsolescence, a net realisable value lower than their carrying amount as at 1 April 2023, and that such inventories were consequently carried at amounts in excess of the lower of cost and net realisable value as required by Ind AS 2 – Inventories. The said evaluation established that the conditions giving rise to the obsolescence existed as at that date. Since the matter pertains to periods prior to the current year, the resulting difference in measurement has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Based on the said evaluation, the carrying amount of inventory as at 1 April 2023 has been reduced by Rs. 1,322.63 million, with the corresponding adjustment recognised in the opening balance of retained earnings as at 1 April 2023. Comparative financial information has been restated wherever applicable to give effect to the retrospective correction.
- c) During the year, pursuant to an assessment of the ageing profile and recovery history of its trade receivables, the Company identified that trade receivables aggregating Rs. 1,803.53 million as at 1 April 2023, and a further Rs. 493.94 million arising during the year ended 31 March 2024, were credit-impaired as at those dates and had been carried without recognition of a lifetime expected credit loss allowance as required by Ind AS 109 – Financial Instruments. The said assessment established that the credit-impairment indicators in respect of these receivables existed as at the respective dates. Since the matter pertains to periods prior to the current year, the resulting shortfall in the impairment allowance has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and not a change in an accounting estimate, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Consequent to the above, additional expected credit loss allowances of Rs. 1,803.53 million have been recognised against the opening balance of retained earnings as at 1 April 2023, and Rs. 493.94 million by restating the Statement of Profit and Loss for the year ended 31 March 2024, with corresponding adjustments to the carrying amount of trade receivables and to comparative financial information. Pursuant to these adjustments, a third balance sheet as at 1 April 2023 has been presented in accordance with paragraph 40A of Ind AS 1 – Presentation of Financial Statements.
- d) (i) During the current financial year, pursuant to a reassessment of certain legal proceedings pending before various courts and tribunals, and after obtaining and considering legal opinions in respect of each of the relevant matters, the Company concluded that, in respect of certain of these matters, a present obligation arising from past events existed as at 1 April 2023 and as at 31 March 2024, that it was probable that an outflow of resources embodying economic benefits would be required to settle such obligations, and that the amounts of such obligations were capable of being measured reliably, and that provisions were accordingly required to be recognised in respect thereof in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. Since the matter pertains to obligations existing in periods prior to the current year, the non-recognition of such provisions has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Provisions aggregating Rs. 3,278.84 million have been recognised, comprising Rs. 426.71 million relating to obligations existing as at 1 April 2023, recognised by adjusting the opening balance of retained earnings as at that date, and Rs. 2,852.12 million (including applicable interest) relating to the year ended 31 March 2024, recognised by restating the Statement of Profit and Loss for that year, in each case with a corresponding increase in other liabilities. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, other liabilities, retained earnings, deferred tax balances and the comparative financial information have been restated. The amounts so provided represent management's determination, on the basis of the legal opinions obtained, of the expenditure required to settle the present obligations as at the respective reporting dates, having regard to the inherent uncertainties associated with litigation, the ultimate outcome of these matters may differ from the amounts recognised.



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(ii) During the current financial year, pursuant to a reassessment of certain direct and indirect tax matters pending before various authorities, and after obtaining and considering expert opinions in respect of such matters, the Company concluded that, in respect of certain of these matters, a present obligation arising from past events existed as at 1 April 2023 and as at 31 March 2024, that it was probable that an outflow of resources embodying economic benefits would be required to settle such obligations, and that the amounts of such obligations were capable of being measured reliably, and that provisions were accordingly required to be recognised in respect thereof in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. Since the matter pertains to obligations existing in periods prior to the current year, the non-recognition of such provisions has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Provisions aggregating Rs. 464.13 million (including applicable interest) have been recognised, comprising Rs. 433.59 million relating to obligations existing as at 1 April 2023, recognised by adjusting the opening balance of retained earnings as at that date, and Rs. 30.53 million relating to the year ended 31 March 2024, recognised by restating the Statement of Profit and Loss for that year, in each case with a corresponding increase in other liabilities. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, other liabilities, retained earnings, deferred tax balances and the comparative financial information have been restated. The amounts so provided represent management's determination, on the basis of the expert opinions obtained, of the expenditure required to settle the present obligations as at the respective reporting dates; having regard to the inherent uncertainties associated with tax proceedings, the ultimate outcome of these matters may differ from the amounts recognised.

(iii) During the current financial year, pursuant to a reassessment of certain disputes arising out of investment arrangements of the Company, and after obtaining and considering expert advice in respect of such matters, the Company concluded that a present obligation arising from past events existed as at 1 April 2023 and as at 31 March 2024, that it was probable that an outflow of resources embodying economic benefits would be required to settle such obligations, and that the amounts of such obligations were capable of being measured reliably, and that provisions were accordingly required to be recognised in respect thereof in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. Since the matter pertains to obligations existing in periods prior to the current year, the non-recognition of such provisions has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Provisions aggregating Rs. 1,058.42 million (including applicable interest) have been recognised, comprising Rs. 1,043.42 million relating to obligations existing as at 1 April 2023, recognised by adjusting the opening balance of retained earnings as at that date, and Rs. 15.00 million relating to the year ended 31 March 2024, recognised by restating the Statement of Profit and Loss for that year, in each case with a corresponding increase in other liabilities. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, other liabilities, retained earnings, deferred tax balances and the comparative financial information have been restated. The amounts so provided represent management's determination, on the basis of the expert advice obtained, of the expenditure required to settle the present obligations as at the respective reporting dates; having regard to the inherent uncertainties associated with such disputes, the ultimate outcome of these matters may differ from the amounts recognised.

- e During the current financial year, pursuant to a reassessment of the contractual terms of certain arrangements entered into with distributors and customers, the Company concluded that, under the terms of such arrangements, although physical possession of the goods is transferred to the counterparty, the counterparty does not obtain control over the goods and is not permitted to effect further sale thereof without prior confirmation from the Company. Such arrangements accordingly bear the characteristics of consignment arrangements set out in paragraphs B77 and B78 of Appendix B to Ind AS 115 – Revenue from Contracts with Customers, and revenue in respect thereof is required to be recognised when the goods are sold by the consignee to the end customer, or when the other criteria specified under Ind AS 115 are satisfied, and not upon transfer of physical possession. Since the matter pertains to arrangements subsisting in periods prior to the current year, the revenue so recognised in those periods has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8 by restating the comparative amounts for the year ended 31 March 2024 and the opening balances as at 1 April 2023. Consequent to the above, consignment inventory has increased by Rs. 216.17 million as at 1 April 2023 and by Rs. 287.85 million as at 31 March 2024, with security deposits from consignees of Rs. 163.00 million and Rs. 212.34 million recognised as at the respective dates; and for the year ended 31 March 2024, revenue from operations has decreased by Rs. 606.96 million and the related cost of goods sold by Rs. 629.29 million. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, revenue, cost of goods sold, inventories, other liabilities, retained earnings, deferred tax balances and comparative financial information have been restated (Refer Note 52).



6

6



Deputy

23 Income tax expense

(a) The major components of income tax expense for the year ended are as follows:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Current income tax:		
Current income tax charge	-	169.96
Adjustments in respect of income tax of previous year	-	0.06
Deferred tax :		
Relating to origination and reversal of temporary differences	(627.43)	(756.59)
Total tax expense on profit of the year (a)	(627.43)	(586.57)
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
- Re-measurement losses of defined benefit plan	0.73	0.05
Total tax expense on other comprehensive income of the year (b)	0.73	0.05
Total tax expense on total comprehensive income of the year (a) + (b)	(626.70)	(586.52)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	(3,947.36)	(3,529.60)
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	(993.47)	(888.40)
Expenses not considered in determining taxable profit	10.97	25.00
Income not considered in determining taxable profit	0.29	(3.77)
Tax pertaining to earlier years	-	(16.98)
Others	356.24	111.61
Total adjustments (B)	367.50	115.86
Actual tax expense {C= A+B}	(625.97)	(772.54)
Tax expense recognised in statement of profit and loss	(627.43)	(586.57)
Effective Tax Rate	16.00%	17.00%

(c) Deferred tax assets (net)

Deferred tax relates to the following:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax assets on account of:		
Property, plant and equipment	(102.15)	(108.20)
Provision for employee benefits	(8.41)	(23.47)
Provision on legal cases, impairment of investment and others	(1,699.23)	(1,460.42)
Provision for obsolescence inventories	(484.90)	(352.40)
Provision for warranty	-	(32.94)
Others	(276.54)	-
Deferred tax related to other comprehensive income of the year:		
Re-measurement losses of defined benefit plan	4.14	3.41
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)
Deferred tax liability on account of:		
Tax to be paid on custom duty receivable in future years (refer note 34)	53.46	87.09
Net deferred tax liability/ (asset) including other comprehensive income of the year	(2,515.94)	(1,889.24)



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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Movement in deferred tax assets for the year ended 31 March 2025

	As at 31 March 2024	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2025
Property, plant and equipment	(108.20)	-	6.05	(102.15)
Provision for employee benefits	(23.47)	-	15.06	(8.41)
Provision on legal, tax, custom matters, investment, advances	(1,460.42)	-	(238.81)	(1,699.23)
Provision for obsolescence inventories	(352.40)	-	(132.50)	(484.90)
Tax to be paid on custom duty receivable in future years (refer note 34)	87.09	-	(33.63)	53.46
Provision for warranty	(32.94)	-	32.94	-
Others	-	-	(276.54)	(276.54)
Deferred tax related to other comprehensive income of the year:	-	-	-	-
Re-measurement losses of defined benefit plan	3.41	0.73	-	4.14
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	(2.31)
Total	(1,889.24)	0.73	(627.43)	(2,515.94)

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Movement in deferred tax assets for the year ended 31 March 2024

	As at 31 March 2023	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2024
Property, plant and equipment	(93.99)	-	(14.21)	(108.20)
Provision for employee benefits	(26.06)	-	2.59	(23.47)
Provision on legal, tax, custom matters investment, advances	(737.64)	-	(722.77)	(1,460.42)
Provision for obsolescence inventories	(370.17)	-	17.77	(352.40)
Tax to be paid on custom duty receivable in future years (refer note 34)	89.45	-	(2.36)	87.09
Provision for warranty	-	-	(32.94)	(32.94)
Others	4.66	-	(4.66)	-
Deferred tax related to other comprehensive income of the year:				
Re-measurement losses of defined benefit plan	3.36	0.05	-	3.41
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	(2.31)
Total	(1,132.70)	0.05	(756.58)	(1,889.24)

No deferred tax asset has been recognised on the ECL allowance of Rs. 9242.18 million on trade receivables as at 31 March 2025, since management is currently unable to reliably assess the extent of recovery expected from the underlying debtors, and accordingly the reversal of this temporary difference cannot be estimated with reasonable certainty.

The Company has recognised a net deferred tax asset of Rs. 2,515.93 million as at 31 March 2025 (31 March 2024: Rs. 1,889.24 million). Given that the Company has incurred losses in the current and preceding year and has a negative net worth of Rs. 793.60 million as at the reporting date. In assessing the recognition and recoverability of deferred tax assets, management has considered the availability and timing of reversal of taxable temporary differences, the utilisation of tax losses and other deductible temporary differences, and the Company's approved business plans and forecasts. Management has also considered the Company's actual financial and operating performance subsequent to 31 March 2025 and other relevant evidence available up to the date of approval of these financial statements.

Based on the assessment performed, management has concluded that sufficient taxable profits are expected to be available against which the recognised deferred tax assets can be utilised over the period in which the underlying deductible temporary differences are expected to reverse. Accordingly, the deferred tax assets have been recognised to the extent considered recoverable in accordance with Ind AS 12.

24 Earnings per share (EPS)

The computation of earnings per share is as follows:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Nominal value of equity shares (INR)	5.00	5.00
Profit attributable to equity shareholders for computing basic and dilutive EPS (A)	(3,319.93)	(2,943.03)
Weighted average number of equity shares for calculating basic EPS		
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	541,126,216	541,126,216
Weighted average number of equity shares outstanding during the year for computing Diluted EPS* (C)	541,126,216	541,126,216
Basic earning per share (A/B)	(6.14)	(5.44)
Diluted earning per share (A/C)	(6.14)	(5.44)

* For the years ended March 31, 2025 and March 31, 2024, potential equity shares arising from Employee Stock Option Plans (ESOPs) and Compulsorily Convertible Preference Shares (CCPS) were anti-dilutive in nature. Consequently, these instruments were excluded from the computation of diluted earnings per share. Accordingly, the weighted average number of equity shares used for calculating diluted earnings per share is identical to that used for basic earnings per share, and diluted EPS equals basic EPS.



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25 Fair value measurement

a) The carrying value and fair value of financial instruments by categories are as under:

	Notes	31 March 2025			31 March 2024		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets							
Non-current assets							
Financial assets							
Other financial asset	7 (e)	-	-	11.67	-	-	35.35
		-	-	11.67	-	-	35.35
Current assets							
Financial assets							
Investments	7 (a)	-	-	-	3.06	-	-
Trade receivables	7 (b)	-	-	56.04	-	-	451.37
Cash and cash equivalents	7 (c)	-	-	108.36	-	-	441.87
Other bank balances	7 (d)	-	-	262.24	-	-	843.09
Derivative asset	7 (f)	-	-	-	0.54	-	-
Others financial assets	7 (f)	-	-	132.02	-	-	272.84
		-	-	558.65	3.60	-	2,009.17
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	11 (a)	-	-	24.82	-	-	132.77
Lease liabilities	11 (d)	-	-	18.78	-	-	66.75
		-	-	43.60	-	-	199.52
Current liabilities							
Financial liabilities							
Borrowings	11 (b)	-	-	542.95	-	-	991.00
Lease liabilities	11 (e)	-	-	58.95	-	-	42.70
Trade payables	11 (c), 32	-	-	3,497.25	-	-	3,504.69
Derivative liabilities	11 (f)	-	-	-	-	-	-
Other financial liabilities	11 (f)	-	-	2,388.87	-	-	1,850.10
		-	-	6,488.02	-	-	6,388.49

The fair values of trade receivables, cash and cash equivalents, other current financial asset, trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values on respective reporting date.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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25 b) Fair value hierarchy and valuation techniques used to determine fair values:

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

The fair value measurements are categorised into the following levels based on the inputs used in the valuation techniques

Level 1: Quoted prices (unadjusted) 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 for the asset or liability that are not based on observable market data (unobservable inputs)

To provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial instrument into three levels prescribed under the accounting standard. The following table provides the fair value measurement hierarchy of the company's assets and liabilities

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities are as :

Fair value measurement using				
At 31 March 2025	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at FVTPL				
Derivative assets	-	-	-	-
Investments in mutual funds	-	-	-	-
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	-	-
Liability measured at FVTPL				
Derivative liabilities	-	-	-	-
Fair value measurement using				
At 31 March 2024	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at FVTPL				
Derivative assets	-	0.54	-	0.54
Investments in mutual funds	3.06	-	-	3.06
Assets measured at FVTOCI				
Investment in equity instruments	-	-	-	-
Liability measured at FVTPL				
Derivative liabilities	-	-	-	-

Reconciliation and Transfers

- There were no transfers between the Level 1, Level 2 and Level 3 during the years presented
- There is no change in the valuation technique during the year

Valuation techniques used to derive Level 1 fair values

The fair value of investments in mutual funds is based on the quoted Net Asset Value ("NAV") declared by the respective mutual fund houses at the reporting date

Quoted market prices in active markets are used for determining the fair value of financial instruments classified within Level 1

Valuation techniques used to derive Level 2 fair values

The fair value of derivative financial instruments, including forward foreign exchange contracts, is determined using valuation techniques based on observable market inputs, including forward exchange rates and yield curves available at the reporting date

Valuation techniques used to derive Level 3 fair values

Level 3 financial instruments are valued using valuation techniques that include inputs which are not based on observable market data

The Company does not hold any material financial instruments classified under Level 3 as at the reporting date. Accordingly, sensitivity to reasonably possible changes in unobservable inputs is not expected to have a material impact on the financial statements



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26 Capital management

The Company's objective in managing capital is to safeguard its ability to continue as a going concern while maximizing returns to shareholders and maintaining an optimal capital structure to reduce the cost of capital. Given the dynamic and competitive nature of the mobile industry, the Company aims to maintain financial flexibility to support growth, technology upgrades, and market expansion. The Company manages its capital structure through an appropriate mix of equity and borrowings, ensuring sufficient liquidity to meet operational requirements and strategic investments. Capital is monitored on the basis of net debt and total capital.

For the purpose of capital management, net debt is defined as total borrowings less cash and cash equivalents. Total capital comprises equity attributable to shareholders plus net debt.

The Company monitors its capital using the gearing ratio, which is calculated as net debt divided by total capital (i.e., equity plus net debt). The Company's policy is to maintain the gearing ratio at a prudent level to ensure financial stability and support business growth.

The Company regularly reviews its capital structure in light of changes in business conditions, funding requirements, and economic environment. Adjustments may be made by way of raising/repayment of borrowings or issue of new shares. The Company has complied with all externally imposed capital requirements and debt covenants as at the reporting dates.

There were no changes in the Company's objectives, policies, or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

Particulars	31 March 2025	31 March 2024
Borrowings	567.77	1,123.77
Less: Cash and cash equivalents	(108.36)	(441.87)
Net debt (a)	459.41	681.90
Equity	(793.60)	2,513.45
Total capital (b)	(793.60)	2,513.45
Capital and net debt (a) + (b) = (c)	(334.19)	3,195.35
Gearing ratio (%) (a) / (c)	(1.37)	0.21

The negative gearing ratio for the year ended 31 March 2025 is due to negative equity arising from accumulated losses. The Company continues to monitor its capital position and is taking appropriate measures to improve its financial structure.



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27 Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely Price risk, Interest rate risk, Credit risk, Liquidity risk, Foreign currency risk. The Company's Board of Director's has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Price Risk:

The Company is exposed to price risk arising from fluctuations in the selling prices of mobile devices due to competitive market conditions, rapid technological changes, and volatility in the procurement prices of key components.

(a) Business operations:

Price risk primarily arises from:

- fluctuations in selling prices of mobile devices driven by competitive pressures, evolving consumer preferences, and technological advancements; and
- volatility in procurement prices of key components and raw materials.

The Company mitigates its exposure to price risk through continuous monitoring of market trends and technological developments, implementation of dynamic pricing strategies, and maintaining diversified and strategic supplier relationships, including long-term arrangements where feasible, to manage input cost volatility.

(b) Financial Instruments:

The Company is exposed to equity price risk arising from its investments in unquoted equity instruments. The valuation of such investments is influenced by market conditions, financial performance of investee entities, and other economic factors.

The Company manages this risk through periodic review of its investment portfolio and adherence to its risk management policies. Since these investments are unquoted, the impact of market fluctuations is assessed based on internal and external valuation indicators.

The Company does not have significant exposure to price risk arising from investments in mutual funds or other quoted instruments.

Interest Rate Risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk primarily arising from its borrowings, particularly those carrying floating interest rates linked to market benchmarks. Changes in these rates may have an impact on the Company's finance costs and cash flows.

The Company manages its exposure to interest rate risk by:

- maintaining an appropriate mix of fixed and floating rate borrowings.
- periodically reviewing prevailing interest rate trends, and
- negotiating with lenders for competitive interest rates and restructuring of borrowings, where necessary.

Particulars	31 March 2025	31 March 2024
Fixed rate borrowings	56.90	68.91
Floating rate borrowings	510.87	1,054.86
Total	567.77	1,123.77

Particulars	31 March 2025	31 March 2024
Effect on profit before tax:		
Interest rates-increase by 50 basis points	2.55	5.27
Interest rates-decrease by 50 basis points	(2.55)	(5.27)



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Credit Risk :

The Company applies the simplified approach as permitted under Ind AS 109 for trade receivables, which requires recognition of lifetime expected credit losses at each reporting date. Receivables are grouped based on shared credit risk characteristics and ageing profile, and impairment is assessed using a provision matrix considering historical trends, current conditions, and forward-looking estimates.

For other financial assets, the Company applies the general approach, and assesses impairment based on 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk.

As at 31 March 2025, the Company has recognised an allowance for expected credit loss of ₹9,242.19 million (31 March 2024: ₹9,502.18 million) on trade receivables. In addition, an allowance for expected credit loss of ₹565.46 million (31 March 2024: ₹522.06 million) has been recognised on other financial assets.

During the year the Company completed a detailed assessment of the ageing profile, recovery history and credit-impairment indicators of its trade receivables. That assessment established that the allowance for expected credit losses recognised in earlier periods did not reflect the lifetime expected credit losses. Since the matter pertains to periods prior to the current year, the resulting shortfall in the impairment allowance has been determined to constitute a prior period error as defined in Ind AS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, and not a change in an accounting estimate, and has accordingly been corrected retrospectively in accordance Ind AS 8.

Ageing based on original credit terms as follows:

Particulars	31 March 2025	31 March 2024
0-180 days	53.96	37.63
180-365 days	8.15	208.83
1 year plus	9,236.11	9,707.10
Total	9,298.22	9,953.56

The Company evaluates concentration of credit risk with respect to trade receivables as low, as its customers are spread across different geographies and operate in largely independent markets. Credit risk on cash and cash equivalents, bank balances, and term deposits is considered low, as the Company deals with reputable banks and financial institutions with high credit ratings.



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Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)***Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with financial liabilities as they become due.

The Company manages liquidity risk by maintaining adequate cash and cash equivalents, access to banking facilities, and by continuously monitoring forecast and actual cash flows. The Company uses cash flow forecasting models that consider the maturity profiles of its financial assets and liabilities, committed funding lines, and projected cash flows from operations.

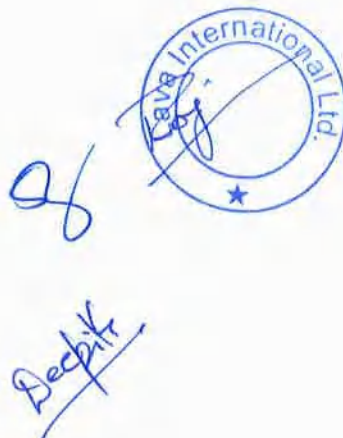
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and internal accruals. The Company also monitors compliance with debt covenants, where applicable.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2025				
Borrowings (including interest accrued)	545.21	24.82	-	570.03
Lease liabilities	58.95	18.78	-	77.73
Trade payables	3,235.60	261.65	-	3,497.25
Derivative liability	-	-	-	-
Other financial liability	2,386.61	-	-	2,386.61
Total	6,226.37	305.25	-	6,531.62
	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2024				
Borrowings (including interest accrued)	994.77	132.77	-	1,127.54
Lease liabilities	42.70	66.75	-	109.45
Trade payables	3,342.35	162.34	-	3,504.69
Derivative liability	-	-	-	-
Other financial liability	1,846.33	-	-	1,846.33
Total	6,226.15	361.86	-	6,588.01



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Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)***Foreign currency risk**

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk primarily arising from purchases and other transactions denominated in currencies other than its functional currency (Indian Rupees), mainly United States Dollars (USD). Such exposures result in fluctuations in profit or loss due to changes in exchange rates.

The Company manages its foreign currency risk through regular monitoring of exposures and, where considered appropriate, enters into derivative contracts such as forward exchange contracts to hedge its foreign currency exposures.

The following table demonstrates the sensitivity of profit before tax to a reasonably possible change in exchange rates, with all other variables held constant. The impact is primarily attributable to foreign currency denominated monetary assets and liabilities outstanding at the reporting date.

As at	31 March 2025		31 March 2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in United States Dollar (USD)	1.92	19.62	17.74	20.74
Exchange Rate	85.53	85.53	83.38	83.38
Amount in Indian Rupees (INR)	164.22	1,678.10	1,479.16	1,729.30

As at	31 March 2025	31 March 2024
Effect of 10% strengthening of INR against USD on profit before tax:	151.39	25.01
Effect of 10% weakening of INR against USD on profit before tax:	(151.39)	(25.01)

The Company may enter into forward exchange contracts to mitigate foreign currency risk arising from its underlying exposures.

As at 31 March 2025, the Company does not have any outstanding forward contracts (31 March 2024: ₹121.57 million).



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Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)***28 Post-employment benefits plan****Defined Contribution Plan**

The Company has recognised Rs. 64.04 millions (31 March 2024 : Rs. 68.17 millions) related to employer's contribution to provident fund and employees' state insurance fund as an expense in the statement of profit and loss.

Defined Benefit Plan

The Company has partially funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 months.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss for gratuity plan and amounts recognized in the balance sheet in respect of same.

(i) Amount recognised in the Statement of Profit and Loss

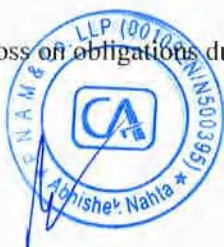
Particulars	31 March 2025	31 March 2024
Current service cost	13.58	14.10
Interest cost on benefit obligation	6.94	6.94
Interest on plan assets	(3.10)	(0.35)
Net benefit expense	17.42	20.69

(ii) Amount recognised in Other Comprehensive Income (OCI)

Particulars	31 March 2025	31 March 2024
Re-measurement (gains)/losses of defined benefit plan :		
- Due to changes in demographic assumptions		
- Due to changes in financial assumptions	1.54	0.38
- Due to experience adjustment	1.54	(0.53)
-Excess of interest on plan assets over actual return	(0.18)	0.33
Total amount recognised in other comprehensive income	2.90	0.18

(iii) Movements in the present value of the defined benefit obligation:

Particulars	31 March 2025	31 March 2024
Liability at the beginning of the year	86.17	82.94
Interest Costs	6.94	6.94
Current Service Costs	13.58	14.10
Benefits paid	(15.84)	(17.66)
Actuarial (Gain)/Loss on obligations due to change in Obligation	3.08	(0.15)



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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Liability at the end of the year	93.93	86.17
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(iv) Change in plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	10.01	-
Employer contribution	70.00	9.99
Interest on plan asset	3.10	0.35
Actuarial gain/(loss) on plan asset	0.18	(0.33)
	83.29	10.01

(v) Balance Sheet and related analysis

Particulars	31 March 2025	31 March 2024
Present Value of the obligation at end of the year	93.93	86.17
Fair value of plan assets	(83.29)	(10.01)
Net defined benefit liability	10.64	76.16

Particulars	31 March 2025	31 March 2024
Provision for gratuity		
- Non-current	10.64	59.89
- Current	-	16.27

The principal assumptions used in determining gratuity benefits are as below:

	31 March 2025	31 March 2024
Discount rate	6.4%	7.0%
Employee turnover	30.0%	30.0%
Salary Escalation Rate	7.0%	7.0%
Mortality Rates	IAL2012-14Ult	IAL2012-14Ult

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.25 years (31 March 2024: 4.96 years)

Amounts for the current and previous four years are as follows:

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
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Gratuity

Defined benefit obligation	10.64	76.16	82.95	75.95	66.07
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Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)*Experience adjustments
on liabilities gain /

(loss) (1.54) 0.53 (1.25) (0.93) (0.55)

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	31 March 2025	31 March 2024
Projected benefit obligation on current assumptions	10.64	76.16
Delta effect of +1 % change in discount rate	(2.53)	(2.29)
Delta effect of -1 % change in discount rate	2.70	2.44
Delta effect of +1 % change in salary escalation rate	2.92	2.65
Delta effect of -1 % Change in salary escalation rate	(2.79)	(2.54)
Delta effect of +10 % change in rate of employee turnover	(1.10)	(0.86)
Delta effect of -10 % change in rate of employee turnover	1.21	0.93

29 Segment information

Ind AS 108 establishes standards for the way the companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations relate to sales of mobile handsets in India through the distributor and retailers network. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, for the purpose of entity wide disclosures, only geographical information has been presented. Business segment of the Company is primarily sale of mobile handsets.

Geographical information on revenues are collated based on individual customers invoiced or in relation to which revenue is otherwise recognized.

Geographical information:

The following tables present geographical information regarding the Company's revenue:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
India	15,535.71	22,167.96
Outside India	474.21	517.85
Total	16,009.92	22,685.81

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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

30 Related party disclosures

In accordance with the requirements of Ind AS 24 on "Related Party Disclosures" the names of related parties whose control exist and/or with whom transactions have taken place during the year and description of the relationship, as identified and certified by the management are as below:

(i) List of parties where control exist :

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2025	31 March 2024
1	LAVA International (H.K.) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary
2	Xolo International (H.K.) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary
3	Lava Technologies L.L.C.#	USA	Wholly owned subsidiary	Wholly owned subsidiary
4	Lava Technologies DMCC	UAE	Wholly owned subsidiary	Wholly owned subsidiary
5	China Bird Centro America, S.A. ("CBCA")##	Panama	Wholly owned subsidiary	Wholly owned subsidiary
6	Lava Enterprises Limited	India	Subsidiary (Owned 99.05% shares)	Subsidiary (Owned 99.95% shares)
7	Sojo Distribution Private Limited	India	Subsidiary (Owned 90.00% shares)	Subsidiary (Owned 90.00% shares)
8	Sojo Manufacturing Services (A.P.) Private Limited	India	Subsidiary (Owned 99.97% shares)	Subsidiary (Owned 99.95% shares)
9	Sojo Manufacturing Services Private Limited	India	Subsidiary (Owned 99.95% shares)	Subsidiary (Owned 99.95% shares)
10	Pt. Lava Mobile Indonesia*	Indonesia	Subsidiary (95% owned by LAVA International (H.K.) Limited)	Subsidiary (95% owned by LAVA International (H.K.) Limited)
11	Lava International (Myanmar) Co. Limited**	Myanmar	Subsidiary (99% owned by LAVA International (H.K.) Limited)	Subsidiary (99% owned by LAVA International (H.K.) Limited)
12	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
13	Lava Mobile Mexico S.DER.L. DE C.V.	Mexico	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)
14	Lava international (Nepal) Private Limited	Nepal	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
15	Lava International (Bangladesh) Limited	Bangladesh	Subsidiary (99.99% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.99% shares owned by LAVA International (H.K.) Limited)
16	China Bird Hong Kong Ltd.	Hong Kong	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
17	China Bird Guatemala, S.A.	Guatemala	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
18	B Telecomunicaciones Mexico, S.A. de C.V.	Mexico	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
19	BMobile America, S. de R.L.	Panama	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)



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Lava International Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amounts in Indian Rupees millions unless otherwise stated)

20	SMS de Guatemala, S.A.	Panama	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
21	Momentumhk, S.A.	Panama	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
22	BMobile Europa S.L.	Spain	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
23	Azumi, S.A.	Panama	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
24	NCAZ Mexico, S.A. de C.V.	Mexico	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
25	Azumi Hong Kong	Hong Kong	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
26	Neocom, S.A.	Chile	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
27	Azumi, S.A. Agencia en Chile	Chile	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
28	Mobile Consumer Products, S.A. (MCP)	Panama	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
29	B Telecomunicaciones Colombia S.A.S.	Colombia	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
30	B Telecomunicaciones Latinoamerica, S.A. (BTELASA)	Ecuador	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
31	Xinghe (Shenzhen) Electronics Products Co., Ltd.	China	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
32	POECUMADE, S.A.	Ecuador	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
33	B Telecomunicaciones Peru S.A.C.	Peru	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
34	Azumi USA Corporation	United States of America	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
35	Azumi Mobile Africa	South Africa	Subsidiary (100% shares owned by CBCA)	Subsidiary (100% shares owned by CBCA)
36	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture of Subsidiaries	Joint venture of Subsidiaries
37	MagicTel Solutions Private Limited	India	Associate	Associate
38	Lava Employee Welfare Trust	India	Controlled trust	Controlled trust

* Pl. Lava Mobile Indonesia has been dissolved with effect from 10th July, 2025

** Lava International (Myanmar) Co. Limited Struck-off with effect from 20th February, 2023

The board of the directors of the company has approved the liquidation of Lava Technologies L.L.C., USA as on meeting held on 16th January, 2026

Refer note no. 6

(ii) Others (with whom transactions have taken place during the year)

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2025	31 March 2024
1	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture	Joint venture



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Lava International Limited**Notes to standalone financial statements for the year ended March 31, 2025***(All amounts in Indian Rupees millions unless otherwise stated)*

2	Sojo Infotel Private Limited	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives
3	Ottomate International Private Limited	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives
4	Am Express Worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives
5	Arprive Solutions Private Limited	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives

(iii) Key Management Personnel :

Mr. Shailendra Nath Rai - Whole time director (uptill 30th April 2025)
 Mr. Shailendra Nath Rai - Non Executive director (w.e.f 1st May 2025)
 Mr. Vishal Sehgal - Non Executive director
 Mr. Sunil Bhalla - Non Executive director
 Mr. Sanjeev Agarwal - Whole Time Director (uptill 30th June 2026)
 Mr. Sunil Raina - Whole Time Director (uptill 29th May 2025)
 Mr. Sunil Raina - Managing Director (w.e.f 30th May 2025)
 Mr. Anupam Shrivastava-Independent director
 Mr. Ajay Kumar Singh- Independent director (w.e.f from 16th April 2024)
 Ms. Deepika Gupta- Non Executive director (w.e.f from 20th May 2024)
 Mr. Rajiv Kumar Singh - Independent director (w.e.f from 27th August 2024)
 Mr. Rajesh Sethi- Chief Financial Officer (w.e.f. 04th September 2024)
 Mr. Rahul Ghosh - Company Secretary & Compliance Officer (w.e.f. 17th December 2024)
 Mr. Ritesh Singh - Company Secretary (w.e.f. 04th September 2024 to 13th December 2024)
 Mr. Asitava Bose - Chief Financial Officer (w.e.f. 3rd December 2022 to 30th June 2024)
 Ms. Preeti - Company Secretary (w.e.f. 01st September 2023 to 5th July 2024)

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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Subsidiaries	
	31 March 2025	31 March 2024
A. Transactions during the year		
Sale of Services to related parties		
Sojo Distribution Private Limited	0.12	0.12
Lava International (H.K.) Limited#	8.42	-
XOLO International (Hk) Ltd.#	2.46	-
Purchase from related parties		
Lava International (H.K.) Limited	903.18	940.93
XOLO International (Hk) Ltd.	189.31	205.17
Expenses incurred on behalf of related parties		
Sojo Manufacturing Services (AP) Private Ltd	-	0.10
Sojo Manufacturing Services Private Limited	-	0.03
Expenses incurred by related party on our behalf		
Sojo Distribution Private Limited	10.56	-
Services taken from related parties		
Sojo Distribution Private Limited	11.64	-
Am Express Worldwide logistics	0.11	-
Payment made to related parties		
Lava International (H.K.) Limited	1,045.43	651.44
XOLO International (Hk) Ltd.	46.82	205.17
Am Express Worldwide logistics	0.11	-
Advance given to related parties		
Sojo Manufacturing Services (AP) Private Ltd	-	54.00
Sojo Distribution Private Limited	3.70	3.30
Lava International (H.K.) Limited	54.29	50.41
Amount received from related parties		
Lava International (H.K.) Limited	17.90	-
Sojo Manufacturing Services (AP) Private Ltd	-	26.69
Sojo Distribution Private Limited	-	14.50
China Bird Centroamerica S.A.	-	23.62
Inter-corporate deposits received from related parties		
Sojo Manufacturing Services (AP) Private Ltd	10.00	-
Interest on Inter-corporate deposits received from related parties		
Sojo Manufacturing Services (AP) Private Ltd	0.21	-



Debit

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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

B. Amount due to / from related parties	31 March 2025	31 March 2024
Other receivables		
Lava International (H.K.) Limited	137.71	128.74
XOLO International (HK) Ltd.	2.46	-
Sojo Distribution Private Limited	0.04	0.04
Sojo Manufacturing Services (AP) Private Ltd	0.25	0.25
Lava Technologies DMCC	31.33	31.33
Trade receivable		
Lava Technologies DMCC	357.83	348.86
XOLO International (Hk) Ltd.	-	484.87
China Bird Centroamerica S.A.	0.87	0.85
Sojo Distribution Private Limited	-	0.57
Trade payable		
Lava International (H.K.) Limited	52.86	338.81
XOLO International (HK) Ltd.	157.48	-
Advance to vendor		
Sojo Distribution Private Limited	5.78	11.96
Lava Enterprise Limited	0.22	0.18
Inter corporate deposits payable including interest		
Sojo Manufacturing Services (AP) Private Ltd	10.21	-
Trade payable		
Sojo Manufacturing Services (AP) Private Ltd	0.25	0.25

The company has given corporate guarantee of USD 4 million to Lava International (H.K.) Limited and USD 2 million to XOLO International (Hk) Ltd. The company has also accrued commission on corporate guarantee.

Particulars	Joint Venture	
	31 March 2025	31 March 2024
A. Transactions during the year		
Advance given to related parties		
Yamuna Electronics Manufacturing Cluster Private Limited	0.03	0.03
B. Amount due from related parties		
Advance to vendor		
Yamuna Electronics Manufacturing Cluster Private Limited	0.24	0.24



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Lava International Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Parties in which Key Management Personnel of the Company are interested	
	31 March 2025	31 March 2024
A. Transactions during the year		
Sales to related parties		
Ottomate International Private Limited	-	2.31
Services taken		
Am Express Worldwide Logistics	-	70.55
Payment made to related parties		
Am Express Worldwide Logistics	-	70.55
Advance Given/(Refunded) back		
Sojo Infotel Pvt Limited	(10.00)	265.19
Arpriue Solutions Private Limited	-	18.00
B. Amount due to / from related parties		
Other receivables		
Sojo Infotel Pvt Limited	0.04	0.04
Advance to Vendor		
Sojo Infotel Pvt Limited	255.19	265.19
Arpriue Solutions Private Limited	18.00	18.00
Trade receivable		
Ottomate International Private Limited*	4.00	4.00

Particulars	Controlled Trust	
	31 March 2025	31 March 2024
A. Transactions during the year		
Expenses incurred on behalf of related parties		
Lava Employee Welfare Trust	0.04	0.04
B. Amount due from related parties		
Other receivables		
Lava Employee Welfare Trust	68.36	68.32

Particulars	Remuneration of Key Management Personnel	
	31 March 2025	31 March 2024
Short-term employee benefits	68.32	64.25
Post-employment benefits	6.49	5.16
Issue of employee stock options	21.59	-

During the year FY24-25, the company has granted 2705631 ESOP to KMP.

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in banking channel.

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31 Commitments and contingencies**(A) Capital and other commitments**

Particulars	31 March 2025	31 March 2024
Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Rs. 12 millions (31 March 2024: Rs. Nil)] (refer note 9(a))	20.48	26.16

(B) Contingent liabilities

Particulars	31 March 2025	31 March 2024
i. Claims against the Company not acknowledged as debt		
Sales tax demands and custom matters [refer note (a)] (amount paid under protest Rs. 50.29 million - Net of provisions) (31 March 2024: Rs. 158.43 million).	595.81	448.17
Goods and service tax matters [refer note (b)] (amount paid under protest Rs. 53.91 million) (31 March 2024: Rs. 45.01 million)	3113.19	1531.50
ii. Guarantees excluding financial guarantees		
Bank guarantees	219.50	548.03
	3,928.50	2,527.70

(a) Contingent Liabilities – Indirect Tax Matters**(i) VAT – Classification of Tablet PCs, Data Cards and Modems**

The Company has received sales tax demands aggregating to Rs. 23.76 million (31 March 2024: Rs. 23.76 million), primarily pertaining to the state of Maharashtra for the financial years 2012–13 to 2016–17, including applicable interest and penalties. The VAT authorities have classified Tablet PCs, data cards and modems as unclassified goods and accordingly levied tax at higher rates. An amount of Rs. 2.93 million (31 March 2024: Rs. 2.93 million) has been paid under protest and is included under "Balances with statutory/government authorities".

The Company believes that the aforesaid items are appropriately classifiable under specific entries applicable to IT/telecom equipment, in line with relevant circulars, including Circular No. 20/2013 dated 14 May 2013, and are therefore liable to tax at lower rates.

The Company has also received some miscellaneous demand aggregating to Rs. 0.53 million ((31 March 2024: Rs. 0.53 million) pertaining to Kerala for the FY 2011-12 wherein an amount of Rs. 0.16 million ((31 March 2024: Rs. 0.16 million) has been paid under protest and is included under "Balances with statutory/government authorities".

Based on legal advice and internal assessment, management believes that the likelihood of crystallization of the aforesaid demands is not probable. Accordingly, the same has been disclosed as a contingent liability.



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(ii) Customs – Classification and Valuation Issues (DRI Proceedings)

Pursuant to a search conducted by the DRI at the Company's factory on 9 February 2022, issues have arisen relating to the classification of display assemblies imported by the Company and the inclusion of licence fees and royalty in the assessable value of imported goods. A sum of ₹40 million has been paid under protest and is accounted for under 'Balances with statutory/government authorities'.

Further, a show cause notice dated 10 June 2024 was issued in respect of a demand aggregating to ₹60.01 million, out of which ₹23.31 million pertains to the classification of display assemblies and related eligibility of exemption under Notification No. 24/2005-Cus dated 1 March 2005 and ₹36.86 million pertains to inclusion of licence fees and royalty in the assessable value of imported goods.

Subsequently, pursuant to the adjudication proceedings, an Order-in-Original dated 5 June 2025 was passed in respect of the aforesaid demand, together with a redemption fine of ₹213.00 million under section 125 of the Customs Act, 1962 and penalties totalling ₹260.17 million under sections 114A and 114AA of the Customs Act, 1962.

The Company has filed an appeal against the above-mentioned order with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 3 September 2025.

(iii) Customs – Disallowance of Exemption on Display Assemblies

The Company had imported display assemblies for manufacturing mobile phones under Bill of Entry numbers 7691401 and 7691366, classified under HSN 85249100. Duty exemption amounting to Rs. 6 million (comprising Basic Customs Duty, Social Welfare Surcharge, and IGST) was claimed under Sl. No. 29 of Notification No. 24/2005-Customs dated 01 March 2005, which exempts "Liquid Crystal Devices i.e., Display Assemblies."

Subsequently, the Government of India issued a corrigendum dated 07 April 2022, substituting the text "Liquid Crystal Devices" with "Liquid Crystal Devices for goods mentioned against Sl. No. 1 to 38A." The display assemblies imported by the Company for manufacturing of mobile phone are not included within Sl. No. 1 to 38A of the notification. The Company contends that the corrigendum cannot operate retrospectively, as the Bill of Entry date of 01 March 2022 precedes the applicability of the corrigendum. The amount under dispute is Rs. 6 million.

The matter is currently pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), and the next date of hearing to be scheduled.

Based on legal advice and internal assessment, management believes that the Company has a strong case and expects no material financial exposure arising from this matter. Accordingly, no provision has been recognised in the financial statements.

(iv) Customs – Classification of Camera Modules

The Customs Department has disputed the eligibility of exemption from Social Welfare Surcharge on import of camera modules used in mobile phones, contending that such items are not comparable to "digital still image video cameras" and, accordingly, are not eligible for exemption under Notification No. 11/2018-Customs dated 02 February 2018.

The Company has claimed exemption under the aforesaid notification in respect of goods falling under tariff heading 8525 8020, on the basis that camera modules and digital still image video cameras perform a similar function of capturing and storing images. The dispute pertains to the period from 02 February 2018 to 31 July 2019, involving an amount of Rs. 23.71 million (31 March 2024: Rs. 23.71 million).

Pursuant to an adverse order, the Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi. An amount of Rs. 1.56 million (31 March 2024: Rs. 1.56 million) has been deposited under protest and is included under "Balances with statutory/government authorities". We have received adverse order from CESTAT on 5th June 2026, further need to file appeal before Supreme Court.

Based on legal advice and internal assessment, management believes that the likelihood of crystallization of the aforesaid demand is not probable and, accordingly, no provision has been recognised in the financial statements.



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(b)(i) GST – Input Tax Credit (ITC) and Related Transactions

Pursuant to a review of transactions involving certain third parties, the Directorate General of Goods and Services Tax Intelligence (DGGI), Kaushambi, Uttar Pradesh, issued a show cause notice dated 30 July 2022 seeking reversal of Input Tax Credit (ITC) amounting to ₹928.15 million for the financial years 2017–18 to 2019–20 in respect of purchases made from suppliers located in Delhi and Uttar Pradesh on direct purchase and bill-to/ship-to arrangements. An amount of ₹20 million was paid under protest and was subsequently refunded during the year.

Subsequently, the Company received an adjudication order dated 4 February 2025 involving an aggregate amount of ₹1,367.78 million, comprising ₹439.50 million towards ITC availed in Uttar Pradesh, ₹581.70 million towards tax on sales made from Uttar Pradesh and ₹346.40 million towards tax on sales made from Delhi. Further, ITC amounting to ₹256.37 million pertaining to Delhi was transferred to the appropriate jurisdictional authorities.

The Company has challenged the aforesaid order by filing an appeal before the Commissioner (Appeals) on 21 March 2025. The matter remains pending.

Based on the facts and circumstances presently available, the stage of the appellate proceedings and legal advice obtained by the Company, management has assessed that an outflow of economic resources in respect of the matter is not probable as at 31 March 2025 and, accordingly, no provision has been recognised.

(ii) GST – Audit Proceedings (Delhi)

The Company received a DRC-07 order dated 30 December 2023 from the GST Department, Delhi, in the aggregate amount of ₹571.14 million, of which ₹285.57 million represents tax and ₹285.57 million represents interest based on the show cause notice issued on 23 September 2023 for scrutiny of the returns for FY 2017-18 (July 2017 to March 2018).

Additionally, the Company received a DRC-01 notice dated 11 December 2023 in the aggregate amount of ₹602.69 million, representing a penalty in relation to the sale and purchase transactions in view of the proceedings initiated by DGGI, Kaushambi.

The Company has submitted its responses/representations concerning the above matters within the prescribed timelines and the matters remain pending adjudication/consideration. Out of the above-referred amounts, ₹256.37 million relates to transactions which are also covered in the proceedings initiated by DGGI, Kaushambi. In relation to the other matters, the Company has made detailed representations before the concerned authorities.

Concerning the above penalty notice, the Company has made representations before the concerned authorities stating that the transactions in question are already subject to proceedings initiated by DGGI, Kaushambi and that parallel proceedings in respect of the same transaction are not permissible under the applicable law. As at the date of approval of these financial statements, the Company has not received any further communication in respect of this matter.

Considering the facts and circumstances prevailing presently, the status of the proceedings and the legal advice obtained by the Company, management has assessed that an outflow of economic resources in respect of the above matters is not probable as at 31 March 2025 and, therefore, no provision has been made.

(iii) GST – DGGI Proceedings (Gurugram)

After reviewing the transactions regarding certain third parties, the Directorate General of Goods and Services Tax Intelligence (DGGI), Gurugram, issued a show cause notice dated 12 June 2024 for reversal of Input Tax Credit (ITC) and imposition of penalty aggregating to ₹364 million for FY 2019–20 to 2021–22. An amount of ₹25 million (31 March 2024: ₹25 million) has been paid under protest and is shown under 'Balances with statutory/government authorities'.

Subsequently, after the adjudication process, a decision dated 15 December 2025 resulted in the issuance of two separate DRC-07 notices aggregating to ₹897.35 million, comprising ₹266.49 million towards tax, an equivalent amount towards penalty and ₹364.36 million towards additional penalty.

The Company has contested the issuance of two separate DRC-07 notices on account of the above adjudication decision before the Hon'ble Allahabad High Court. By its order dated 16 March 2026, the Hon'ble High Court has directed that a fresh adjudication decision be issued. Subsequently, the Company has filed an appeal before the Commissioner (Appeals) on 18 June 2026. The matter remains pending. Separately, a prosecution notice has also been received in this matter, and the proceedings are ongoing.

In view of the facts and circumstances currently available, the status of proceedings as of 31 March 2025, the current status of proceedings and the legal advice obtained by the Company, management considers that the outflow of economic resources in relation to the above matter is not probable as of 31 March 2025 and therefore no provision has been made.



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(iv) **GST – Scrutiny and Audit Proceedings**

Notices aggregating to ₹276.91 million (31 March 2024: ₹96.90 million) have been notified to the Company in connection with scrutiny assessments and audit findings under section 65 of the Central Goods and Services Tax Act, 2017, in relation to certain matters in various states. An amount of ₹8.91 million (31 March 2024: ₹0.01 million) has been deposited under protest and is included within 'Balances with statutory/government authorities'.

Responses to the notifications have been filed by the Company in accordance with the timelines specified. Subsequent to 31 March 2025, matters aggregating to ₹263.45 million, inclusive of tax amount of ₹8.44 million, have been favourably disposed of by the concerned authorities. Consequently, the aforesaid matters do not represent outstanding exposure as at the date of approval of these financial statements, subject to the terms and finality of the respective orders.

Regarding the remaining matters, on the basis of information presently available, the status of the proceedings and legal advice obtained by the Company, management has assessed that an outflow of economic resources in respect of such matters is not probable as at 31 March 2025 and, accordingly, no provision has been made. The Company will continue to monitor the remaining matters and evaluate the accounting treatment in light of any orders or other significant developments.

(c) The Annual General Meeting of the Company for the financial year ending 31 March 2025 could not be held within the period specified under Section 96 of the Companies Act, 2013. Appropriate steps are being taken by the Company to regularise the matter in accordance with the relevant provisions of the Act. The consequences arising from the same, if any, including fees, penalties or other charges, are yet to be determined by the appropriate authority. Based on the information currently available, the financial consequences, if any, cannot presently be reliably quantified..

(d) Certain filings/returns under the Reserve Bank of India (RBI) Overseas Direct Investment (ODI) Regulations pertaining to prior years remain pending and are in the process of being regularized. The Company has initiated the submission of the outstanding filings/returns. Applications for Late Submission Fees (LSF), where applicable, are being made, while applications for compounding, wherever required, are expected to be filed after the finalization of the financial statements as at March 31, 2025. As the financial impact, if any, arising from the completion of the regulatory process is presently not ascertainable, no provision has been recognized in these financial statements.



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32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

S. No.	Particulars	31 March 2025	31 March 2024
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	164.38	229.93
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	3.92	2.63
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.75	3.82
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

33 Details of Expenditure towards Corporate Social Responsibility as per section 135 of Companies Act, 2013 and rules thereon:-

S. No.	Particulars	31 March 2025	31 March 2024
1	Gross amount required to be spent by the Company during the year	10.50	10.31
2	Amount spent in cash during the year on:	10.80	10.79
a)	Construction/ acquisition of any asset	-	-
b)	Safeguarding environmental sustainability	-	-
c)	Promotion of education including employment enhancing vocation skills	10.80	-
d)	Upliftment of Rural Poor Youth	-	-
e)	Upliftment of Sports and Cultural Activities	-	-
f)	Protection of natural heritage, art and culture	-	10.79
3	Shortfall/(Excess) at the end of the year (1-2)	(0.30)	(0.48)
4	Reason for Shortfall	NA	NA
5	Contribution to trust controlled by the company	Nil	Nil
6	Movement in Provision made	Nil	Nil



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34 Customs – CVD on Imported Mobile Phones

Under applicable law, imports of mobile phones attract Special Duty of Customs in lieu of Excise Duty (CVD), equivalent to excise duty on like goods as if manufactured in India. Domestically manufactured mobile phones attract excise duty at 13.5% (including NCCD of 1%) if Cenvat Credit on inputs and capital goods is availed, and 2% (including NCCD of 1%) if no Cenvat Credit is availed. Until 28 February 2015, the applicable excise duty rate was 7.21% (including NCCD of 1%). The Hon'ble Supreme Court of India has clarified that the benefit of exemption or concessional excise duty, subject to the condition that no Cenvat Credit is availed, is also available to importers of like goods for payment of CVD under Customs.

During FY 2014–15 and FY 2015–16, the Company cleared imported mobile phones paying CVD at higher rates of 7.21% (before 01 March 2015) and 13.5% (from 01 March 2015) instead of 2%. Following the Supreme Court clarification in the M/s SRF case, the Company re-assessed certain Bills of Entries and filed claim.

As on 31 March 2025, the recoverable amount (net of provision) stood at Rs. 26.28 million (31 March 2024: Rs. 306.09 million), primarily representing interest on the recovered CVD. These amounts are disclosed under "Balances with statutory/government authorities" under Other Assets, based on legal opinion obtained.

Based on legal advice and internal evaluation, management believes that the Company has a valid claim for the recoverable CVD and associated interest. Provision has been recognised in respect of the matter as a matter of prudence, in line with the Company's accounting policy on provisions and contingencies.

35 Research and development expenditure

The Company has duly carried out its research and development activities during the year and the details of related expenditure are given below:

Particulars	31 March 2025	31 March 2024
Amount charged to Statement of Profit and Loss	155.16	188.30
Amount capitalised		
- Property, plant and equipment	0.51	3.27
	155.67	191.57

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Lava International Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

36 Employee stock option plans:

The plans existing during the year are as follows :

Number of options approved	15% of Equity Paid up Share capital
Method of settlement	Equity
Vesting conditions	The employee should be on roll of the Company or its subsidiary

The details of activity under ESOP Schemes have been summarized below

Particulars	31st March 2025		31st March 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of year	49,727,550	8.64	49,727,550	8.64
Options granted during the year	2,705,631	17.16	-	-
Exercised / Settled during the year	-	-	-	-
Forfeited/ Lapsed during the year	5,289,122	12.85	-	-
Outstanding at the end of the year	47,144,058	8.66	49,727,550	8.64
Exercisable as at end of the year	44,438,427	8.14	44,859,358	7.59

The details of the ESOP outstanding are as follows:

Range of exercise price per share	Options Outstanding as at 31 March 2025			Options Outstanding as at 31 March 2024		
	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 1 - Rs 3.125	20,444,744	0.75	2.50	20,444,744	1.75	2.50
Rs 6.250 - Rs 9.375	1,639,200	1.18	7.72	1,639,200	2.18	7.72
Rs 9.375 - Rs 12.500	14,504,346	2.33	10.95	18,508,158	-	10.95
Rs 15.625 - Rs 18.750	9,662,740	1.70	16.91	7,933,575	1.98	16.82
Rs 21.875 - Rs 25.000	893,028	2.00	24.86	1,201,872	3.00	24.86



The Company has estimated fair value of options using Black-Scholes-Merton model. The following assumptions were used for calculation of fair value of options granted during the year.

Assumption factors	Granted during the year ended March 31, 2025
Risk free interest rate	5.84%
Expected life of option	3-4 years
Expected volatility	26.83%
Share price	Rs. 31

Expected volatility during the expected term of the options is determined with reference to historical volatility of comparable listed entities

The share based payment expense incurred during the year is shown in the following table:

Particulars	31 March 2025	31 March 2024
Expense arising from equity-settled share-based payment transactions	16.51	9.02
Reversal of Share based payment reserve on account of option lapsed	(19.35)	-
	(2.84)	9.02

During the year, the Company has dealt with forfeited and lapsed options. The options forfeited before vesting (on account of non-fulfilment of vesting conditions) have been reversed through the statement of profit and loss and options that lapsed after vesting exercise date has been transferred from the Share Based Payment Reserve to retained earnings as a movement within equity.

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37 Lease Liabilities

Contractual maturities of lease liabilities:-

The details of contractual maturities of lease liabilities as at March 31, 2025 & March 31, 2024 are as follows:-

Particulars	31 March 2025	31 March 2024
Payable not later than 1 year	58.95	42.70
Payable later than 1 year and not later than 5 year	18.78	66.75
	77.73	109.45

Lease liability

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
As at 01 April 2023	34.45	96.46	1.50	15.46	147.87
Addition in lease liability	-	-	-	-	-
Deletion in lease liability	-	-	-	-	-
Interest expense on lease liability	3.84	10.76	0.17	1.53	16.30
Payment made during CY	15.28	35.28	0.65	3.51	54.72
As at 31 March 2024	23.02	71.95	1.02	13.50	109.45
Addition in lease liability	-	-	-	12.39	12.39
Deletion in lease liability	-	-	-	-	-
Interest expense on lease liability	2.57	8.02	0.11	2.31	13.01
Payment made during CY	15.28	35.28	0.65	5.95	57.16
As at 31 March 2025	10.31	44.69	0.48	22.25	77.73
Non Current portion	-	10.65	0.00	8.13	18.78
Current maturities of lease liability	10.31	34.04	0.48	14.12	58.95

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38 Ratios

The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024: -

Particulars	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance
Current Ratio*	Current assets	Current liabilities	0.39	0.64	-39.06%
Debt- Equity Ratio*	Total debt including lease liabilities	Shareholder's equity	-0.81	0.49	-265.31%
Debt Service Coverage Ratio*	Earnings available for debt service	Debt service including lease liabilities (during the year)	-7.03	-2.71	-159.41%
Return on Equity*	Net Profit after taxes	Average shareholder's equity	-386.07%	-73.93%	-422.21%
Inventory Turnover Ratio	Revenue	Average Inventory	7.10	7.45	-4.70%
Trade receivable Turnover Ratio*	Revenue	Average Trade receivables	63.10	38.12	65.53%
Trade payable Turnover Ratio*	Purchases	Average Trade payables	3.41	5.04	-32.34%
Net Capital Turnover ratio*	Revenue	Average Working capital	-2.54	-9.06	71.96%
Net Profit Ratio*	Net profit	Revenue	-20.74%	-12.97%	-59.91%
Return on Capital employed	Earnings before interest and taxes	Capital employed	-156.72%	-201.35%	22.17%
Return on Investment	Earnings before interest and taxes	Average Total assets	-30.24%	-24.86%	-21.64%

***Explanation where variance in ratios is more than 25%**

Current Ratio:- Declined due to decrease in current assets and increase in current liability.

Debt Equity Ratio: Declined due to decrease in debt as compared to previous financial year.

Debt Service Coverage Ratio: Declined due to decrease in EBITDA during the year as compared to previous financial year.

Return on Equity : Declined due to increase in losses and decreased in average total equity in current financial year as compared to previous financial year.

Trade Receivable Turnover Ratio: Improved due to decrease in average trade receivable(net of ECL) in current financial year as compared to previous financial year.

Trade Payable Turnover Ratio:- Declined due to decrease in current year purchases as compared to last year.

Net Capital Turnover Ratio: Improved due to decrease in average working capital in current financial year as compared to previous financial year.

Net Profit Ratio:- Declined due to increase in current year losses as compared to last year and decrease in revenue from operations.



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39 The Company has obtained report which is required to be furnished under section 92E of the Income Tax Act, 1961 relating to international transactions to determine whether the transactions with associated enterprises were undertaken at "arm's length price". The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and there is no adjustments required in financial statements on the basis of said report.

40 Non Adjusting Events subsequent to 31 March, 2025

a) The Directorate of Enforcement (ED) has begun proceedings under the Prevention of Money Laundering Act, 2002 ("PMLA") regarding certain historical transactions from 2013 to 2015. The Company and its former Managing Director have been named as accused. The ED filed a Prosecution Complaint on 6 December 2023, and the case is now pending before the appropriate court. The Company is contesting the proceedings and pursuing the available legal remedies. Additionally, the Directorate of Enforcement (ED) has initiated proceedings under the Foreign Exchange Management Act, 1999 (FEMA). The Company and some of its directors and officers have received summons under Section 37(1) and Section 37(3) of FEMA at various times, asking for information and documents about certain foreign exchange transactions and related compliance matters. The Company has supplied the requested information and documents and has collaborated with the ED during the ongoing proceedings. As of 31 March 2025, the proceedings are still in the investigation stage. No show-cause notice, adjudication order, or finding of contravention has been issued against the Company. Based on legal advice and management's assessment, no provision or adjustment has been considered necessary in the financial statements as at 31 March 2025. The outcome of the matter cannot presently be determined.

b) National Financial Reporting Authority (NFRA) Proceedings

Pursuant to a notice dated 27 June 2025 issued by the National Financial Reporting Authority ("NFRA") under Section 132 of the Companies Act, 2013, the Company was requested to furnish certain information and documents relating to the financial years 2020-21 to 2023-24.

The Company has submitted the information and documents sought by NFRA within the stipulated timelines and has fully cooperated with the authority. As on the date of approval of these financial statements, no further communication, proceedings, observations or directions have been received from NFRA pursuant to the said notice.

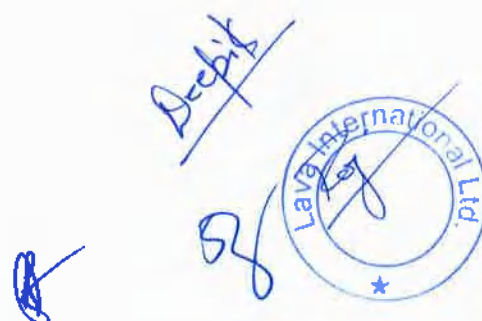
Based on management's assessment, no provision or adjustment to the accompanying financial statements has been considered necessary in respect of the above matter.

c) Serious Fraud Investigation Office (SFIO) Proceedings

Pursuant to an order dated 11 February 2026 issued by the Ministry of Corporate Affairs under Section 212(1)(c) of the Companies Act, 2013, the Serious Fraud Investigation Office ("SFIO") commenced an investigation into the affairs of the Company and certain other companies. In connection therewith, the Company received a notice dated 12 March 2026 under Section 217(2) of the Companies Act, 2013, seeking information and documents relating to the investigation.

The Company has furnished the information and documents sought by the SFIO and has extended full cooperation with the investigation from time to time. As on the date of approval of these financial statements, no further communication, findings or directions have been received from the SFIO pursuant to the said notice.

Based on management's assessment, no provision or adjustment to the accompanying financial statements has been considered necessary in respect of the above matter. The outcome of the investigation, if any, cannot presently be determined.



- 41 The financial statements have been prepared on a going concern basis. As at 31 March 2025, the Company had negative total equity of ₹793.60 million and incurred a loss of ₹3,323.56 million during the year. The Company is also subject to various legal, regulatory, taxation and other contingencies, as disclosed in the relevant notes to these financial statements. These circumstances indicate the existence of factors that may affect the Company's ability to continue as a going concern and have been considered by management in making its assessment. In making this assessment, management has considered the Company's actual operating and cash flow performance subsequent to 31 March 2025, projected cash flows from operations, working capital requirements, available financial resources, committed financing arrangements and other mitigating actions being implemented to support the Company's liquidity position. Subsequent to the reporting date, the Company entered into an agreement dated 15 July 2026 for a committed bridge loan facility aggregating ₹1,842 million, comprising ₹1,750 million from M/s Profitex Shares & Securities Private Limited and ₹92 million from M/s Cosmic Force Private Limited, each carrying interest at 12% per annum. The facility also provides for conversion of the debt into equity at ₹12.39 per share, subject to the terms and conditions of the agreement. Based on the assessment performed, including consideration of the Company's actual performance subsequent to the reporting date, available financial resources, committed financing arrangements and approved business plans and forecasts, management expects that the Company will have adequate financial resources to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, management considers the going concern basis of preparation to be appropriate.
- 42 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- 43 The company did not have any long-term contracts including derivatives for which there were any material foreseeable losses.
- 44 The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 45 The Company has not been declared willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements.



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- 46 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 47 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 48 The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- 49 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 50 Balances outstanding with nature of transaction with Struck-off companies as per section 248 of the Companies Act, 2013.

Name of Struck off companies	Nature of transactions with Struck- off companies	Balance outstanding	Relationship with the Struck-off companies
Mahaan Merchants Private Limited	Sale of Products	361.02	NA

- 51 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 52 The company has regrouped and rearranged previous year figures to make them comparable with the current year figures.

Particulars	As previously reported	Restatement*	Regrouping	As restated
Revenue from operations	23,295.45	(606.96)	(2.68)	22,685.81
Warranty expenses	186.49	-	1.18	185.31
Sales promotion, scheme expenses and expected credit loss	566.78	1,227.69	1.50	1,795.97

* Refer note 22A for Restatement Adjustment

Particulars	As previously reported	Restatement*	Regrouping	As restated
Cost of raw material and components consumed	17,858.79	(553.11)	179.99	17,485.67
Changes in inventories of finished goods, spares and stock in trade	376.41	(76.19)	-	300.22
Advertisement and marketing expenses	652.57	-	(179.97)	472.60

* Refer note 22A for Restatement Adjustment




Lava International Limited

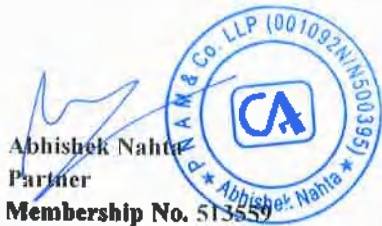
Notes to standalone financial statements for the year ended March 31, 2025

(All amounts in Indian Rupees millions unless otherwise stated)

For PNAM & Co. LLP

Chartered Accountants

Firm's Registration No.: 001092N/N500395



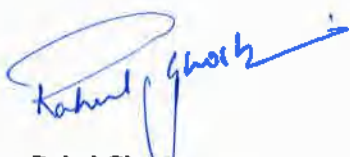
Abhishek Nahla
Partner

Membership No. 513559


Sunil Raina
Managing Director
(DIN-09302069)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi

Date: 11th August 2026

Place: Delhi

Date: 11th August 2026



INDEPENDENT AUDITOR'S REPORT**To the Members of Lava International Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **Lava International Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its controlled trust, its associate and its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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 reports of the other auditors on the separate financial statements and other financial information of the subsidiaries, associate and joint venture referred to in the 'Other Matters' section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its controlled trust, its associate and its joint venture as at 31 March 2025, and their consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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, its controlled trust, its associate and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained, together with the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.



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Material Uncertainty Related to Going Concern

We draw attention to Note 52 to the consolidated financial statements, which describes that the Group has incurred a total comprehensive loss of ₹ 2,367.10 million during the year ended 31st March 2025, its accumulated losses have fully eroded its consolidated net worth, with total equity standing negative at ₹ 164.98 million as at that date, and its consolidated current liabilities exceed its consolidated current assets by ₹ 7,803.79 million. The Group is further subject to material contingent liabilities aggregating ₹ 3,928.50 million as disclosed in Note 30(B), and to the regulatory inspection/investigations and legal proceedings referred to in the 'Emphasis of Matter' and 'Other Matters' sections of this report, the outcomes of which are uncertain and could result in significant additional outflows or other consequences materially adverse to the Group.

As stated in Note 52, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have, however, been prepared by management on a going concern basis, having regard to the Committed Bridge Loan facility aggregating ₹ 1,842 million entered into by the Holding Company on 15 July 2026, subsequent to the year end, together with projected cash flows from operations and other mitigating actions described in the said Note. Management's assessment of the Group's ability to continue as a going concern, having regard to the mitigating factors described in Note 52, extends to a period of not less than twelve months from the date of approval of these consolidated financial statements.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters described in the notes to the consolidated financial statements:

(a) Note 23A para ('a' to 'e'), which describes the restatement adjustments of the comparative financial information for the year ended 31st March 2024 and the opening balance sheet as at 1st April 2023 in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to correct prior period errors relating, inter alia, to the useful lives applied to Property, Plant and Equipment, the net realisable value of inventories, expected credit loss on trade receivables, non-recognition of provisions for legal and tax matters, the accounting for certain distributor arrangements previously recognised as outright sales under Ind AS 115 and now reassessed as consignment arrangements. The corresponding figures presented in the financial statements have been restated accordingly.

(b) Note 23A para (f), which describes effect of CBCA consolidation wherein the financial statements of CBCA could not be consolidated into the Holding Company's consolidated financial statements for the period ended 31st March 2024 as CBCA has not provided requisite financial information. The Holding Company has also invoked arbitration proceedings against the relevant parties to the acquisition agreement to seek enforcement of its contractual rights and thereafter kept in abeyance due to support extended by the management of CBCA. Consequent to the receipt of the requisite financial data for the period ended on 31st March 2024 and 31st March 2025, the Consolidated Financial Statements for the current period ended 31st March 2025 have been prepared by fully consolidating the financial statements of CBCA. Further, to ensure compliance with Ind AS 110 (Consolidated Financial Statements) and Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the comparative figures for the financial year ended 31st March 2024 and the opening Consolidated Balance Sheet as at 1st April 2023 have been restated by consolidating financial statement of CBCA in the respective period.



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(c) As described in Note 44 to the consolidated financial statements, the Holding Company is subject to ongoing proceedings, inspections, investigations etc. initiated by, inter alia, the Serious Fraud Investigation Office, the Directorate of Enforcement and the National Financial Reporting Authority etc. In connection therewith, it was represented that specified information and records have been furnished by the Holding Company and the matters remain under review as at the date of this report. The eventual outcome of these matters and the consequential impact, if any, on the consolidated financial statements are presently not ascertainable, and reference is also invited to the 'Material Uncertainty Related to Going Concern' section of our report.

(d) As stated in Note 22(c) to the consolidated financial statements, the Group has recognised deferred tax assets on provisions for legal cases, provision for impairment, provision for obsolescence inventory, property, plant and equipment, unused brought forward losses etc. as at 31st March 2025 of ₹ 2,532.14 million (as at 31st March 2024: ₹ 1,893.53 million), including deferred tax credit recognised in the Consolidated Statement of Profit and Loss of ₹ 639.36 million for the year ended 31st March 2025, on the basis of expectation of availability of future taxable profits against which the unused brought forward losses will be utilised. Substantially all of the aforesaid deferred tax assets have been recognised by the Holding Company.

The management believes that, considering the business plan and an assessment of the future taxable profits likely to be available, the amount of deferred tax assets on carried forward business losses in the books of account is considered to be recoverable in entirety and no adjustment for reversal is required.

Our opinion is not modified in respect of the matters stated in paragraphs (a) to (d) above.

Other Matters

1. We did not audit the financial statements and other financial information of seven subsidiaries, whose financial statements reflect total assets of ₹ 362.81 million as at 31st March 2025, total revenue of ₹ 2,216.66 million and net cash outflow amounting to ₹ 41.59 million for the year then ended, as considered in the consolidated financial statements before giving effect of elimination of intra-group transactions, whose financial statements have not been audited by us. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 0.26 million in respect of one associate and the Group's share of net loss (including other comprehensive loss) of ₹ 56.12 million in respect of one joint venture for the year ended 31st March 2025, whose financial statements have not been audited by us. Of the aforesaid entities, four subsidiaries, the associate and the joint venture are incorporated in India, and three subsidiaries are incorporated outside India.



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These financial statements have been audited by other auditors under the auditing standards applicable in their respective jurisdictions, whose reports have been furnished to us by the management of the Holding Company and on which our reliance in respect of the amounts and disclosures included in respect of these entities is based. The audits of these entities had, however, been completed before our appointment as auditors of the Holding Company. Subsequent to our appointment, we communicated our group audit instructions in terms of SA 600, "Using the Work of Another Auditor", to material subsidiaries and their auditors, calling for their significant audit findings and the information and records necessary for our audit. Of those who responded, there were no material findings and that the financial information was in accordance with their respective audit reports. However, no component auditor furnished to us any data, working papers or other information capable of constituting corroborating audit evidence for the purposes of our audit, and we did not obtain from these subsidiaries, their auditors or their managements the details we considered necessary in the circumstances. Consequently, in respect of these entities, we have been unable to obtain sufficient appropriate audit evidence to corroborate the financial information audited by the other auditors, and our reliance is based solely on the reports of the other auditors and the financial statements/financial information furnished to us by the management.

Our opinion on the consolidated financial statements, in so far as it relates to the aforesaid subsidiaries, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates thereto, is based solely on the reports of the other auditors and the management-furnished financial statements/financial information referred to above.

2. The consolidated financial statements include the financial information of China Bird Centroamerica, S.A. ("CBCA"), Panama, a wholly-owned foreign subsidiary, which is a material subsidiary of the Group. The financial statements of CBCA have been audited by another auditor under the auditing standards applicable in its country of incorporation for its financial year ended 31st December 2024, and the said audited financial statements do not correspond to the reporting period of the Group. The financial information of CBCA as at and for the year ended 31st March 2025 that has been included in the consolidated financial statements has been certified by the management and accordingly, the financial information for the three-month period from 1st January 2025 to 31st March 2025 has not been audited by the auditor of CBCA. Further, no adjustments as may be required under Ind AS have been carried out by the Holding Company's management in respect of the financial information of CBCA included in the consolidated financial statements, including, in particular, no provision for expected credit losses on trade receivables and no provision for impairment on investments has been recognised as required under Ind AS. The financial information of CBCA reflects total assets of ₹ 7,287.89 million and net assets of ₹ 2,476.71 million as at 31 March 2025, and total revenue of ₹ 4,193.31 million for the year then ended, as considered in the consolidated financial statements before giving effect to the elimination of intra-group transactions, whose financial statements have not been audited by us.



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The audit of CBCA, however, been completed before our appointment as auditors of the Holding Company. Subsequent to our appointment, we communicated our group audit instructions in terms of SA 600; "Using the Work of Another Auditor", to the auditor of CBCA calling for the information and records necessary for our audit, while the said auditor informed us that there were no adverse findings and that the position was as reflected in its audit report, the said auditor did not furnish to us any data, working papers or other information capable of constituting corroborating audit evidence for the purposes of our audit. In the circumstances described above in compliance with SA 600, we have been unable to obtain sufficient appropriate audit evidence from the auditor of CBCA to corroborate the financial information included in the consolidated financial statements. However, our reliance in respect of CBCA is based solely on the financial information provided by the management (refer Note 23A(f) and Note 37).

3. We did not audit the financial statements/financial information of the Lava Employee Welfare Trust, a controlled trust, whose financial statements/financial information are audited by another auditor and reflect total assets of ₹ 69.15 million as at 31st March 2025 and total revenue of ₹ 0.13 million for the year then ended, as considered in the consolidated financial statements before giving effect of elimination of intra-group transactions, whose financial statements have not been audited by us. These audited financial statements/financial information have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said trust, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates thereto, is based solely on such audited financial statements/financial information.

In our opinion and according to the information and explanations given to us by the management, these audited financial statements/financial information are not material to the Group.

4. We did not audit the financial statements and other financial information of Lava Technologies L.L.C., USA, a foreign subsidiary of the Holding Company, whose financial statements/financial information are audited and reflect total assets of ₹1.88 million as at December 31, 2024 and total revenue of Nil for the year then ended, as considered in the consolidated financial statements before giving effect of elimination of intra-group transactions, whose financial statements have not been audited by us. The management has furnished to us the audited financial statements/financial information for the year ended December 31, 2024 for the purpose of consolidation and also the audited financial statements for the year ended December 31, 2025. In the absence of financial statements/financial information as at March 31, 2025, the financial statements/financial information for the year ended December 31, 2024 have been considered for the purpose of consolidation by the management. The Board of Directors of the Holding Company approved the liquidation of Lava Technologies L.L.C., USA. In our opinion and according to the information and explanations given to us by the management, the financial statements/financial information of Lava Technologies L.L.C., USA are not material to the Group.

5. The consolidated financial statements of the Group for the year ended 31st March 2024, included as comparative financial information in these consolidated financial statements, were audited by the predecessor auditor; whose report dated 4th September 2024 expressed an unmodified opinion on those consolidated financial statements.



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6. We audited the restatement adjustments, as disclosed in Note 23A to the consolidated financial statements, which have been made to the comparative consolidated financial statements presented for the periods prior to the year ended 31st March 2025, in accordance with the requirements of applicable Ind AS.

Our opinion on the consolidated financial statements is not modified in respect of our reliance on the work and reports of the other auditors and the financial statements/financial information certified/furnished by the management as referred to in the paragraphs above.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, including annexures thereto, but does not include the consolidated financial statements and our auditor's report thereon. The other information 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 will 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 identified above when it becomes available and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
- If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary action as required under applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its controlled trust, its associate and its joint venture in accordance with Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors/governing bodies of the entities included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its controlled trust, its associate and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



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In preparing the consolidated financial statements, the respective Boards of Directors/governing bodies of the entities included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group, its controlled trust, its associate and its joint venture 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 entity or to cease operations, or has no realistic alternative but to do so. The respective Boards of Directors/governing bodies of the entities included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of their respective entities.

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 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 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 Holding Company and such companies included in the consolidated financial statements which are companies incorporated in India have 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its controlled trust, its associate and its joint venture 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 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 auditor's report. However, future events or conditions may cause the Group, its controlled trust, its associate and its joint venture 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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its controlled trust, its associate and its joint venture, 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 entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the consolidated 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clauses (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/ "CARO"), issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO report issued by us on the standalone financial statements of the Holding Company and the CARO reports issued by the respective auditors of the companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the management of the Holding Company, we report that the following qualifications or adverse remarks have been given by the respective auditors in their CARO reports on the companies included in the consolidated financial statements.

S. No.	Name of the Company	CIN	Clause No. of the CARO report
1	Lava International Limited (Holding Company)	U32201DL2009PLC188920	Clauses 3(vii)(a)

2. Section 143(3) of the Act is not applicable to the Lava Employee Welfare Trust and to the companies incorporated outside India included in the consolidated financial statements. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements and other financial information of the subsidiaries, associate and joint venture, as noted in the 'Other Matters' section above, 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 the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



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(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) Except for the possible effects of the matters described in the 'Other Matters' section above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) The matters described in the 'Material Uncertainty Related to Going Concern' sections above, in our opinion, may have an adverse effect on the functioning of the Group.

(f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture company incorporated in India, none of the directors of the Group companies, its associate company and joint venture company incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, associate company and joint venture company 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 the internal financial controls with reference to financial statements.

(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 to the best of our information and according to the explanations given to us and based on the reports of the statutory auditors of the subsidiary companies, associate company and joint venture company incorporated in India, the remuneration paid/provided during the year by the Holding Company and such companies to their respective 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 and based on the consideration of the reports of the other auditors on the separate financial statements and other financial information of the subsidiaries, associate and joint venture, as noted in the 'Other Matters' section above:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its controlled trust, its associate and its joint venture — Refer Note 30 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts — Refer Note 41 to the consolidated financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate company and joint venture company incorporated in India during the year — Refer Note 40 to the consolidated financial statements.



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iv. (a) The respective managements of the Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture, to the best of their knowledge and belief, that, other than as disclosed in the notes to the accounts, 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 Holding Company or any of such subsidiaries, associate or joint venture 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries — Refer Note 49;

(b) The respective managements of the Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture, to the best of their knowledge and belief, that, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company or any of such subsidiaries, associate or joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate or joint venture 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 — Refer Note 50; and

(c) Based on the audit procedures performed by us and those performed by the other auditors of the subsidiaries, associate and joint venture, which have been considered reasonable and appropriate in the circumstances, nothing has come to our or the other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India have not declared or paid any dividend during the year.



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vi. Based on our examination, which included test checks, and based on the reports of the statutory auditors of the subsidiary companies, associate company and joint venture company incorporated in India, the Holding Company and such companies have used accounting software(s) for maintaining their books of account which have 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(s).

Further, during the course of our audit and as reported by the other auditors, they and we did not come across any instance of the audit trail feature being tampered with, and the audit trail was enabled and operated for the year ended 31st March 2025 and has been preserved by the respective companies as per the statutory requirements for record retention.

For P N A M & Co. LLP
Chartered Accountants

ICAI Firm Registration No.: 001092N/N500395



UDIN: 26513559QMPMTQ9283

Place: New Delhi
Date: August 11, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of Lava International Limited for the year ended 31st March 2025)

Report on the Internal Financial Controls with reference to 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 Lava International Limited ("the Holding Company") as of and for the year ended 31st March 2025, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective managements and Boards of Directors of the Holding Company and its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria 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 ("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 the respective company's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India, 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls included obtaining an understanding of such internal financial controls, 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.



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We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate company and joint venture company, which are companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the aforesaid companies.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that such controls 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, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the 'Other Matters' paragraph below, the Holding Company and its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2025, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.



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Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the holding company, in so far as it relates to four subsidiaries, one associate and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For P N A M & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 001092N/N500395



Abhishek Nahla
Partner

Membership No.: 513559

UDIN: 26513559QMPMTQ9283

Place: New Delhi

Date: August 11, 2026

P N A M & CO. LLP

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Lava International Limited
Consolidated Balance Sheet as at 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024*	As at 01 April 2023*
Assets				
Non-current assets				
Property, plant and equipment	3(a)	439.72	530.98	594.13
Capital work-in-progress	3(b)	202.61	201.69	191.99
Intangible assets	4	1,868.66	1,985.62	2,108.42
Goodwill	4	464.38	456.23	451.51
Right of use asset	5	57.77	82.14	116.89
Investments accounted for using the equity method	35	12.98	60.17	60.87
Financial assets				
Investments in equity instruments of other entities	6 (a)	1,546.91	1,567.00	987.31
Other financial assets	6 (f)	18.88	61.81	130.93
Deferred tax assets (net)	22	2,532.14	1,893.53	1,135.48
Other non-current assets	8 (a)	562.44	32.21	237.03
		7,706.49	6,871.38	6,014.56
Current assets				
Inventories	7	2,449.52	3,768.83	6,254.74
Financial assets				
Investments	6 (b)	99.32	136.62	28.73
Trade receivables	6 (c)	3,970.72	695.07	1,952.86
Cash and cash equivalents	6 (d)	194.64	682.42	963.60
Other bank balances	6 (e)	262.21	843.09	914.95
Other financial assets	6 (g)	99.50	174.83	209.68
Other current assets	8 (b)	3,523.26	3,534.40	3,226.75
		10,599.17	9,835.26	13,551.31
TOTAL ASSETS		18,305.66	16,706.64	19,565.87
Equity and liabilities				
Equity				
Equity share capital	9	2,705.63	2,705.63	2,705.63
Instruments entirely equity in nature	9	33.42	33.42	33.42
Other equity				
Securities premium reserve		5,690.34	5,690.34	5,690.34
Treasury shares		(63.34)	(63.34)	(63.34)
Foreign currency translation reserve		672.49	493.96	898.58
Share based payment reserve		378.32	381.16	372.14
Retained earnings		(9,546.19)	(7,083.08)	(3,349.95)
Other reserve		(33.41)	29.64	17.31
Equity attributable to equity holders of the Holding Company		(162.74)	2,187.73	6,304.13
Non-controlling interest		(2.24)	(2.12)	(22.97)
Total equity		(164.98)	2,185.61	6,281.16



Lava International Limited
Consolidated Balance Sheet as at 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024*	As at 01 April 2023*
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	10 (a)	24.82	132.77	229.82
Lease liabilities	10 (d)	18.78	66.75	109.47
Provisions	11 (a)	24.08	61.95	59.34
		67.68	261.47	398.63
Current liabilities				
Financial liabilities				
Borrowings	10 (b)	3,008.43	3,409.10	2,828.58
Lease liabilities	10 (c)	58.95	42.70	38.40
Trade payables				
- total outstanding dues of micro enterprises and small	10 (c)	164.38	229.93	132.17
- total outstanding dues of creditors other than micro	10 (c)	5,562.53	3,110.54	5,731.24
enterprises and small enterprises				
Other financial liabilities	10 (f)	2,384.22	1,854.69	1,675.85
Other current liabilities	12	777.82	493.97	331.46
Provisions	11 (b)	6,446.63	4,965.64	2,037.51
Current tax liabilities (net)	13	-	152.99	110.87
Total Current liabilities		18,402.96	14,259.56	12,886.08
TOTAL EQUITY AND LIABILITIES		18,305.66	16,706.64	19,565.87

* Restated - Refer Note 23A

Material accounting policy information

2.2

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date as attached

For PNAM & Co. LLP
Chartered Accountants
Firm's Registration No.:
001092N/N500395

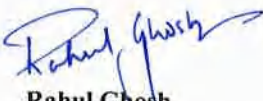


For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920


Sunil Rana
Managing Director
(DIN-09302069)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024*
Income			
Revenue from operations	14	20,190.32	40,395.68
Other income	15	122.15	209.42
Total income (I)		20,312.47	40,605.10
Expenses			
Cost of raw material and components consumed	16	12,824.03	17,485.67
Purchase of stock-in-trade		3,266.56	14,308.11
Changes in inventories of finished goods, spares and stock in trade	17	375.19	2,302.08
Employee benefit expenses	18	1,595.90	1,910.84
Finance costs	19	511.85	538.12
Depreciation and amortisation expense	20	348.80	312.80
Other expenses	21	4,512.17	8,072.39
Total expense (II)		23,434.50	44,930.01
Profit/(Loss) before share of Profit/(Loss) of an associate / a joint venture and exceptional items (I - II)		(3,122.03)	(4,324.91)
Share of profit/(loss) of joint venture, associates (III)		0.26	(0.23)
Profit/(Loss) before tax		(3,121.77)	(4,325.14)
- Current tax		0.17	170.11
- Tax charge/(credit) relating to earlier years		-	0.06
- Deferred tax expense/(income)		(639.36)	(758.03)
Income tax expense	22	(639.19)	(587.86)
Profit/(Loss) for the year		(2,482.58)	(3,737.28)
Other comprehensive income			
Other comprehensive income not to be reclassified to Profit or loss in subsequent periods :			
- Re-measurement (gains)/losses of defined benefit plan		2.90	0.20
-Change in fair value of FVOCI equity instruments		59.42	(37.58)
- Income tax relating to this item	22	0.73	0.05
Other comprehensive income that will be reclassified to profit or loss in subsequent periods :			
-Exchange difference on translation of foreign operations		(178.53)	404.62
Other comprehensive income/loss for the year (net of tax)		(115.48)	367.29
Total Comprehensive Income for the year (net of tax)		(2,367.10)	(4,104.57)



Lava International Limited
Consolidated statement of profit and loss for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024*
Profit/(Loss) for the year is attributable to			
- Equity holders of Holding Company		(2,482.46)	(3,758.13)
- Non-controlling interest		(0.12)	20.85
Other comprehensive income of the year is attributable to			
- Equity holders of Holding Company		115.48	(367.29)
- Non-controlling interest		-	-
Total comprehensive income of the year is attributable to			
- Equity holders of Holding Company		(2,366.98)	(4,125.42)
- Non-controlling interest		(0.12)	20.85
Earnings per equity share (in rupees)	23		
Basic		(4.59)	(6.95)
Diluted		(4.59)	(6.95)
Material accounting policy information	2.2		

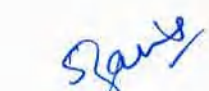
* Restated - Refer Note 23A

The accompanying notes form an integral part of these consolidated financial statements.

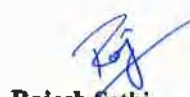
As per our report of even date as attached
For PNAM & Co. LLP
Chartered Accountants
Firm's Registration No.: 001092N/N500395

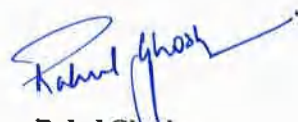
For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920


Abhishek Nahta
Partner
Membership No. 513559


Sunil Raina
Managing Director
(DIN-09302069)


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



Particulars	Restated	
	For the year ended 31 Mar 2025	For the year ended 31 March 2024
Cash flow from operating activities		
Profit/(Loss) before tax	(3,121.77)	(4,325.14)
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	348.80	312.80
(Profit)/loss on sale of property, plant and equipment	1.16	(0.65)
Unrealized foreign exchange (gain)/ loss	(20.24)	(109.17)
Net (gain)/loss on sale of mutual fund investments	(5.54)	0.24
Share of loss/(Profit) of associate/ joint venture	-	-
Fair value (gain)/loss on derivative financial instrument at FVTPL	-	-
Provision for Share based payment Expenses	16.51	9.02
Provision for Inventories obsolescence	-	-
Allowance for expected credit loss on trade receivables	-	-
Provision for advances	353.30	-
Provision for legal expenses	1,037.09	2,867.13
Provision on taxation matters	18.63	30.54
Provision on export obligations	354.08	-
Provision on disputed statutory liability	53.61	-
Provision for impairment of investment & associates	47.93	-
Amortization of prepaid security deposit	-	-
Interest expense	430.20	420.77
Interest income	(46.04)	(93.74)
Operating profit/(loss) before working capital changes	(532.28)	(888.20)
Movements in working capital:		
Increase/ (Decrease) in trade payables	2,386.44	(2,522.94)
Increase/ (Decrease) in other liabilities	(647.98)	(2,554.36)
Increase/ (Decrease) in provisions	1,443.12	2,930.74
(Increase)/ Decrease in trade receivables	(3,255.41)	1,366.96
(Increase)/ Decrease in inventories	1,319.31	2,485.91
(Increase)/ Decrease in other assets	(754.13)	1.14
Cash generated from operations	(40.93)	819.25
Income taxes paid (net of refunds)	(153.16)	(128.05)
Net cash flow from / (used) in operating activities (A)	(194.09)	691.20
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and intangibles	(105.92)	(101.14)
Proceeds from sale of property, plant and equipment (including intangibles)	-	-
Investment in equity shares of other companies, Financial instrument	19.35	(578.99)
Purchase of mutual fund investments	-	-
Sale of mutual fund investments	42.84	(108.13)
Investment in bank deposits	(652.22)	(1,929.09)
Maturity of bank deposits	1,233.10	2,000.95
Interest received	46.04	93.74
Net cash flow from / (used in) investing activities (B)	583.19	(622.66)
Cash flow from financing activities		
Proceeds from borrowings (non-current)	-	-
Payment of borrowings (non-current)	(107.95)	(97.05)
Proceeds/ (repayment) from borrowings (current) (net)	(400.67)	580.52
Payment of principal portion of lease liabilities	(44.10)	(38.43)
Interest paid on lease liability	(13.01)	(16.30)
Interest paid on borrowings	(419.25)	(406.43)
Net cash from / (used in) financing activities (C)	(984.98)	22.31
Net increase in cash and cash equivalents (A + B +C)	(595.88)	90.85
Effect of exchange rates on translation of operating cashflows	108.10	(372.03)
Cash and cash equivalents at the beginning of the year	682.42	963.60
Cash and cash equivalents at the end of the year	194.64	682.42



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Lava International Limited
Consolidated statement of cash flow for the year ended 31 March 2025
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Restated	
	For the year ended 31 Mar 2025	For the year ended 31 March 2024
Components of cash and cash equivalents	As at 31 March 2025	As at 31 March 2024
Cash on hand	2.48	2.33
Balances with banks:		
On current accounts	192.13	371.96
Deposits with original maturity of less than three months	0.03	308.13
Total cash and cash equivalents [refer note 6(d)]	194.64	682.42
Movement of borrowings	As at 31 March 2025	As at 31 March 2024
Borrowings at the beginning of the year*	3,546.00	3,064.49
Cash outflows during the year	(508.62)	483.47
Non Cash changes during the year arising out of interest cost	(2.06)	(1.96)
Borrowings at the end of the year	3,035.32	3,546.00
* It includes current borrowings, non-current borrowings, interest accrued thereon		
Changes of lease liability are as follows:	As at 31 March 2025	As at 31 March 2024
Lease liability at the beginning of the year	109.45	147.87
Cash outflows during the year	(31.72)	(38.42)
Lease liability at the end of the year	77.73	109.45

Material accounting policy information

2.2

The accompanying notes forms an integral part of these consolidated financial statements.

The schedules referred to above and notes on accounts form an Integral part of the consolidated cash flow statement.

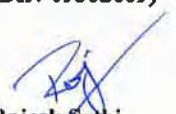
The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.
Cash flow from operating activities include Rs. 10.80 millions (31st March 2024 : Rs. 10.79 millions) being expenses towards Corporate social responsibility.

For PNAM & Co. LLP
Chartered Accountants
Firm's Registration No.: 001092N/N500395

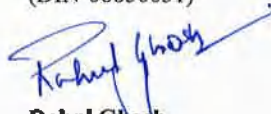
For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920


Abhishek Nahra
Partner
Membership No. 513559


Sunil Raina
Managing Director
(DIN-09302069)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2024	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2024	Changes in equity share capital during the year	Balance as at 31 Mar 2025
2705.63	-	2705.63	-	2705.63

Balance as at 01 April 2023	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 Mar 2024
2705.63	-	2705.63	-	2705.63

b. Instruments entirely equity in nature

Balance as at 01 April 2024	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2024	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2025
33.42	-	33.42	-	33.42

Balance as at 01 April 2023	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2023	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2024
33.42	-	33.42	-	33.42



Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)

c. Other equity

Particulars	Attributable to the equity holders of Holding Company									
	Reserves and Surplus				Items of Other Comprehensive income			Total	Non controlling interest	Total
	Securities premium reserve [refer note (i)]	Share based payment reserve [refer note (ii)]	Retained earnings	Debentures redemption reserve [refer note (iii)]	FVTOCI - equity investment reserve [refer note (iv)]	FCIR -reserve [refer note (v)]	Treasury shares [refer note(vi)]			
As at 31st March 2023	5,690.34	372.14	4,411.64	25.00	(7.69)	898.58	(63.34)	11,326.67	(22.83)	11,303.84
Restatement Adjustments:										
(i) Provision on inventories (refer note 23A)	-	-	(1,322.63)	-	-	-	-	(1,322.63)	-	(1,322.63)
(ii) Provision for expected credit loss (refer note 23A)	-	-	(5,429.03)	-	-	-	-	(5,429.03)	-	(5,429.03)
(iii) Provision for legal cases (refer note 23A)	-	-	(1,903.73)	-	-	-	-	(1,903.73)	-	(1,903.73)
(iv) Deferred taxes on legal cases (refer note 23A)	-	-	825.25	-	-	-	-	825.25	-	825.25
(v) Change in depreciation (refer note 23A)	-	-	15.23	-	-	-	-	15.23	-	15.23
(vi) Consignment Stock (refer note 23A)	-	-	53.18	-	-	-	-	53.18	-	53.18
(vi) Non controlling interest impact	-	-	0.14	-	-	-	-	-	(0.14)	(0.14)
Restated balance as on 01st April, 2023	5,690.34	372.14	(3,349.95)	25.00	(7.69)	898.58	(63.34)	3,564.94	(22.97)	3,541.97
Total profit/(loss) for the year	-	-	(3,758.13)	-	-	-	-	(3,758.13)	-	(3,758.13)
Other comprehensive income for the year	-	-	-	-	37.33	(404.62)	-	(367.29)	20.85	(346.44)
Total comprehensive income for the year	-	-	(3,758.13)	-	37.33	(404.62)	-	(4,125.42)	20.85	(4,104.57)
Share based payment expense	-	9.02	-	-	-	-	-	9.02	-	9.02
Debentures redemption reserve	-	-	25.00	(25.00)	-	-	-	-	-	-
As at 31st March 2024	5,690.34	381.16	(7,083.08)	-	29.64	493.96	(63.34)	(551.47)	(2.12)	(553.59)
Total profit/(loss) for the year	-	-	(2,482.46)	-	-	-	-	(2,482.46)	-	(2,482.46)
Reversal of employee stock option plan	-	(19.35)	19.35	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(63.05)	178.53	-	115.48	(0.12)	115.36
Total comprehensive income for the year	-	(19.35)	(2,463.11)	-	(63.05)	178.53	-	(2,366.98)	(0.12)	(2,367.10)
Share based payment expense	-	6.51	-	-	-	-	-	16.51	-	16.51
As at 31st March 2025	5,690.34	378.32	(9,546.19)	-	(33.41)	672.49	(63.34)	(2,901.94)	(2.24)	(2,904.17)



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Notes:-

- (i) **Securities premium reserve** : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Share based payment reserve** : Share-based payment reserve represents the cumulative fair value of stock options granted to employees under the Holding Company's Employee Stock Option Plan (ESOP). The expense is recognised over the vesting period with a corresponding credit to this reserve.
- (iii) **Debenture redemption reserve**: Debenture redemption reserve was created in accordance with the provisions of the Companies Act, 2013 for redemption of debentures. During the year 2023-24, the reserve has been reversed upon full repayment of the related debentures.
- (iv) **FVTOCI equity investment reserve** : This reserve represents the cumulative gains or losses arising from changes in the fair value of equity investments designated at fair value through other comprehensive income (FVTOCI), including investments in Abhriya Pte. Ltd. Such changes are recognised in other comprehensive income and accumulated in this reserve.
- (v) **Foreign currency translation reserve** : Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.
- (vi) **Treasury shares** : The amount in treasury shares has been recorded against the shares of Holding Company purchased by Lava Employee welfare Trust from the employees of the Holding Company at the time of their exit from the Holding Company.

Material accounting policy information (refer note 2.2)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date as attached

For PNAM & Co. LLP

Chartered Accountants

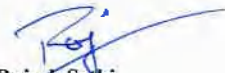
Firm's Registration No.: 001092N/N500395



Abhishek Nahla
Partner
Membership No. 513559

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920


Sunil Raina
Managing Director
(DIN-09302069)


Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079


Deepika Gupta
Non-Executive Director
(DIN-08850031)


Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026



1. Corporate information

Lava International Limited (the 'Company' or 'Holding Company') is a public limited company incorporated under the provisions of the Companies Act applicable in India on March 27, 2009. The Company is domiciled in India with its registered office located at Karampura, New Delhi, and maintains its principal place of business in Noida, Uttar Pradesh.

The Holding Company is engaged in the trading and manufacturing of mobile phones, tablets, smart watches, accessories, and other telecommunication devices and has established its presence across multiple locations in India.

These presentation and functional currency of the Group is Indian rupees (INR). Figures in financial statements are presented in millions by rounding off up to two decimals except for per share and as otherwise stated.

The consolidated financial statements are approved for issue by the Board of Directors in their meeting held on 11th August 2026.

2. Material Accounting Policy Information

2.1 Basis of preparation

i) Statement of compliance

The consolidated financial statements of the Holding Company, its subsidiaries and the trust (collectively referred as Group) and the group interest in joint ventures and associates have been prepared on going concern basis following accrual system of accounting and in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

ii) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Provisions, where the effect of time value of money is material are measured at present value
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans and other long-term employee benefits

2.2 Summary of material accounting policy information

A summary of the material accounting policy information applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.2.1 Current vs Non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.2 Property, plant and equipment

Property, plant and equipment are initially stated at their cost. The cost of an item of property, plant and equipment includes:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts

and rebates;

- b) Cost directly attributable to the acquisition of the asset which is incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) Present value of the estimated costs of dismantling & removing the items & restoring the site to the original condition on which it is located if recognition criteria are met.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the Statement of Profit and Loss.

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as specified under Part C of Schedule II of the Companies Act 2013. However, in case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013 as specified below: -

Assets	Useful Lives	As per Schedule II
Office Equipment	5 Years	5 Years
Furniture and fixtures*	10 Years	10 Years
Demonstration Fixtures	2 Years	2 Years
Vehicles*	8 Years	8 Years
Computer and Components	3 Years	3 Years
Plant and Machinery*		
Jigs	1 Years	1 Years
Other Plant and Machinery	10 Years	15,25 Years
Electrical Installations	10 Years	10 Years

* The useful life has been assessed based on technical evaluation, taking into account the nature of those classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end. The residual values of the assets is considered to be nil.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

Leasehold Improvements are amortized over the useful life or 10 years whichever is less.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets.

2.2.3 Capital work in progress

Property, plant and equipment that are not yet ready for their intended use on the reporting date are disclosed as "capital work in progress". Capital work in progress is carried at cost less accumulated impairment loss, if any. The cost comprises of direct cost and related incidental expenses.

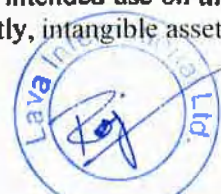
2.2.4 Intangible assets

Intangible assets are initially measured at cost. Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development". Subsequently, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.



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Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Amortisation methods and useful lives are reviewed at each financial year end. The useful lives of intangible assets are assessed as finite as stated below and the assets are amortised over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired.

Assets	Useful Lives
Computer software (over license period)	1-5 Years
Internally generated software	5 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

2.2.5 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

2.2.6 Investment in equity instruments of subsidiaries and associates

Investment in equity instruments of subsidiaries and associates are stated at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount of investments is recognised to the statement of profit and loss.

2.2.7 Inventories

Inventories are valued at the lower of cost or net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

2.2.8 Revenue recognition

Revenue from contract with customers is recognised when control of the goods or services ("performance obligation") are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services ("transaction price").

a) Sale of Goods

Revenue from sale of goods primarily comprises the fair value of consideration received or receivable for the sale of goods in the ordinary course of Group's business activities. Revenue is presented net of Goods and Services Tax (GST), returns, sales incentives and discounts.

The Group has assessed its revenue arrangements and concluded that it acts as a principal in substantially all

of its revenue transactions. This determination is based on the following key indicators:

- The Group has primary responsibility for fulfilling contracts with customers
- The Group has pricing discretion and latitude in establishing selling prices
- The Group bears inventory risk before and after transfer of goods to customers
- The Group is exposed to credit risk for the amount receivable from customers
- The Group controls the goods before they are transferred to customers

The Group accounts for the pricing incentives and volume discounts as a reduction of revenue based on the estimated amount of applicable discount or incentive that customers are expected to earn.

b) Sale of Services

Revenue from sale of services primarily arises from installation of third-party mobile applications in the mobile devices and is recognized based on the stage of completion. The stage of completion for service contracts is determined based on services performed to date as a percentage of total services to be performed.

c) Contract balances

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

d) Other operating revenue

Other operating revenue represents scrap sale and export incentives that is earned from the activities incidental to the business. The incentive income in form of Merchant export incentive income (MEIS), Duty drawback income is recognized based on export made.

e) Other income

- Interest income is recognised using Effective Interest rate method.
- Dividend income is recognised when the right to receive payment is established.
- Miscellaneous income is recognised when performance obligation is satisfied and right to receive the income is established.

2.2.9 Borrowing cost

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are charged to statement of profit and loss in the period in which they are incurred except when it meets the criteria for capitalisation as part of qualifying asset.

2.2.10 Taxes

Tax expense comprises current tax and deferred income tax.

a) Current income tax

Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



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b) Deferred Tax

Deferred tax is provided for temporary taxable/ deductible difference arising on the difference of tax base and accounting base of assets/liabilities using the liability method and are measured at the enacted tax rates or substantively enacted tax rates at reporting date.

Deferred tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case it is recognised (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.11 Foreign currencies

Functional and presentation currency

The functional currency and presentation currency of the Group is Indian Rupees.

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are reported in the functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are not retranslated and are reported using the exchange rate at the date of the transaction.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise and are presented on net basis.

Foreign operations

Financial statements of foreign operations whose functional currency is different from Indian Rupees are translated into Indian Rupees as follows:

- assets and liabilities (both monetary and non-monetary) are translated at the closing rate at the date of Balance Sheet;
- income and expenses are translated at average exchange rate for the reporting period, unless exchange rate fluctuate significantly during the period, in which case, the exchange rates at the dates of transaction are used; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to statement of profit and loss on disposal of such foreign operations.

2.2.12 Employee benefit

a) Short-term employee benefits

Employee benefits such as wages, salaries, bonus and short term compensated absences falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the statement of profit and loss in the period in which the employee renders the related services.



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b) Post employment benefits

Defined contribution plan: The contributions towards defined contribution plans are recognized in the statement profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

Defined benefit plan: The Group's liability towards gratuity is in the nature of defined benefit plan. The plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The calculation is performed by an independent actuary using the projected unit credit method.

The Group's obligation is measured at present value of the estimated future cash flows using a discount rate based on market yield on government securities

Other short-term employee benefits

The Group provides for the liability towards the compensated absences benefits on the basis of actuarial valuation carried out as at the reporting date, by an independent actuary using the projected unit credit method. The related re-measurements are recognized in the Statement of Profit and Loss in the period in which they arise.

2.2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes unrestricted cash and short-term deposits with original maturities of one day to less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.2.14 Dividend

Annual Dividend distribution to the Group's equity shareholders is recognised as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognised as liability on approval by the Board of Directors. Dividend payable is recognised directly in equity.

2.2.15 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provision for warranty-related costs is recognized at the time when the product is sold to the customer. The amount of the provision is estimated based on:

- Historical claim experience;
- Expected costs of repair, replacement, or service support during the warranty period;
- Adjustments for any known product-specific issues or expected changes in warranty terms.

The initial estimate of the warranty provision is reviewed at each reporting date and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation at the balance sheet date. Any changes in the provision due to revised estimates are recognized in the Statement of Profit and Loss.



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Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.2.16 Leases

If the contract conveys the right to control the use of an identified asset for a period in exchange for consideration, it is treated as lease.

a) Group as a lessee: The Group recognises 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.

i) Right-of-use assets: The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of the lease payments, the Group uses interest rate implicit in the lease if that rate can be readily determined. However, if that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Group applies the short-term lease recognition exemption to its short term leases contracts i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.



2.2.17 Financial instruments

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

All financial assets (excluding trade receivables which do not contain a significant financing component, being measured at transaction price) are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss (FVTPL) are expensed in statement of profit and loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories based on the Group's business model and the cash flow characteristics of the asset:

Financial assets at amortised cost

After initial measurement, the financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding are measured at amortised cost using the effective interest rate (EIR) method. Interest income from these financial assets is included in other income.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Financial assets at fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss (FVTPL). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category is applicable to investments in mutual funds.

Impairment of financial asset

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost or financial assets measured at FVTOCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under simplified approach, impairment loss allowance is recognised based on lifetime ECLs at each reporting date.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.



Financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance. The impairment allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or

premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a financial instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.18 Derivative financial instrument

The Group uses derivative financial instruments i.e., forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.2.19 Share based payments

Equity-settled transactions

Share-based payment transactions with employees including senior employees are measured at the fair value of the equity instruments granted at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is **expensed on a straight-line basis over the vesting period**, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity under **"Share-Based Payment Reserve."**

Fair value is determined by using Black-Scholes pricing model, taking into account the terms and conditions under which the equity instruments are granted. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the Statement of Profit and Loss with a corresponding adjustment to equity.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the fair value of the option at the grant date, unless the original terms are not met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

In the event of cancellation, any remaining unrecognized cost is expensed immediately.

2.2.20 Fair value measurement

The Group measures financial instruments at fair value at each reporting period. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy and are disclosed

accordingly in the financial statements. External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

2.2.21 Earnings per share

In determining basic earnings per share, the Group considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.2.22 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

2.2.23 Prior Period

Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

Prior Period Adjustment

Errors/omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 0.50% of total operating revenue as per last audited financial statement of the Group.

2.2.24 Significant accounting estimates and judgments

The preparation of Consolidated Financial Statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompany disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This policy provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Significant areas of estimation and judgements as stated in the respective accounting policies that have the most significant effect on the financial statements are as follows:

Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable's balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes.

Impairment of financial assets

The impairment provision for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Determining the recoverable amount of the assets is judgmental and involves the use of significant estimates and assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Provisions for warranties

The Group recognises a provision for expected warranty claims in respect of mobile devices sold, in line with the terms of the warranty obligations provided at the time of sale. The estimate of such provisions is a significant judgment, involving a number of assumptions and estimates that affect the reported amounts of provisions and expenses.

Provision for warranty-related costs is recognised when the product is sold, based on historical trend of service

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(All amounts in Indian Rupees million unless otherwise stated)

claims, nature and frequency of defects, replacement costs, and future expectations of defect rates during the warranty period. These estimates are reassessed periodically to reflect the latest trends and actual outcomes.

The assumptions used to calculate the provision may be affected by changes in failure rates, usage patterns, introduction of new models or technology, and changes in customer expectations. Any change in the estimates or assumptions could materially affect the provision amount and profit or loss for the reporting period.

Due to the inherent uncertainty involved in such estimation, actual outcomes may differ from the estimated provision, and such differences are recognised in the period in which they are determined.



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3(a) Property, plant & equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Demonstration fixtures	Leasehold improvements	Electrical installations	Total
Gross Block									
As at 1st April 2023	1,041.93	53.19	100.84	210.74	20.51	2,577.40	416.61	0.86	4,422.08
Additions	69.12	0.00	3.20	13.17	6.53	-	0.31	-	92.33
Disposals / Capitalized	1.05	3.58	17.64	15.84	-	2,477.13	14.72	-	2,529.96
Exchange Difference	-	1.52	0.74	0.14	-	24.46	0.27	-	27.13
As at 31 March 2024	1,110.00	51.13	87.14	208.21	27.04	124.73	402.47	0.86	2,011.58
Additions	89.75	-	2.10	9.18	-	-	-	-	101.03
Disposals / Capitalized	19.88	0.04	0.05	3.56	-	-	0.01	-	23.54
Exchange Difference	-	0.02	0.00	0.04	-	-	0.19	-	0.25
As at 31 March 2025	1,179.87	51.11	89.19	213.87	27.04	124.73	402.65	0.86	2,089.32
Accumulated Depreciation									
As at 1st April 2023	563.27	52.19	96.59	173.13	14.44	2,577.38	366.32	(0.14)	3,843.18
Depreciation Adjustments	(4.45)	(9.72)	0.01	0.03	(1.17)	-	0.07	-	(15.23)
Restated as at 1st April 2023	558.82	42.47	96.60	173.16	13.27	2,577.38	366.39	(0.14)	3,827.95
Charge for the year	108.63	3.71	1.61	20.98	1.40	-	19.28	0.09	155.71
Disposals / Capitalized	5.10	1.78	17.00	19.06	-	2,477.13	13.52	-	2,533.59
Exchange Difference	4.05	(0.29)	0.85	2.13	-	23.68	0.16	(0.05)	30.53
As at 31 March 2024	666.40	44.11	82.06	177.21	14.67	123.93	372.31	(0.10)	1,480.60
Charge for the year	149.63	3.21	1.85	20.93	2.00	-	13.86	0.09	191.57
Disposals / Capitalized	18.10	0.04	0.06	4.27	-	-	0.09	-	22.56
Depreciation Adjustment	-	-	-	-	-	-	-	-	-
As at 31 March 2025	797.93	47.28	83.85	193.87	16.67	123.93	386.08	(0.01)	1,649.60
Net Block									
As at 31 March 2025	381.94	3.83	5.34	20.00	10.37	0.80	16.57	0.87	439.72
As at 31 March 2024	443.60	7.02	5.08	31.01	12.37	0.80	30.16	0.96	530.98
As at 31 March 2023	483.11	10.72	4.24	37.58	7.24	0.02	50.22	1.00	594.13

*Capital work-in-progress includes plant and machinery.

Note :

Property, Plant & Equipment represent tangible assets used in the Company's operations. These include plant & machinery, furniture, office equipment, computers, vehicles and leasehold improvements.

During FY 2025, additions of Rs. 101.03 million were made, primarily towards plant & machinery and IT equipment. Certain assets amounting to Rs. 23.54 million were disposed of during the year.

Depreciation for the year amounted to Rs. 191.57 million. Net carrying value of PPE as at 31 March 2025 stands at Rs. 439.72 million (FY24: Rs. 530.98 million). Some of the PPE are hypothecated as

security against borrowings (refer Note 10(a) & 10(b)).



3(b) : Capital Work-in-progress

Particulars	Total
As at March 31, 2025	
Opening carrying amount as at April 01, 2024	201.69
Addition during the year	0.92
Capitalised during the year	-
Closing carrying amount as at March 31, 2025	202.61
As at March 31, 2024	
Opening carrying amount as at April 01, 2023	191.99
Addition during the year	9.70
Capitalised during the year	-
Closing carrying amount as at March 31, 2025	201.69

Ageing of Capital work-in-progress; -

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2025					
Projects in progress	-	9.66	-	-	9.66
Projects temporarily suspended	0.92	-	192.03	-	192.95
Capital work-in-progress	-	9.66	-	-	202.61

	Amount
Projects which have exceeded their original timeline	192.95
Projects which have exceeded their original budget	-

Details of project which have been temporarily suspended

Particulars	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Project I	0.92	-	192.03	-	192.95

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	9.66	192.03	-	-	201.69
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	9.66	192.03	-	-	201.69

	Amount
Projects which have exceeded their original timeline	201.69
Projects which have exceeded their original budget	-

Details of project which have been temporarily suspended

Particulars	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Project I	9.66	192.03	-	-	201.69

Note: Capital Work-in-Progress represents assets under construction or installation. Closing CWIP as at 31 March 2025 is Rs. 202.61

million. Additions of Rs. 0.92 million were made during the year. CWIP of Rs. 192.03 million is aged between 2-3 years.



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Debit



4 Intangible assets

Particulars	Computer softwares and licenses	Internally generated software	Long Term Customer Contract	Brand	Licenses & Patents	Total	Goodwill
Gross Block							
As at 1st April 2023	544.17	129.81	65.28	2,142.17	40.87	2,922.30	451.51
Additions	0.13	-	-	-	-	0.13	-
Disposals	246.50	-	-	-	-	246.50	-
Exchange Difference	8.48	-	-	-	0.60	9.08	4.72
As at 31 March 2024	306.28	129.81	65.28	2,142.17	41.47	2,685.01	456.23
Additions	2.45	-	-	-	-	2.45	-
Disposals	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	1.03	1.03	8.15
As at 31 March 2025	308.73	129.81	65.28	2,142.17	42.50	2,688.49	464.38
Accumulated Amortisation							
As at 1st April 2023	524.41	123.90	4.90	160.67	-	813.88	-
Charge for the year	9.38	2.59	3.26	107.11	-	122.35	-
Disposals	245.25	-	-	-	-	245.25	-
Exchange Difference	8.40	0.01	-	-	-	8.41	-
As at 31 March 2024	296.94	126.50	8.16	267.78	-	699.39	-
Charge for the year	10.06	-	3.26	107.11	-	120.44	-
Disposals	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-
As at 31 March 2025	307.01	126.50	11.43	374.89	-	819.83	-
Net Block							
As at 31 March 2025	1.72	3.31	53.85	1,767.28	42.50	1,868.66	464.38
As at 31 March 2024	9.34	3.31	57.12	1,874.39	41.47	1,985.62	456.23
As at 31 March 2023	19.76	5.91	60.38	1,981.50	40.87	2,108.42	451.51

Note:

Intangible assets primarily comprise computer software and licenses. Additions during the year: Rs. 2.45 million, Amortisation expense: Rs. 120.44 million, Net carrying value as at 31 March 2025: Rs. 1,868.66 million (FY24: Rs. 1,985.62 million), the reduction is mainly due to amortisation of existing software assets.

5 Right of use asset

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
Gross Block					
As at 1st April 2023	62.81	159.15	2.69	19.08	243.73
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2024	62.81	159.15	2.69	19.08	243.73
Additions	-	-	-	12.39	12.39
Disposals	-	-	-	-	-
As at 31 March 2025	62.81	159.15	2.69	31.46	256.11
Accumulated Depreciation					
As at 1st April 2023	37.17	87.28	1.58	0.81	126.84
Charge for the year	9.29	21.82	0.39	3.25	34.75
Disposals	-	-	-	-	-
As at 31 March 2024	46.46	109.10	1.97	4.06	161.59
Charge for the year	9.29	21.82	0.39	5.25	36.75
Disposals	-	-	-	-	-
As at 31 March 2025	55.75	130.92	2.36	9.31	198.34
Net Block					
As at 31 March 2024	7.06	28.23	0.33	22.16	57.77
As at 31 March 2024	16.35	50.05	0.72	15.01	82.14
As at 31 March 2023	25.64	71.87	1.11	18.27	116.89

Note:

ROU assets represent leased assets such as office buildings, warehouses, and vehicles as per Ind AS 116. Additions during the year is Rs. 12.39 million, Depreciation for the year is Rs. 36.75 million, Net carrying value: Rs. 57.77 million (FY24: Rs. 82.14 million). Decrease is primarily due to depreciation over the lease tenure.



Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)
6 Financial assets
6 (a) Investments (non-current) (Unquoted)

	As at 31 March 2025		As at 31 March 2024		As at 01 April 2023	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investments in equity instruments of other entities						
(at fair value through other comprehensive income)						
500 (31 March 2023: 500) Equity Share of 10,000 CNY each fully paid up of Inone Technology Shenzhen Co, Limited. (Formerly known as Xolo Technology (Shenzhen) Limited).	500	59.45	500	57.66	500	64.80
Less: Provision for impairment on Investment in Inone Technology Shenzhen Co*		(59.45)		-		-
2% Ownership interest in Digital Reef Inc.		531.75		518.83		511.35
37.5% Ownership interest in Connected Lab		783.48		764.45		188.36
49% Ownership interest (31 March 2022: 49%) in CBCA LLC.		99.18		96.77		95.37
25,000 (31 March 2022: 25,000) Equity Share of \$ 30 each fully paid up of Diamond Foundry Inc..		70.77		69.05	25,000	68.06
7,200 (31 March 2022: 7200) Equity Share of \$ 100 each fully paid up of Marbore enterprises S.A.		61.53		60.04	7,200	59.17
20,000 (31 March 2023: 20,000) Equity shares of Rs.10 each fully paid up of Sri Venketeswara Mobile & Electronics Manufacturing Hub Private Limited	20,000	0.20	20,000	0.20		0.20
		<u>1,546.91</u>		<u>1,567.00</u>	20,000	<u>987.31</u>
Aggregate amount of unquoted investment		1,546.91		1,567.00		987.31

*As at 31st March 2025, 100% Provision for Impairment has been created for Inone Technology Shenzhen Co, Limited.



Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)
6 (b) Investments (current)

	As at 31 March 2025		As at 31 March 2024		As at 01 April 2023	
	No of units	Amount	No of units	Amount	No of units	Amount
Investment in Mutual funds (Quoted)(at fair value through profit or loss)						
LIC MF Overnight Fund-Regular Plan Growth	-	-	-	-	17,387	20.11
Union Corporate Bond Fund Regular Plan - Growth	-	-	299,975	3.06	390,960	5.04
		<u>-</u>		<u>3.06</u>		<u>25.15</u>
Investment in Mutual funds (Unquoted)(at fair value through profit or loss)						
Canara Robeco MF - Regular Plan Growth	-	-	-	-	-	-
Invesco India Liquid Fund	-	-	-	-	344,798	3.58
		<u>-</u>		<u>-</u>		<u>3.58</u>
Investment in equity instruments						
IDC VALORES, S.A.		99.32		133.56		-
		<u>99.32</u>		<u>136.62</u>		<u>28.73</u>
Aggregate amount of quoted investment		-		3.06		25.15
Market value of quoted investments		-		3.06		25.15
Aggregate amount of unquoted investment		-		-		3.58
Market value of unquoted investments		-		-		3.58



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6 (c) Trade receivables

Unsecured

- Considered good
- Considered doubtful

Less

- Allowance for Expected credit loss (ECL) (Refer Note 23A)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Unsecured			
- Considered good	14,325.69	16,167.73	16,059.76
- Considered doubtful	36.77	36.77	31.99
	14,362.46	16,204.50	16,091.75
Less			
- Allowance for Expected credit loss (ECL) (Refer Note 23A)	(10,391.74)	(15,509.43)	(14,138.89)
	3,970.72	695.07	1,952.86

Ageing of trade receivables: -

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025							
Undisputed trade receivables - considered good	26.43	1,436.55	1,689.38	1,200.92	309.07	457.88	5,120.23
Undisputed trade receivables - significant increase in credit risk	2.45	2.12	1.33	3.42	3.44	357.67	370.43
Disputed trade receivables - considered good	-	0.01	0.75	-	-	-	0.76
Disputed trade receivables - significant increase in credit risk	-	-	0.17	264.69	609.89	7,996.29	8,871.04
Total trade receivables	28.88	1,438.68	1,691.63	1,469.03	922.40	8,811.84	14,362.46
Less: Allowance for expected credit loss							(10,391.74)
Net trade receivables							3,970.72

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed trade receivables - considered good	28.62	1,160.66	1,312.26	5,734.55	1,243.44	6,688.20	16,167.73
Undisputed trade receivables - significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	0.27	1.41	6.74	1.89	26.46	36.77
Disputed trade receivables - significant increase in credit risk	-	-	-	-	-	-	-
Total trade receivables	28.62	1,160.93	1,313.67	5,741.29	1,245.33	6,714.66	16,204.50
Less: Allowance for expected credit loss	-	-	-	-	-	-	(15,509.43)
Net trade receivables							695.07



6 (d) Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Cash on hand	2.48	2.33	7.77
Balances with banks:			
On current accounts	192.13	371.96	204.29
Deposits with original maturity of less than three months # (Refer footnote to note 6(f))	0.03	308.13	751.54
	194.64	682.42	963.60

*Balance with bank includes bank balance of representative office situated at China amounting to Rs 4.03 millions as at March 31, 2025

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Holding Company, and earn interest at the respective short-term deposit rates.

6 (e) Other bank balances

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Deposits with remaining maturity for more than three months but less than twelve months. #(Refer footnote to note 6(f))	262.21	843.09	914.95
	262.21	843.09	914.95

6 (f) Other financial assets (Non-Current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Security deposits			
- Considered good	18.54	42.42	39.83
- Considered doubtful	15.71	4.92	4.92
	34.25	47.34	44.75
Less: Provision for doubtful deposits	(15.71)	(4.92)	(4.92)
	18.54	42.42	39.83
Unsecured considered good unless otherwise stated			
Others receivables	19.33	19.33	19.33
Less:- Provision on other receivables	(19.33)	-	-
Bank deposits with remaining maturity of more than twelve months #	0.29	0.04	65.36
Interest accrued on bank deposits	0.05	0.02	6.41
	18.88	61.81	130.93
# Includes margin money deposits under lien (refer note 6 (d) ,6 (e) and 6 (f)):- "- against letter of credit facility, bank guarantees and other margin	252.40	717.77	1,317.28

6 (g) Other financial assets (current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Unsecured, considered good unless otherwise stated			
Security deposits (A)	19.46	8.01	17.45
Interest accrued on bank deposits (B)	17.85	149.96	174.85
Derivative asset (C)	-	0.54	-
Others receivables			
- Considered good	62.19	16.32	17.38
- Considered doubtful	522.06	522.06	522.06
	584.25	538.38	539.44
Less: Allowance for credit loss (ECI)	(522.06)	(522.06)	(522.06)
	62.19	16.32	17.38
Total (A + B + C + D)	99.50	174.83	209.68



7 Inventories
(Valued at lower of cost and net realisable value)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Raw materials and components	504.97	1,412.30	1,520.86
Finished goods			
- In hand	449.93	871.28	1,242.80
- With consignee	555.61	287.85	216.17
Stock-in trade	743.06	964.66	2,966.90
Spares	195.95	232.74	308.01
	2,449.52	3,768.83	6,254.74

Note 1 The above inventory is net of :-

a) Write down of inventory from cost to net realisable value

Finished goods	4.72	30.89	25.68
Traded goods	-	0.01	0.02
Spares	-	-	4.13

b) Write down of inventory for Obsolescence

Finished goods	84.64	17.92	13.69
Traded goods	0.01	0.02	0.01
Spares	67.13	58.96	132.43
Raw materials, components and semi-finished goods	1,774.88	1,323.29	1,324.67

8 (a) Other non-current assets

Unsecured, considered good, unless otherwise stated

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Capital advances	12.00	32.00	32.11
Advances to vendors	550.44	-	-
Prepaid expenses	-	0.21	204.92
	562.44	32.21	237.03

8 (b) Other current assets

Unsecured, considered good, unless otherwise stated

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Prepaid expenses	(A) 45.87	363.92	593.53
Balance with statutory/ government authorities	(B) 1,050.25	1,092.93	1,003.02
Advances to vendors			
- Considered good	1,042.59	1,398.15	1,234.02
- Advances to others, considered good	295.57	283.43	0.21
- Considered doubtful	9.76	9.76	9.76
	1,347.92	1,691.34	1,243.99
Less: Provision for doubtful advances	(371.28)	(9.76)	(9.76)
	(C) 976.64	1,681.58	1,234.23
Deposits against disputed demand (Refer Foot Note 11b)	(D) 1,450.50	395.97	395.97
Total (A+B+C+D)	3,523.26	3,534.40	3,226.75



9 Equity Share capital and Instruments entirely equity in nature

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Authorised share capital			
782,000,000 equity shares of Rs. 5 each	3,910.00	3,910.00	3,910.00
(31 March 2024 : 782,000,000 equity shares of Rs. 5 each)			
100,000 (31 March 2024 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10 each	1.00	1.00	1.00
500,000 (31 March 2024 : 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs 100 each	50.00	50.00	50.00
	3,961.00	3,961.00	3,961.00
Issued, subscribed and fully paid-up share capital			
541,126,216 equity shares of Rs. 5 each	2,705.63	2,705.63	2,705.63
(31 March 2024 : 541,126,216 equity shares of Rs. 5 each)			
100,000 (31 March 2024 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10 each	1.00	1.00	1.00
324,172 (31 March 2024 : 324,172) Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each	32.42	32.42	32.42
Total issued, subscribed and fully paid-up share capital	2,739.05	2,739.05	2,739.05

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**(i) Equity shares**

	Amount			No of Shares		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
At the beginning of the year	2,705.63	2,705.63	2,705.63	541,126,216	541,126,216	541,126,216
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	2,705.63	2,705.63	2,705.63	541,126,216	541,126,216	541,126,216

(ii) Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

	Amount			No of Shares		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
At the beginning of the year	33.42	33.42	33.42	424,172	424,172	424,172
Converted to equity and other equity	-	-	-	-	-	-
Outstanding at the end of the year	33.42	33.42	33.42	424,172	424,172	424,172



(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 5 per share (31 March 2024: Rs. 5 per share). Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive residual assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Compulsory Convertible Preference Shares (CCPS)

- i. During financial year 2017-18, the Holding Company has issued 500,000 CCPS of Rs.100 each. The preference shares shall collectively be entitled to dividend of 0.0001% of the aggregate face value of the preference shares. As per the terms of Subscription and Shareholders Agreement, the preference shares may be converted, at any time at the discretion of the CCPS holder, into fixed number of equity shares, further, if any of the preference shares have not been converted into equity shares within 19 years and 11 months, remaining preference shares shall be automatically and compulsorily converted into equity shares upon the expiry of such period.

Pursuant to approval of board of directors of the company in the meeting held on 9th Aug, 2021, the Holding Company has converted its 175,828 CCPS into 1,528,834 Equity Shares of Rs. 10 each at the premium of Rs. 1.5 per Share. Out of the total CCPS issued, 324,172 CCPS remained outstanding as at 31st March 2025 (Out of the total CCPS issued, 324,172 CCPS remained outstanding as at 31st March 2024)

- ii. During financial year 2017-18, the Holding Company had issued 100,000 CCPS of Rs. 10 each for a consideration of Rs. 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Holding Company. The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If any of the preference shares have not been converted to equity shares within 10 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

In response of the exercise the option available, the Holding Company has to issue 5,368,832 equity shares against 100,000 CCPS.

(c) Number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	No of Shares				
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Equity shares allotted during the year as fully paid bonus shares	-	-	256,618,862	-	-

(d) Details of shareholders holding more than 5% shares in the Holding Company:

Equity Shares of Rs. 5 each fully paid ((31 March 2024 : Rs 5 each fully paid)

	No of Shares			Percentage shareholding		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Axis Capital Limited*	145,020,160	145,020,160	-	26.80%	26.80%	0.00%
Hari Om Rai	82,650,240	82,650,240	140,658,304	15.27%	15.27%	25.99%
Sunil Bhalla	62,123,163	62,123,163	98,378,203	11.48%	11.48%	18.18%
Yash Investments	60,693,140	60,693,140	60,693,140	11.22%	11.22%	11.22%
Vishal Sehgal	36,989,083	36,989,083	73,244,123	6.84%	6.84%	13.54%
Shailendra Nath Rai	26,412,782	26,412,782	40,914,798	4.88%	4.88%	7.56%
Shibani Sehgal	29,042,880	29,042,880	29,042,880	5.37%	5.37%	5.37%

* Shares held by Axis Capital Limited as on 31.03.2025, has been acquired by Gyanmay Investment Advisers LLP as per BENPOS dated 31st December 2025



Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

Name of Shareholders	No of Shares			Percentage shareholding		
	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
UNIC Memory Technology (Hong Kong) Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	324,172	324,172	324,172	100%	100%	100%
Bennett Coleman and Company Limite Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	100,000	100,000	100,000	100%	100%	100%

(e) Shareholding of promoters

Equity Share held by promoters as of 31st March 2025

Promoters Name	No of Shares	% of total shares	% Change during the year
Hari Om Rai	82,650,240	15.27%	0.00%
Sunil Bhalla	62,123,163	11.48%	0.00%
Vishal Sehgal	36,989,083	6.84%	0.00%
Shailendra Nath Rai	26,412,782	4.88%	0.00%
Total	208,175,268	38.47%	

Equity Share held by promoters as of 31st March 2024

Promoters Name	No of Shares	% of total shares	% Change during the year
Hari Om Rai	82,650,240	15.27%	-10.72%
Sunil Bhalla	62,123,163	11.48%	-6.70%
Vishal Sehgal	36,989,083	6.84%	-6.70%
Shailendra Nath Rai	26,412,782	4.88%	-2.68%
Total	208,175,268	38.47%	

(f) Shares reserved for issue under options :

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 31.

10 Financial liabilities

10 (a) Borrowings (non-current)

Secured (refer note I below)

Term loan from banks

Term loan from other parties

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
24.82	6.44	2.86
-	126.33	226.96
24.82	132.77	229.82

Current maturities of non-current borrowings [refer note 10(b)]

134.89	121.43	401.23
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Note 1 Security disclosure for the outstanding current borrowings are as follows:

(i) Car loan had been obtained from HDFC bank amounting to Rs. 2.32 million during the earlier year and the amount outstanding against the said loan is Rs. 0.58 million (31 March 2024: Rs. 1.07 million, 31 March 2023 : Rs. 1.53 million) which carries interest @ 7.50% p.a. and repayable in 60 equal monthly instalments starting from 07th May 2021. The loan is scheduled to be repaid by 07th April 2026. The loan is secured against the vehicle funded out of aforesaid loan. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 10.04.2026.

(ii) Car loan has been obtained from HDFC bank amounting to Rs. 2.53 million during the earlier year and the amount outstanding against the said loan is Rs. 1.30 million (31 March 2024: 1.79 million, 31 March 2023 : Rs. 2.25 million) which carries interest @ 7.70% p.a. and repayable in 60 equal monthly instalments starting from 05th August 2022. The loan is scheduled to be repaid by 05th July 2027. The loan is secured against the vehicle funded out of aforesaid loan. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 18.07.2026.

(iii) Car loan has been obtained from HDFC bank amounting to Rs. 2.10 million in August 2023 and the amount outstanding against the said loan is Rs. 1.53 million (31 March 2024: 1.89 million, 31 March 2023 : Rs. Nil million) which carries interest @ 8.80% p.a. and repayable in 60 equal monthly instalments starting from 05th September 2023. The loan is scheduled to be repaid by 05th August 2028. The loan is secured against the vehicle funded out of aforesaid loan.

(iv) Car loan has been obtained from Indian bank amounting to Rs. 3.96 million in November 2023 and the amount outstanding against the said loan is Rs. 3.00 million (31 March 2024: 3.72 million, 31 March 2023 : Rs. Nil million) which carries interest @ 8.65% p.a. and repayable in 60 equal monthly instalments starting from 07th December 2023. The loan is scheduled to be repaid by 07th November 2028. The loan is secured against the vehicle funded out of aforesaid loan.

(v) Term loan from Bajaj Finance Ltd. had been obtained amounting to Rs. 350 million during the earlier year and the amount outstanding against the said loan is Rs. 102.94 million (31 March 2024: Rs. 185.30 million, 31 March 2023 : Rs. 267.65 million) which carries interest @ 11.55% p.a. (31 March 2024: 11.35% p.a.) and repayable in 51 equal monthly instalments starting from 05th April 2022 to 05th June 2026. The loan is secured by exclusive charge over plant and machinery funded under the term loan with minimum Fixed Assets Coverage Ratio (FACR) of 1.33x and second pari-passu charge on overall current assets (current and future) of the Holding Company. Further, the loan has been personally guaranteed by promoters of the Holding Company. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 10.06.2026.

(vi) Term loan from Oxyzo Financial Services Private Ltd. had been obtained amounting to Rs. 20 million during the earlier year and the amount outstanding against the said loan is Rs. Nil million (31 March 2024: Rs. Nil, 31 March 2023 : Rs. 5.47 million) which carries interest @ 12.25% p.a. and repayable in 24 equal monthly instalments. The loan repaid on 05th September 2023. The loan was secured by personal guarantee by promoter of the Holding Company. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 12.09.2023.

(vii) Term loan from Oxyzo Financial Services Private Ltd. had been obtained in July 2023 amounting to Rs. 75 million and the amount outstanding against the said loan is Rs. 23.80 million (31 March 2024: Rs. 60.43 million, 31 March 2023 : Rs. Nil million) which carries interest @ 12.5% p.a. and repayable in 24 equal monthly instalments. The loan to be repaid on monthly EMI ending on 05th October 2025. The loan was secured by Unconditional and Irrevocable Bank Guarantee of Rs. 100 Million. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 07.11.2025.

(viii) Working Capital Term loan from Junoon Capital Services Private Ltd. had been obtained in June 2024 amounting to Rs. 50 million and the amount outstanding against the said loan is Rs. 26.60 million (31 March 2024: Nil million, 31 March 2023 : Rs. Nil million) which carries interest @ 17.50% p.a. and repayable in 18 equal monthly instalments. The loan to be repaid on monthly EMI ending on 29th December 2025. The loan was secured by FDR of Rs. 7.5 Million. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 07.01.2026.

(ix) Non-Convertible Debentures (NCDs) had been issued during the financial year 2021-22 amounting to Rs. 250 million which carries interest @ 12.41% p.a. and the amount outstanding against the said NCD is Rs. Nil million (31 March 2024: Rs. Nil million, 31 March 2023 : Rs. 250 million). NCD were fully repaid in September 2023. The NCD's were secured by first and exclusive charge by pledge of certain shares of the Holding Company held by the promoters. Further, the loan has been personally guaranteed by certain directors of the Holding Company. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender and respective charge has been satisfied on ROC dated 12.12.2023.



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(x) Term loan from Tata Capital Financial Services Ltd. has been obtained in Financial Year 2022-23 amounting to Rs. 125 million which carries interest @ 11.10% p.a. and the amount outstanding against the said loan is Rs. Nil million (31 March 2024: Nil million, 31 March 2023 : Rs. 104.17 million). The loan was fully repaid in Feb-2024. The loan was secured by guarantee equivalent to the 50% of the facility amount and personal guarantee by certain directors of the Holding Company. Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 16.11.2024.

Note II: Satisfaction of charges

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

10 (b) Borrowings (current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Secured			
Cash credit / overdraft facility from banks (repayable on demand)*	408.06	714.57	743.82
Buyer's credit*	-	-	139.03
Working capital demand loan**	-	155.00	531.00
Current maturities of non current borrowings [refer note 10(a)]	134.89	121.43	401.23
	542.95	991.00	1,815.08
Unsecured			
Short Term loan***	2,465.48	2,418.10	1,013.50
	3,008.43	3,409.10	2,828.58



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*Secured by way of hypothecation on first pari-passu charge basis, on overall current assets of the Holding Company (current and future) and collateral securities/personal guarantees of promoter and relative of promoter. The said loan is further secured:

(1) by way of a first charge on pari-passu basis, of existing and future movable fixed assets of the Holding Company excluding software and machineries/ assets created by way of term loans from other banks and financial institutions.

(2) by way of a second charge on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions. The cash credit is repayable on demand and carries interest @ 11.55% p.a. to 14.85% p.a. (31 March 2024: 10.35% p.a. to 11.30% p.a.)

**Working capital demand loan from Tata Capital Financial Services Ltd of Rs. Nil million (31 March 2024: Rs. 125 million, 31 March 2023: Rs. 125 million) is secured by way of Bank guarantee equivalent to the 100% of the facility amount and personal guarantee by promoters of the Holding Company and repayable on demand and carries interest @ Nil % (31 March 2024: 11.35% p.a.). Subsequent to the year end, the Holding Company has fully repaid/closed this loan facility and NOC was issued by the lender dated 16.11.2024.

Working capital demand loan of Rs. Nil million (31 March 2024: Rs. Nil million, 31 March 2023: Rs. 370 million) is secured by way of the personal guarantee by promoters of the Holding Company and repayable on demand and carries interest @ Nil % (31 March 2024: Nil % p.a., 31 March 2023 : 8.90% p.a. to 9.25% p.a.).

Working capital demand loan of Rs. Nil million (31 March 2024: 30 million, 31 March 2023: Nil million) is secured similar to cash credit facilities as mentioned above and repayable on demand and carries interest @ Nil. (31 March 2023: 11.20%).

Working capital demand loan of Rs. Nil million (31 March 2024: Nil million, 31 March 2023: 36 million) is secured against fixed deposit and repayable on demand and carries interest @ Nil (31 March 2024: NIL, 31 March 2023: 9.25% p.a.).

Subsequent to the year end, the Holding Company has fully repaid/closed all working capital facility including cash credit/ overdraft facility, Buyer's credit and WCDL facility and respective charge has been satisfied on ROC dated 18.06.2026.

*** (1) China Bird Centroamerica, S.A. and its subsidiaries, Mobile Consumer Products, S.A. and Azumi, S.A., have jointly availed a USD 20.00 million revolving credit facility from Banco Agromercantil de Guatemala, S.A., carrying interest at a variable nominal rate, currently 8.00% per annum (effective rate: 8.30% per annum). The facility is secured by (i) a pledge of 100% of the equity shares of each of China Bird Centroamerica, S.A., Mobile Consumer Products, S.A. and Azumi, S.A., securing USD 11.20 million of the facility, and (ii) personal guarantees from the borrowers, securing the balance USD 8.80 million of the facility. This arrangement came to the notice of the Holding Company only recently, upon receipt of the related financial information from CBCA.

(2) China Bird Centroamerica, S.A., has taken a USD 5 million at 5.75% variable p.a., short term working capital limit from Banco Promerica.

(3) China Bird Centroamerica, S.A., has taken a USD 3.85 million short term working capital limit at interest rate of 8% p.a. from Banco Ficohsa S.A..



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10 (c) Trade payables

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Micro and Small Enterprises	164.38	229.93	132.17
Other than Micro and Small Enterprises	5,562.53	3,110.54	5,731.24
	5,726.91	3,340.47	5,863.41

Ageing of trade payables :-

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025					
Outstanding dues to micro and small enterprises	2,347.07	45.48	41.00	9.23	2,442.78
Others	2,358.31	276.36	0.62	272.74	2,908.03
Disputed - dues to micro and small enterprises	1.76	-	-	-	1.76
Disputed - Others	2.06	0.26	0.08	0.58	2.96
Trade payables	4,709.20	322.09	41.70	282.55	5,355.53
Provision for expenses					371.38
Total Trade payables					5,726.91

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Outstanding dues to micro and small enterprises	521.26	86.57	9.07	-	616.90
Others	1,604.00	8.16	663.85	153.37	2,429.38
Disputed - dues to micro and small enterprises	-	-	-	-	-
Disputed - Others	-	-	-	-	-
Trade payables	2,125.26	94.73	672.92	153.37	3,046.28
Provision for expenses					294.19
Total Trade payables					3,340.47

10 (d) Lease liabilities (non-current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Lease Liabilities	18.78	66.75	109.47
	18.78	66.75	109.47

10 (e) Lease liabilities (current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Lease Liabilities	58.95	42.70	38.40
	58.95	42.70	38.40



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10 (f) Other financial liabilities (current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Payable for capital purchases	-	-	1.27
Security deposits	1,884.20	1,495.66	1,460.25
Security deposit from consignee	409.02	212.34	163.00
Inter company deposits	45.00	100.00	-
Interest accrued on borrowings	2.07	4.13	6.09
Derivative liability	-	-	1.29
Employee payables	43.93	42.56	43.95
Other financial liability	-	-	-
	2,384.22	1,854.69	1,675.85

11 (a) Provisions (non-current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Provision for employee benefits			
Provision for gratuity	10.64	59.89	57.28
Provision for compensated absences	12.50	-	-
Other provisions			
Provision for decommissioning liabilities #	0.94	2.06	2.06
	24.08	61.95	59.34

Under lease agreements entered by the Holding company, it has to incur restoration cost for restoring lease premises to the original condition at the time of expiry of lease period. Accordingly, a provision has been recognised for the estimated restoration costs.

Provision for decommissioning liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
At the beginning of the year	2.06	2.06	2.06
Arising during the year	0.94	-	-
Less : Utilized/reversed during the year	(2.06)	-	-
At the end of the year	0.94	2.06	2.06

11 (b) Provisions (current)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Provision for employee benefits			
Provision for gratuity	-	16.27	25.67
Provision for compensated absences	10.28	17.09	20.59
	10.28	33.36	46.26
Other provisions			
Provision for warranties*	171.54	130.88	87.53
Provision for legal matters (net of deposits)	5,374.37	4,337.27	1,470.14
Provision for taxation matters	482.76	464.13	433.59
Provision on custom matters	354.08	-	-
Provision for other disputed statutory liability matters	53.61	-	-
	6,436.36	4,932.28	1,991.26
	6,446.64	4,965.64	2,037.51

*The Holding company provides warranty on its products by giving an undertaking to repair/replace items to the customers, which fails to perform satisfactorily during the warranty period. The Provision made represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be in next 12 months (31 March 2024 : 12 months)



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Provision for warranties

At the beginning of the year
Arising during the year
Less : Utilized/reversed during the year
At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
130.88	87.53	203.30
270.88	494.49	649.78
(230.22)	(451.14)	(765.55)
171.54	130.88	87.53

Provision for legal matters

At the beginning of the year
Arising during the year
Less : Utilized/reversed during the year
At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
4,337.27	1,470.14	1,470.14
1,037.09	2,867.13	-
-	-	-
5,374.36	4,337.27	1,470.14

Provision for taxation matters

At the beginning of the year
Arising during the year
Less : Utilized/reversed during the year
At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
464.13	433.59	433.59
18.63	30.54	-
-	-	-
482.76	464.13	433.59

Provision for custom matters

At the beginning of the year
Arising during the year
Less : Utilized/reversed during the year
At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
-	-	-
354.08	-	-
-	-	-
354.08	-	-

Provision for other disputed statutory liability matters

At the beginning of the year
Arising during the year
Less : Utilized/reversed during the year
At the end of the year

As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
-	-	-
53.61	-	-
-	-	-
53.61	-	-

The Holding Company is involved in certain legal and regulatory proceedings arising in the ordinary course of business, principally relating to commercial, taxation, customs and other disputed statutory liability matters. Management evaluates these matters based on the facts and circumstances available at each reporting date, including the status of the proceedings and legal advice obtained where considered appropriate. Provisions are recognised where, based on such assessment, an outflow of economic resources is considered probable, and the amount of the obligation can be reliably estimated.

In respect of certain matters, the Holding Company has not disclosed certain information relating to the nature of the obligations, expected timing of outflows, uncertainties surrounding the amount or timing of such outflows and key assumptions, as management has concluded that, in the specific circumstances, disclosure of such information could be expected to seriously prejudice the Holding Company's position in the ongoing disputes. The Holding Company has nevertheless disclosed the general nature of the matters and the aggregate amounts provided, where applicable.

The Holding Company continues to monitor the status of these proceedings and reassesses the related provisions when significant developments occur and at each reporting date. Based on the information currently available and the assessments performed, management considers that the provisions recognised represent its best estimate of the obligations for matters where an outflow is considered probable, and the amount can be reliably estimated.

The Holding Company has also given deposits amounting to Rs 1,450.50 millions in respect of the above tax and legal matters as at 31 March 2025 (Rs 395.96 millions as at 31 March 2024). Refer Note 9(b)



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12 Other current liabilities

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Advance from customers	619.73	389.06	282.99
Tax deductible at source	40.22	31.02	34.52
Other statutory liabilities*	117.87	73.89	13.95
	777.82	493.97	331.46

* Other statutory liabilities include Rs 1.31 millions as on 31 March 2025 related to representative office situated at China.

13 Current tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Provision for income tax*	-	152.99	110.87
	-	152.99	110.87

*The above amount is net of advance tax and TDS receivable amounting to Rs. Nil (31 March 2024: Rs. 3,871.59 million)



Debit

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14 Revenue from operations

	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products	20,156.62	39,796.87
Sale of services	15.47	586.42
Other operating revenue		
- Scrap sale	6.62	9.22
- Export incentives	11.61	3.17
	20,190.32	40,395.68

Notes:

(A). Revenue from contracts with customers disaggregated based on nature of product or service

	For the year ended 31 March 2025	For the year ended 31 March 2024
a. Revenue from sale of products		
Sale of products	20,168.23	39,800.04
b. Revenue from sale of services	15.47	586.42
c. Other Operating revenue	6.62	9.22
Total revenue from operations	20,190.32	40,395.68

(B). Revenue from contracts with customers disaggregated based on geography

	For the year ended 31 March 2025	For the year ended 31 March 2024
a. Domestic	19,695.28	26,120.44
b. Export	472.95	13,679.60
	20,168.23	39,800.04

(C) Disclosure based on time

	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products		
Goods transferred at a point of time	20,156.62	39,796.87
Sale of services and lease		
Services transferred at a point of time	15.47	586.42
	20,172.09	40,383.29

(D) Export benefit and other incentives

	For the year ended 31 March 2025	For the year ended 31 March 2024
On systematic basis when benefit accrued		
Export incentive	11.61	3.17
	11.61	3.17

15 Other Income

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income on financial asset at amortised cost	(0.31)	1.27
Interest income on fixed deposits with banks	46.35	92.47
Interest income on others	0.34	0.16
Net gain on sale of mutual fund investments	5.54	(0.24)
Fair value gain on derivative financial instruments at fair value through profit or loss	-	-
Profit on sale of property, plant and equipment	(1.16)	0.65
Foreign exchange differences (net)	20.24	109.17
Incentive from government	23.57	-
Miscellaneous income*	27.58	5.94
	122.15	209.42

*The above income includes trade payable write-back in Lava International (ITK) Limited and Xolo International (HK) Limited

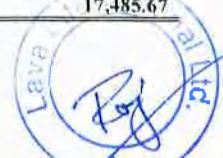
16 Cost of raw material and components consumed

	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventory materials at the beginning of the year		
-Raw Material	1,412.30	1,520.86
-Spare parts	232.74	308.01
Purchase during the year	11,709.49	17,121.85
Less: Inventory materials at the end of the year		
-Raw Material	(504.97)	(1,412.30)
-Spare parts	(195.95)	(232.74)
Other Directs Expense and transfer to warranty	170.42	179.99
	12,824.03	17,485.67



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17 Changes in inventories of finished goods, spares and stock in trade

	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the end of the year		
Stock-in-trade	743.06	964.66
Finished goods	1,005.54	1,159.13
	1,748.60	2,123.79
Inventories at the beginning of the year		
Stock-in-trade	964.66	2,966.90
Finished goods	1,159.13	1,458.97
	2,123.79	4,425.87
	375.19	2,302.08

18 Employee benefits expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Salary, wages and bonus	1,249.28	1,551.78
Contribution to provident and other fund (refer note 27)	64.04	68.17
Gratuity expense (refer note 27)	17.42	20.70
Share based payment expense (refer note 31)	16.51	9.02
Staff welfare, recruitment and training	248.65	261.17
	1,595.90	1,910.84









19 Finance costs

Interest on
-Term loan
-Cash credit
-Lease liabilities
-Security deposits
-Income tax
Bank charges

For the year ended 31 March 2025	For the year ended 31 March 2024
39.50	120.95
356.20	271.34
13.01	16.30
1.37	3.48
21.49	12.18
80.28	113.87
511.85	538.12

20 Depreciation and amortisation expense

Depreciation expense
- on Property, plant and equipment
- on ROU asset
Amortisation expense on intangible assets

For the year ended 31 March 2025	For the year ended 31 March 2024
201.68	167.67
36.75	34.76
110.37	110.37
348.80	312.80

21 Other expenses

Power and fuel
Rent
Rates and taxes#
Insurance
Repair and maintenance - others
Advertisement and marketing expenses
Sales promotion, scheme expenses and expected credit Loss provision
Freight and cartage
Outsourced salary cost
Travelling and conveyance
Communication costs
Warranty expenses
Legal and professional fees
Payment to auditor (refer details below)*
Donation
Corporate social responsibility expense (refer note 33)
Miscellaneous expenses
Loss on sale of property, plant and equipment
Provision on Advances
Provision on Legal Suites**
Provision on taxation matters**
Provision on custom matters**
Provision on disputed statutory liability**
Provision for other receivable
Provision for impairment of investment
Provision for impairment of associates
Impairment Loss on Corporate Guarantee

For the year ended 31 March 2025	For the year ended 31 March 2024
50.01	49.90
47.41	49.97
8.72	3.23
13.15	15.37
104.09	120.10
646.29	1,168.65
572.96	2,471.07
309.58	355.41
74.28	60.46
114.48	109.05
8.76	8.19
270.88	493.33
217.95	200.30
3.35	2.50
-	0.07
10.80	10.79
38.87	56.33
-	-
353.30	-
1,037.09	2,867.13
18.63	30.54
354.08	-
53.61	-
155.95	-
-	-
47.93	-
-	-
4,512.17	8,072.39

**Refer note 11(b)

Payment to auditor *

As auditor:

Audit fee
Reimbursement of expenses

For the year ended 31 March 2025	For the year ended 31 March 2024
3.35	2.50
-	-
3.35	2.50

#Rates & Taxes include local rates and taxes paid at representative office situated at China amounting to Rs 2.94 millions



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22 Income tax expense

(a) The major components of income tax expense for the years ended as follows are:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Current income tax:		
Current income tax charge	0.17	170.11
Adjustments in respect of income tax of previous year	-	0.06
Deferred tax :		
Relating to origination and reversal of temporary differences	(639.36)	(758.03)
Total tax expense on profit/(loss) of the year (a)	(639.19)	(587.86)
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
- Re-measurement losses of defined benefit plan	0.73	0.05
- Change in fair value of FVOCI equity instruments	-	-
Total tax expense on other comprehensive income of the year (b)	0.73	0.05
Total tax expense on total comprehensive income of the year (a) + (b)	(638.46)	(587.81)

(b) Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate

	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit/(Loss) before tax	(3,121.77)	(4,325.14)
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	(785.75)	(1,088.64)
Tax adjustment:		
Expenses not considered in determining taxable profit	10.97	25.00
Income not considered in determining taxable profit	0.29	(3.77)
Income exempt from tax	-	-
Tax pertaining to earlier years	-	(16.98)
Others	335.47	133.43
Total adjustments (B)	346.73	137.68
Actual tax expense (C= A+B)	-439.02	-950.96
Tax expense recognised in statement of profit and loss	-639.19	-587.86
Effective Tax Rate	20.48%	13.59%

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(c) Deferred tax assets (net)

Deferred tax relates to the following:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax assets on account of:		
Property, plant and equipment	(102.15)	(108.20)
Employee benefits and other payable	(8.41)	(23.47)
Provision on legal, tax, custom matters, investment, advances	(1,699.22)	(1,460.43)
Provision for obsolescence inventories	(484.90)	(352.40)
Provision for warranty	-	(32.94)
Others	(292.74)	(4.29)
Deferred tax related to other comprehensive income of the year:		
Re-measurement losses of defined benefit plan	4.14	3.41
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)
Deferred tax liability/ (asset) on account of:		
Tax to be paid on custom duty receivable in future years (refer note 34)	53.46	87.10
Fair valuation of investment	-	-
Net deferred tax liability/ (asset) including other comprehensive income of the year	(2,532.14)	(1,893.53)



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Movement in deferred tax for the year ended 31 March 2025

	As at 31 March 2024	Recognised in other comprehensive income	Recognised in profit and loss	Recognised in Retained Earnings	As at 31 March 2025
Deferred tax assets on account of:					
Property, plant and equipment	(108.20)	-	6.05	-	(102.15)
Provision for employee benefits	(23.47)	-	15.06	-	(8.41)
Provision on legal cases, impairment of investment and others	(1,460.43)	-	(238.79)	-	(1,699.22)
Provision for obsolescence inventories	(352.40)	-	(132.50)	-	(484.90)
Provision for warranty	(32.94)	-	32.94	-	-
Others	(4.29)	-	(288.45)	-	(292.74)
Deferred tax related to other comprehensive					
Re-measurement losses of defined benefit plan	3.41	0.73	-	-	4.14
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Deferred tax liability on account of:					
Tax to be paid on custom duty receivable in future years (refer note 34)	87.10	-	(33.64)	-	53.46
Total	(1,893.53)	0.73	(639.33)	-	(2,532.14)

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Movement in deferred tax for the year ended 31 March 2024

	As at 31 March 2023	Recognised in other comprehensive income	Recognised in profit and loss	Recognised in Retained Earnings	As at 31 March 2024
Deferred tax assets on account of:					
Property, plant and equipment	(93.99)	-	(14.21)	-	(108.20)
Provision for employee benefits	(26.06)	-	2.59	-	(23.47)
Provision on legal cases, impairment of investment and others	(737.65)	-	(722.78)	-	(1,460.43)
Provision for obsolescence inventories	(370.17)	-	17.77	-	(352.40)
Provision for warranty	-	-	(32.94)	-	(32.94)
Others	1.88	-	(6.17)	-	(4.29)
Deferred tax related to other comprehensive income of the year:					
Re-measurement losses of defined benefit plan	3.36	0.05	-	-	3.41
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Deferred tax liability on account of:					
Tax to be paid on custom duty receivable in future years (refer note 34)	89.46	-	(2.36)	-	87.10
Total	(1,135.48)	0.05	(758.10)	-	(1,893.53)

No deferred tax asset has been recognised on the ECL allowance of Rs 9242.18 million on trade receivables as at 31 March 2025, since management is currently unable to reliably assess the extent of recovery expected from the underlying debtors, and accordingly the reversal of this temporary difference cannot be estimated with reasonable certainty.

The Group has recognised a net deferred tax asset of Rs 2,532.14 million as at 31 March 2025 (31 March 2024: Rs 1,893.53 million).

Given that the Group has incurred losses in the current and preceding year and has a negative net worth of Rs 164.98 million as at the reporting date. In assessing the recognition and recoverability of deferred tax assets, management has considered the availability and timing of reversal of taxable temporary differences, the utilisation of tax losses and other deductible temporary differences, and the Group's approved business plans and forecasts. Management has also considered the Group's actual financial and operating performance subsequent to 31 March 2025 and other relevant evidence available up to the date of approval of these financial statements.

Based on the assessment performed, management has concluded that sufficient taxable profits are expected to be available against which the recognised deferred tax assets can be utilised over the period in which the underlying deductible temporary differences are expected to reverse. Accordingly, the deferred tax assets have been recognised to the extent considered recoverable in accordance with Ind AS 12.

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23 Earnings per share (EPS)

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computation:

	For the year ended 31 March 2025	For the year ended 31 March 2024*
Nominal value of equity shares	5	5
Profit/(loss) attributable to owners of Holding Company for computing basic and dilutive EPS (A)	(2,482.46)	(3,758.13)
Weighted average number of equity shares for calculating basic EPS		
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	541,126,216	541,126,216
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)*	541,126,216	541,126,216
Basic earning per share (A/B)	(4.59)	(6.95)
Diluted earning per share (A/C)	(4.59)	(6.95)

* For the years ended March 31, 2025 and March 31, 2024, potential equity shares arising from Employee Stock Option Plans (ESOPs) and Compulsorily Convertible Preference Shares (CCPS) were anti-dilutive in nature. Consequently, these instruments were excluded from the computation of diluted earnings per share. Accordingly, the weighted average number of equity shares used for calculating diluted earnings per share is identical to that used for basic earnings per share, and diluted EPS equals basic EPS.

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23A Disclosure as per Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Restatement for the year ended 31 March 2024 and as at 1 April 2023

The Holding Company has identified certain prior-period errors relating to inter alia, provisions for inventories, expected credit losses, legal and taxation matters, deferred taxes relating to legal matters, depreciation and accounting for consignment stock. These matters have been evaluated by management and the related errors have been corrected retrospectively in these financial statements in accordance with the requirements of Ind AS 8, as applicable. The nature of the prior-period errors and the corresponding impact on the financial statements for the affected periods are set out in the tables below. The restated comparative financial information presented in these financial statements incorporates the effects of the aforesaid retrospective adjustments. The Holding Company has also reviewed the relevant processes and controls associated with the matters identified and has initiated appropriate measures, where considered necessary, to strengthen the related financial reporting processes and controls. Reconciliations of the financial statement line items so restated are set out below.

The correction of the errors described below has resulted in a change in earnings per share for the year ended 31 March 2024 as follows: basic earnings per share from Rs. 0.59 as previously reported to Rs. (6.95) as restated, and diluted earnings per share from Rs. 0.54 as previously reported to Rs. (6.95) as restated.

The amounts presented in the reconciliations below represent the correction of errors only. Reclassifications between line items, which do not represent the correction of errors, are disclosed separately in Note 51 and are not included in the adjustment column below.

Reconciliation of restated items of Balance Sheet as at 31 March 2024 and 1 April 2023

Particulars	As at March 31, 2024				As at April 01, 2023			
	As previously reported	Adjustments* (Refer note a to e)	Effect of CBCA consolidation (Refer note f)	As restated	As previously reported	Adjustments* (Refer note a to e)	Effect of CBCA consolidation (Refer note f)	As restated
Assets								
Non-current assets								
Property, plant and equipment	474.93	45.65	10.39	530.98	568.89	15.23	10.01	594.13
Capital work-in-progress	201.69	-	-	201.69	191.99	-	-	191.99
Intangible assets	10.51	-	1,975.10	1,985.62	21.77	-	2,086.65	2,108.42
Goodwill	-	-	456.23	456.23	-	-	451.51	451.51
Right of use asset	82.14	-	-	82.14	116.89	-	-	116.89
Investments accounted for using the equity method	60.62	-	-	60.17	60.87	-	-	60.87
Financial assets								
Investments in equity instruments of other entities	57.86	-	1,509.14	1,567.00	65.00	-	922.31	987.31
Investment in subsidiaries	3,716.14	-	(3,716.14)	-	3,716.14	-	(3,716.14)	-
Other financial assets	55.02	-	6.79	61.81	124.26	-	6.67	130.93
Deferred tax assets (net)	364.45	1,529.08	-	1,893.53	310.23	825.25	-	1,135.48
Other non-current assets	32.21	-	-	32.21	208.12	-	28.91	237.03
	5,055.57	1,574.73	241.51	6,871.37	5,384.16	840.48	(210.08)	6,014.56
Current assets								
Inventories	3,841.69	(1,034.79)	961.93	3,768.83	6,202.38	(1,106.46)	1,158.82	6,254.74
Financial assets								
Investments	3.06	-	133.56	136.62	28.73	-	-	28.73
Trade receivables	3,925.57	(4,464.93)	1,234.43	695.07	6,563.70	(5,453.63)	842.78	1,952.86
Cash and cash equivalents	524.03	-	158.39	682.42	822.59	-	141.01	963.60
Other bank balances	843.09	-	-	843.09	914.95	-	-	914.95
Other financial assets	174.83	-	-	174.83	209.68	-	-	209.68
Other current assets	2,938.27	-	596.13	3,534.40	2,566.80	-	659.95	3,226.75
	12,250.54	(5,499.72)	3,084.44	9,835.26	17,308.83	(6,560.09)	2,802.56	13,551.31
TOTAL ASSETS	17,306.11	(3,924.99)	3,325.95	16,706.63	22,692.99	(5,719.61)	2,592.48	19,565.87
Equity and liabilities								
Equity								
Equity share capital	2,705.63	-	-	2,705.63	2,705.63	-	-	2,705.63
Instruments entirely equity in nature	33.42	-	-	33.42	33.42	-	-	33.42
Other equity								
Securities premium reserve	5,690.34	-	-	5,690.34	5,690.34	-	-	5,690.34
Treasury shares	(63.34)	-	-	(63.34)	(63.34)	-	-	(63.34)
Foreign currency translation reserve	285.07	-	208.90	493.96	728.96	-	169.62	898.58
Share based payment reserve	381.16	-	-	381.16	372.14	-	-	372.14
Retained earnings	465.97	(7,827.49)	278.50	(7,083.02)	4,107.09	(7,785.65)	328.60	(3,349.95)
Other reserve	29.89	(0.25)	-	29.64	17.31	-	-	17.31
Equity attributable to equity holders of the Holding Co	9,528.14	(7,827.74)	487.40	2,187.72	13,591.55	(7,785.65)	498.22	6,304.13
Non-controlling interest	(0.54)	(1.58)	-	(2.12)	(22.28)	(0.69)	-	(23.97)
Total equity	9,527.60	(7,829.32)	487.40	2,185.60	13,569.27	(7,786.34)	498.22	6,281.16
Liabilities								
Non-current liabilities								
Financial liabilities								
Borrowings	132.77	-	-	132.77	229.82	-	-	229.82
Lease liabilities	66.75	-	-	66.75	109.47	-	-	109.47
Provisions	61.95	-	-	61.95	59.34	-	-	59.34
	261.47	-	-	261.47	398.63	-	-	398.63
Current liabilities								
Financial liabilities								
Borrowings	991.00	-	2,418.10	3,409.10	1,815.08	-	1,013.50	2,828.58
Lease liabilities	42.70	-	-	42.70	38.40	-	-	38.40
Trade payables								
- total outstanding dues of micro enterprises and small enterprises	229.93	-	-	229.93	132.17	-	-	132.17
- total outstanding dues of creditors other than micro enterprises and small	3,819.20	(1,113.41)	405.11	3,110.54	4,655.93	-	1,075.31	5,731.24
Other financial liabilities	1,637.98	216.34	0.37	1,854.69	1,512.84	163.00	0.01	1,675.85
Other current liabilities	479.00	-	14.98	493.97	326.02	-	5.44	331.46
Provisions	164.34	4,801.40	-	4,965.64	133.78	1,903.73	-	2,037.51
Current tax liabilities (net)	152.99	-	-	152.99	110.87	-	-	110.87
Total Current liabilities	7,517.04	3,904.33	2,838.55	14,259.56	8,725.09	2,066.73	2,094.26	12,886.08
TOTAL EQUITY AND LIABILITIES	17,306.11	(3,924.99)	3,325.95	16,706.63	22,692.99	(5,719.61)	2,592.48	19,565.87



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Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)
Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2024

Particulars	For the year ended March 31, 2024			As restated
	As previously reported	Adjustments* (Refer note a to e)	Effect of CBCA consolidation (Refer note f)	
Income				
Revenue from operations	36,460.55	(609.64)	4,544.74	40,395.68
Other income	209.43			209.42
Total income (I)	36,669.98	(609.64)	4,544.74	40,605.10
Expenses				
Cost of raw material and components consumed	17,858.78	(373.12)		17,485.67
Purchase of stock-in-trade	10,633.47		3,674.44	14,308.11
Changes in inventories of finished goods, spares and stock in trade	2,181.57	(76.19)	196.89	2,302.08
Employee benefit expenses	1,808.66		102.19	1,910.84
Finance costs	345.56		192.60	538.12
Depreciation and amortisation expense	230.19	(30.43)	113.07	312.80
Other expenses	3,157.10	4,621.14	294.14	8,072.39
Total expense (II)	36,215.33	4,141.40	4,573.33	44,930.01
Profit/(loss) before share of profit/(loss) of an associate / a joint venture and exceptional items (I - II)	454.65	(4,751.04)	(28.59)	(4,324.91)
Share of profit/(loss) of joint venture, associates (III)	(0.23)			(0.23)
Profit/(Loss) before tax	454.42	(4,751.04)	(28.59)	(4,325.14)
- Current tax	170.12			170.11
- Tax charge/(credit) relating to earlier years	0.06			0.06
- Deferred tax expense/(income)	(54.28)	(703.82)		(758.03)
Income tax expense	115.90	(703.82)	-	(587.86)
Profit/(Loss) for the year	338.52	(4,047.22)	(28.59)	(3,737.28)
Other comprehensive income				
Other comprehensive income not to be reclassified to				
Profit or loss in subsequent periods :				
- Re-measurement (gains)/losses of defined benefit plan	0.18			0.20
- Income tax relating to this item	0.05			0.05
Other comprehensive income that will be reclassified to profit or loss in subsequent periods :				
-Change in fair value of FVOCI equity instruments	(37.58)			(37.58)
-Exchange difference on translation of foreign operations	443.89		(39.27)	404.62
Other comprehensive income/loss for the year (net of tax)	406.54	-	(39.27)	367.29
Total Comprehensive income for the year (net of tax)	(68.02)	(4,047.22)	10.68	(4,104.57)




Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts in Indian Rupees millions unless otherwise stated)
Reconciliation of Statement of Cash Flow for the year ended 31 March 2024

Particulars	As previously reported	Adjustments*	As restated
Cash flow from operating activities			
Profit before tax	454.42	-4,779.56	(4,325.14)
Adjustment to reconcile profit before tax to net cash flows :	307.41	3,129.53	3,436.94
Operating profit before working capital changes	761.83	-1,650.03	(888.20)
Movements in working capital:			
Cash generated from operations	1244.47	-425.22	819.25
Income taxes paid (net of refunds)	-114.96	-13.09	(128.05)
Net cash flow from / (used) in operating activities (A)	1129.51	-438.31	691.20
Net cash flow from / (used in) investing activities (B)	193.27	-815.93	(622.66)
Net cash from / (used in) financing activities (C)	-1178.14	1,200.45	22.31
Net increase in cash and cash equivalents (A + B +C)	144.64	-53.79	90.85
Cash and cash equivalents at the beginning of the year	822.59	141.01	963.60
Cash and cash equivalents at the end of the year	524.03	158.39	682.42
Components of cash and cash equivalents			
Cash on hand	2.33	-	2.33
Balances with banks:			
On current accounts	308.13	63.83	371.96
Deposits with original maturity of less than three months	213.57	94.56	308.13
Total cash and cash equivalents [refer note 6 (d)]	524.03	158.39	682.42

*Refer note (a) to (f) below



- a During the year, the Holding Company undertook a review of the useful lives applied to its Property, Plant and Equipment ("PPE") pursuant to which it was identified that the useful lives adopted for certain asset classes in the years ended 31 March 2024 and 31 March 2023 were not in conformity with those prescribed under Part C of Schedule II to the Companies Act, 2013, and depreciation for those periods was accordingly computed on useful lives other than as so prescribed. The useful lives of the affected asset classes have been aligned with Schedule II, and since the matter pertains to periods prior to the current year, the resulting difference in depreciation has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and not a change in an accounting estimate under Ind AS 16 – Property, Plant and Equipment. The error has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8 by restating the comparative amounts for the year ended 31 March 2024 and the opening balances as at 1 April 2023, with depreciation and the written down value of PPE recomputed on the basis of the useful lives prescribed under Schedule II. Consequent to the above, accumulated depreciation on PPE has decreased by Rs. 15.24 million as at 1 April 2023 and by Rs. 45.64 million as at 31 March 2024, with the corresponding adjustment made to retained earnings amounting to Rs. 15.24 million as at 1 April 2023 and to the Statement of Profit and Loss for the year ended 31 March 2024 amounting to Rs. 30.44 million.
- b During the current financial year, pursuant to a detailed technical evaluation of its inventory holdings, the Holding Company identified that certain inventory items had, on account of technological obsolescence, a net realisable value lower than their carrying amount as at 1 April 2023, and that such inventories were consequently carried at amounts in excess of the lower of cost and net realisable value as required by Ind AS 2 – Inventories. The said evaluation established that the conditions giving rise to the obsolescence existed as at that date. Since the matter pertains to periods prior to the current year, the resulting difference in measurement has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Based on the said evaluation, the carrying amount of inventory as at 1 April 2023 has been reduced by Rs. 1,322.63 million, with the corresponding adjustment recognised in the opening balance of retained earnings as at 1 April 2023. Comparative financial information has been restated wherever applicable to give effect to the retrospective correction.
- c During the year, pursuant to an assessment of the ageing profile and recovery history of its trade receivables, the Group identified that trade receivables aggregating Rs. 5,453.60 million as at 1 April 2023, and a further Rs. 1,428.29 million arising during the year ended 31 March 2024, were credit-impaired as at those dates and had been carried without recognition of a lifetime expected credit loss allowance as required by Ind AS 109 – Financial Instruments. The said assessment established that the credit-impairment indicators in respect of these receivables existed as at the respective dates. Since the matter pertains to periods prior to the current year, the resulting shortfall in the impairment allowance has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and not a change in an accounting estimate, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Consequent to the above, additional expected credit loss allowances of Rs. 5,453.60 million have been recognised against the opening balance of retained earnings as at 1 April 2023, and Rs. 1,428.29 million by restating the Statement of Profit and Loss for the year ended 31 March 2024, with corresponding adjustments to the carrying amount of trade receivables and to comparative financial information. Pursuant to these adjustments, a third balance sheet as at 1 April 2023 has been presented in accordance with paragraph 40A of Ind AS 1 – Presentation of Financial Statements.



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d (i) During the current financial year, pursuant to a reassessment of certain legal proceedings pending before various courts and tribunals and after obtaining and considering legal opinions in respect of each of the relevant matters, the Holding Company concluded that in respect of certain of these matters, a present obligation arising from past events existed as at 1 April 2023 and as at 31 March 2024, that it was probable that an outflow of resources embodying economic benefits would be required to settle such obligations, and that the amounts of such obligations were capable of being measured reliably, and that provisions were accordingly required to be recognised in respect thereof in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. Since the matter pertains to obligations existing in periods prior to the current year, the non-recognition of such provisions has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Provisions aggregating Rs. 3,278.84 million have been recognised, comprising Rs. 426.71 million relating to obligations existing as at 1 April 2023, recognised by adjusting the opening balance of retained earnings as at that date, and Rs. 2,852.12 million (including applicable interest) relating to the year ended 31 March 2024, recognised by restating the Statement of Profit and Loss for that year, in each case with a corresponding increase in other liabilities. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, other liabilities, retained earnings, deferred tax balances and the comparative financial information have been restated. The amounts so provided represent management's determination, on the basis of the legal opinions obtained, of the expenditure required to settle the present obligations as at the respective reporting dates; having regard to the inherent uncertainties associated with litigation, the ultimate outcome of these matters may differ from the amounts recognised.

(ii) During the current financial year, pursuant to a reassessment of certain direct and indirect tax matters pending before various authorities, and after obtaining and considering expert opinions in respect of such matters, the Holding Company concluded that, in respect of certain of these matters, a present obligation arising from past events existed as at 1 April 2023 and as at 31 March 2024, that it was probable that an outflow of resources embodying economic benefits would be required to settle such obligations, and that the amounts of such obligations were capable of being measured reliably, and that provisions were accordingly required to be recognised in respect thereof in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. Since the matter pertains to obligations existing in periods prior to the current year, the non-recognition of such provisions has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Provisions aggregating Rs. 464.13 million (including applicable interest) have been recognised, comprising Rs. 433.59 million relating to obligations existing as at 1 April 2023, recognised by adjusting the opening balance of retained earnings as at that date, and Rs. 30.53 million relating to the year ended 31 March 2024, recognised by restating the Statement of Profit and Loss for that year, in each case with a corresponding increase in other liabilities. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, other liabilities, retained earnings, deferred tax balances and the comparative financial information have been restated. The amounts so provided represent management's determination, on the basis of the expert opinions obtained, of the expenditure required to settle the present obligations as at the respective reporting dates; having regard to the inherent uncertainties associated with tax proceedings, the ultimate outcome of these matters may differ from the amounts recognised.

(iii) During the current financial year, pursuant to a reassessment of certain disputes arising out of investment arrangements of the Holding Company, and after obtaining and considering expert advice in respect of such matters, the Holding Company concluded that a present obligation arising from past events existed as at 1 April 2023 and as at 31 March 2024, that it was probable that an outflow of resources embodying economic benefits would be required to settle such obligations, and that the amounts of such obligations were capable of being measured reliably, and that provisions were accordingly required to be recognised in respect thereof in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. Since the matter pertains to obligations existing in periods prior to the current year, the non-recognition of such provisions has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8. Provisions aggregating Rs. 1,058.42 million (including applicable interest) have been recognised, comprising Rs. 1,043.42 million relating to obligations existing as at 1 April 2023, recognised by adjusting the opening balance of retained earnings as at that date, and Rs. 15.00 million relating to the year ended 31 March 2024, recognised by restating the Statement of Profit and Loss for that year, in each case with a corresponding increase in other liabilities. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, other liabilities, retained earnings, deferred tax balances and the comparative financial information have been restated. The amounts so provided represent management's determination, on the basis of the expert advice obtained, of the expenditure required to settle the present obligations as at the respective reporting dates; having regard to the inherent uncertainties associated with such disputes, the ultimate outcome of these matters may differ from the amounts recognised.



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e During the current financial year, pursuant to a reassessment of the contractual terms of certain arrangements entered into with distributors and customers, the Holding Company concluded that under the terms of such arrangements, although physical possession of the goods is transferred to the counterparty, the counterparty does not obtain control over the goods and is not permitted to effect further sale thereof without prior confirmation from the Holding Company. Such arrangements accordingly bear the characteristics of consignment arrangements set out in paragraphs B77 and B78 of Appendix B to Ind AS 115 – Revenue from Contracts with Customers, and revenue in respect thereof is required to be recognised when the goods are sold by the consignee to the end customer, or when the other criteria specified under Ind AS 115 are satisfied, and not upon transfer of physical possession. Since the matter pertains to arrangements subsisting in periods prior to the current year, the revenue so recognised in those periods has been determined to constitute a prior period error as defined in Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and has accordingly been corrected retrospectively in accordance with paragraphs 42 and 43 of Ind AS 8 by restating the comparative amounts for the year ended 31 March 2024 and the opening balances as at 1 April 2023. Consequent to the above, consignment inventory has increased by Rs. 216.17 million as at 1 April 2023 and by Rs. 287.85 million as at 31 March 2024, with security deposits from consignees of Rs. 163.00 million and Rs. 212.34 million recognised as at the respective dates; and for the year ended 31 March 2024, revenue from operations has decreased by Rs. 606.96 million and the related cost of goods sold by Rs. 629.29 million. The related deferred tax effects have been recognised in accordance with Ind AS 12 – Income Taxes. Consequently, revenue, cost of goods sold, inventories, other liabilities, retained earnings, deferred tax balances and comparative financial information have been restated (Refer Note 51).

f The Holding Company acquired 100% of the equity shareholding in China Bird Centro America, S.A. ("CBCA"), a Panama-based entity engaged in the distribution and sale of mobile handsets in Latin America, in September 2021 through a share swap arrangement. Pursuant to the transaction, the Holding Company issued equity shares representing 5% of its equity share capital to Clipper Global S.A., the erstwhile shareholders of CBCA, in exchange for the transfer of 100% of the shareholding in CBCA to the Holding Company. The acquisition was undertaken to provide the Holding Company with access to an established distribution network and customer base in the Latin American markets.

Subsequent to the acquisition, despite being 100% subsidiary of the Holding company and repeated follow-ups, the Holding Company was not provided the requisite financial information and underlying records by the management of CBCA for the period ended on 31st March 2024. Consequently, the financial statements of CBCA could not be consolidated into the Holding Company's consolidated financial statements for the period ended 31st March 2024. The said consolidated financial statements were duly approved by the Board of Directors of the Holding Company and signed on 4th September 2024. Accordingly, the comparative figures for the period ended 31 March 2023 had also been adjusted to reflect the non-inclusion of CBCA due to this severe limitation.

The Board of Directors of the Holding Company ("Board") was further apprised of the recent developments in regard to the continued status of non-receipt of the financial information from the management of CBCA in the meeting held on 17th February 2025. The Board advised the management to enforce the terms of the agreements entered into at the time of acquisition and to initiate appropriate legal proceedings to safeguard the interests of the Holding Company.

Consequently, the Holding Company initiated arbitration proceedings against the relevant parties to the acquisition agreement on 2 April 2026 in New Delhi to seek enforcement of its contractual rights. Subsequently, following further engagement between the parties, management of CBCA started cooperating with the Holding Company and began providing historical financial statements and underlying accounting records. In view of the above development, the arbitration proceedings have been kept in abeyance since 13 June 2026.

Consequent to the receipt of the requisite financial data for the period ended on 31st March 2024 and 31st March 2025, the Consolidated Financial Statements for the current period ended 31 March 2025 have been prepared by fully consolidating the financial statements of CBCA. Further, to ensure compliance with Ind AS 110 (Consolidated Financial Statements) and Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the comparative figures for the financial year ended 31 March 2024 and the opening Consolidated Balance Sheet as at 1 April 2023 have been restated by consolidating financial statement of CBCA in the respective period.



24 Fair value measurement

a) The carrying value and fair value of financial instruments by categories are as under:

	Notes	31 March 2025			31 March 2024		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets							
Non-current assets							
Financial assets							
Investments	6 (a)	-	1,546.91	-	-	1,567.00	-
Other financial assets	6 (f)	-	-	18.88	-	-	61.81
		-	1,546.91	18.88	-	1,567.00	61.81
Current assets							
Financial assets							
Investments	6 (b)	99.32	-	-	136.62	-	-
Trade receivables	6 (c)	-	-	3,970.72	-	-	695.07
Cash and cash equivalents	6 (d)	-	-	194.64	-	-	682.42
Other bank balances	6 (e)	-	-	262.21	-	-	843.09
Derivative asset	6 (g)	-	-	-	0.54	-	-
Others financial assets	6 (g)	-	-	99.50	-	-	174.29
		99.32	-	4,527.07	137.16	-	2,394.87
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	10 (a)	-	-	24.82	-	-	132.77
Lease liabilities	10 (d)	-	-	18.78	-	-	66.75
		-	-	43.60	-	-	199.52
Current liabilities							
Financial liabilities							
Borrowings	10 (b)	-	-	3,008.43	-	-	3,409.10
Lease liabilities	10 (e)	-	-	58.95	-	-	42.70
Trade payables	10 (c)	-	-	5,726.91	-	-	3,340.47
Derivative liability	10 (f)	-	-	-	-	-	-
Other financial liabilities	10 (f)	-	-	2,384.22	-	-	1,854.69
		-	-	11,178.51	-	-	8,646.95

The fair values of trade receivables, cash and cash equivalents, other current financial asset, trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values on respective reporting date.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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24 (b) Fair value hierarchy and valuation techniques used to determine fair values:

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.

The fair value measurements are categorised into the following levels based on the inputs used in the valuation techniques:

Level 1: Quoted prices (unadjusted) 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 for the asset or liability that are not based on observable market data (unobservable inputs).

To provide an indication about the reliability of inputs used in determining fair value, the Group has classified its financial instrument into three levels prescribed under the accounting standard. The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities are as follows :

At 31 March 2025	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at FVTPL				
Investment in mutual funds	-	-	99.32	99.32
Assets measured at FVTPL				
Derivative assets	-	-	-	-
Assets measured at FVTOCI				
Investment in equity instruments	-	-	1,546.91	1,546.91
At 31 March 2024	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 2)	
Assets measured at FVTPL				
Investment in mutual funds	3.06	-	133.56	136.62
Assets measured at FVTPL				
Derivative assets	-	0.54	-	0.54
Assets measured at FVTOCI				
Investment in equity instruments	-	-	1,567.00	1,567.00

Reconciliation and Transfers

- There were no transfers between the Level 1, Level 2 and Level 3 during the years presented.
- There is no change in the valuation technique during the period.

Valuation techniques used to derive Level 1 fair values

The fair value of investments in mutual funds is based on the quoted Net Asset Value ("NAV") declared by the respective mutual fund houses at the reporting date.

Quoted market prices in active markets are used for determining the fair value of financial instruments classified within Level 1.

Valuation techniques used to derive Level 2 fair values

The fair value of derivative financial instruments, including forward foreign exchange contracts, is determined using valuation techniques based on observable market inputs, including forward exchange rates and yield curves available at the reporting date.

Valuation techniques used to derive Level 3 fair values

Level 3 financial instruments are valued using valuation techniques that include inputs which are not based on observable market data.



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25 Capital management

The Group's objective in managing capital is to safeguard its ability to continue as a going concern while maximizing returns to shareholders and maintaining an optimal capital structure to reduce the cost of capital. Given the dynamic and competitive nature of the mobile industry, the Group's aim is to maintain financial flexibility to support growth, technology upgrades, and market expansion.

The Group manages its capital structure through an appropriate mix of equity and borrowings, ensuring sufficient liquidity to meet operational requirements and strategic investments. Capital is monitored on the basis of net debt and total capital.

For the purpose of capital management, net debt is defined as total borrowings less cash and cash equivalents. Total capital comprises equity attributable to shareholders plus net debt.

The Group monitors its capital using the gearing ratio, which is calculated as net debt divided by total capital (i.e., equity plus net debt). The Group's policy is to maintain the gearing ratio at a prudent level to ensure financial stability and support business growth.

The Group regularly reviews its capital structure in light of changes in business conditions, funding requirements, and economic environment. Adjustments may be made by way of raising/repayment of borrowings or issue of new shares. The Group has complied with all externally imposed capital requirements and debt covenants as at the reporting dates.

There were no changes in the Group's objectives, policies, or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

Particulars	31 March 2025	31 March 2024
Borrowings	3,033.25	3,541.87
Less: Cash and cash equivalents	(194.64)	(682.42)
Net debt (a)	2,838.61	2,859.45
Equity	(164.98)	2,185.61
Total capital (b)	-164.98	2,185.61
Capital and net debt (a) + (b) = (c)	2,673.63	5,045.05
Gearing ratio (%) (a) / (c)	1.06	0.57

The Group continues to monitor its capital position and is taking appropriate measures to improve its financial structure.

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26 Financial risk management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely Price risk, Interest rate risk, Credit risk, Liquidity risk, Foreign currency risk. The respective Company's Board of Director's has the overall responsibility for establishing and governing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Price Risk:

The Group is exposed to price risk arising from fluctuations in the selling prices of mobile devices due to competitive market conditions, rapid technological changes, and volatility in the procurement prices of key components.

(a) Business operations:

Price risk primarily arises from:

- fluctuations in selling prices of mobile devices driven by competitive pressures, evolving consumer preferences, and technological advancements; and
- volatility in procurement prices of key components and raw materials.

The Group mitigates its exposure to price risk through continuous monitoring of market trends and technological developments, implementation of dynamic pricing strategies, and maintaining diversified and strategic supplier relationships, including long-term arrangements where feasible, to manage input cost volatility.

(b) Financial instruments:

The Group is exposed to equity price risk arising from its investments in unquoted equity instruments. The valuation of such investments is influenced by market conditions, financial performance of investee entities, and other economic factors.

The Group manages this risk through periodic review of its investment portfolio and adherence to its risk management policies. Since these investments are unquoted, the impact of market fluctuations is assessed based on internal and external valuation indicators.

The Group does not have significant exposure to price risk arising from investments in mutual funds or other quoted instruments.

Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk primarily arising from its borrowings, particularly those carrying floating interest rates linked to market benchmarks. Changes in these rates may have an impact on the Group's finance costs and cash flows.

The Group manages its exposure to interest rate risk by:

- maintaining an appropriate mix of fixed and floating rate borrowings,
- periodically reviewing prevailing interest rate trends, and
- negotiating with lenders for competitive interest rates and restructuring of borrowings, where necessary.

Particulars	31 March 2025	31 March 2024
Fixed rate borrowings	385.91	398.72
Floating rate borrowings	2,647.33	3,139.43
Total	3,033.24	3,538.15

Particulars	31 March 2025	31 March 2024
Effect on profit/(loss) before tax:		
Interest rates-increase by 50 basis points*	13.24	15.70
Interest rates-decrease by 50 basis points*	(13.24)	(15.70)

* Holding all other variables constant.



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The Group evaluates concentration of credit risk with respect to trade receivables as low, as its customers are spread across different geographies and operate in largely independent markets. Credit risk on cash and cash equivalents, bank balances, and term deposits is considered low, as the Group deals with reputable banks and financial institutions with high credit ratings.



Debit



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Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with financial liabilities as they become due. The Group manages liquidity risk by maintaining adequate cash and cash equivalents, access to banking facilities, and by continuously monitoring forecast and actual cash flows. The Group uses cash flow forecasting models that consider the maturity profiles of its financial assets and liabilities, committed funding lines, and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and internal accruals. The Group also monitors compliance with debt covenants, where applicable.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2025				
Borrowings (including interest accrued)	3,010.50	24.82	-	3,035.32
Lease liabilities	58.95	18.78	-	77.73
Trade payables	5,080.58	646.33	-	5,726.91
Derivative Liability	-	-	-	-
Other financial liability	2,382.15	-	-	2,382.15
Total	10,532.17	689.93	-	11,222.11
As at 31 March 2024				
Borrowings (including interest accrued)	3,413.23	132.77	-	3,546.00
Lease liabilities	42.70	66.75	-	109.45
Trade payables	2,419.44	921.02	-	3,340.47
Derivative Liability	-	-	-	-
Other financial liability	1,854.69	-	-	1,854.69
Total	7,730.05	1,120.54	-	8,850.61

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Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign currency risk primarily arising from purchases and other transactions denominated in currencies other than its functional currency (Indian Rupees), mainly United States Dollars (USD). Such exposures result in fluctuations in profit or loss due to changes in exchange rates.

The Group manages its foreign currency risk through regular monitoring of exposures and, where considered appropriate, enters into derivative contracts such as forward exchange contracts to hedge its foreign currency exposures.

The following table demonstrates the sensitivity of profit before tax to a reasonably possible change in exchange rates, with all other variables held constant. The impact is primarily attributable to foreign currency denominated monetary assets and liabilities outstanding at the reporting date.

Particulars	31 March 2025	31 March 2024
Effect of 10% strengthening of INR against following on profit/(loss) before tax:		
USD	113.98	143.16
HKD	0.05	-
AED	44.95	(2.81)
Others	-	(0.00)
Effect of 10% weakening of INR against following on profit/(Loss) before tax:		
USD	(113.98)	(143.16)
HKD	(0.05)	-
AED	(44.95)	2.81
Others	-	0.00

The Group may enter into forward exchange contracts to mitigate foreign currency risk arising from its underlying exposures. As at 31 March 2025, the Group does not have any outstanding forward contracts (31 March 2024: ₹121.57 million).



27 Post-employment benefits plan

Defined Contribution Plan

The Holding Company has recognised Rs. 64.04 millions (31 March 2024 : Rs. 68.17 millions) related to employer's contribution to provident fund and employees' state insurance fund as an expense in the statement of profit and loss.

Defined Benefit Plan

The Holding Company has partially funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 months.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss for gratuity plan and amounts recognized in the balance sheet in respect of same.

(i) Amount recognised in the Statement of Profit and Loss

Particulars	31 March 2025	31 March 2024
Current service cost	13.58	14.10
Interest cost on benefit obligation	6.94	6.94
Interest on plan assets	(3.10)	(0.34)
Net benefit expense	17.42	20.70

(ii) Amount recognised in Other Comprehensive Income (OCI)

Particulars	31 March 2025	31 March 2024
Re-measurement (gains)/losses of defined benefit plan :		
- Due to changes in demographic assumptions		
- Due to changes in financial assumptions	1.54	0.38
- Due to experience adjustment	1.54	(0.53)
- Excess of interest on plan assets over actual return	(0.18)	0.33
Total amount recognised in other comprehensive income	2.90	0.18

(iii) Movements in the present value of the defined benefit obligation:

Particulars	31 March 2025	31 March 2024
Liability at the beginning of the year	86.17	82.95
Interest Costs	6.94	6.94
Current Service Costs	13.58	14.10
Benefits paid	(15.84)	(17.66)
Actuarial (Gain)/Loss on obligations due to change in Obligation	3.08	(0.15)
Liability at the end of the year	93.93	86.18

(iv) Change in plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	10.01	-
Employer contribution	70.00	9.99
Interest on plan asset	3.10	0.35
Actuarial gain/(loss) on plan asset	0.18	(0.33)
	83.29	10.01

(v) Balance Sheet and related analysis

Particulars	31 March 2025	31 March 2024
Present Value of the obligation at end of the year	93.93	86.18
Fair value of plan assets	(83.29)	(10.01)
Net defined benefit liability	10.64	76.17



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Particulars	31 March 2025	31 March 2024
Provision for gratuity		
- Non-current	10.64	59.89
- Current	-	16.27

The principal assumptions used in determining gratuity benefits are as below:

	31 March 2025	31 March 2024
Discount rate	6.4%	7.0%
Employee turnover	30.0%	30.0%
Salary Escalation Rate	7.0%	7.0%
Mortality Rates	IAL2012-14Ult	IAL2012-14Ult

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.25 years (31 March 2024: 4.96 years)

Amounts for the current and previous four years are as follows:

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Gratuity					
Defined benefit obligation	10.64	76.17	82.95	75.95	66.07
Experience adjustments on liabilities gain / (loss)	(1.54)	0.53	(1.25)	(0.93)	(0.55)

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	31 March 2025	31 March 2024
Projected benefit obligation on current assumptions	10.64	76.17
Delta effect of +1 % change in discount rate	(2.53)	-2.29
Delta effect of -1 % change in discount rate	2.70	2.44
Delta effect of +1 % change in salary escalation rate	2.92	2.65
Delta effect of -1 % Change in salary escalation rate	(2.79)	-2.54
Delta effect of +10 % change in rate of employee turnover	(1.10)	-0.86
Delta effect of -10 % change in rate of employee turnover	1.21	0.93

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28 Segment information

Ind AS 108 "Operating Segments" establishes standards for the way the companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations relate to sales of mobile handsets & accessories through the distributors and retailers network. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocate resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, for the purpose of entity wide disclosures, only geographical information has been presented. Business segment of the Group is primarily sale of mobile handsets.

Geographical information on revenues are collated based on individual customers invoiced or in relation to which revenue is otherwise recognized.

Geographical Information:

The following table presents geographical information regarding the Group's revenue as defined in Ind AS 108 :

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
India	15,535.71	22,167.96
UAE	-	-
Hong Kong	-	-
Others	4,654.61	18,227.72
Total	20,190.32	40,395.68

The following table presents geographical information regarding the Group's non current assets as defined in Ind AS 108 :

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
India	1,255.97	842.89
Others	1,894.12	2,051.56
Total	3,150.09	2,894.45

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29 Related parties disclosures

In accordance with the requirements of Ind AS 24 on "Related party disclosures" the names of related party on which control exist and/or with whom transactions have taken place during the year and description of the relationship, as identified and certified by the management are as below:

Names of related parties and related party relationship #

Sr.No.	Related Party	Country of Incorporation	Nature of Relationship	
			For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
1	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture	Joint venture
2	Sojo Infotel Private Limited	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives
3	Ottomate International Private Limited	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives
4	Am express worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives
5	Arpriue Solutions Private Limited	India	Enterprises owned or significantly influenced by Promoters or their relatives	Enterprises owned or significantly influenced by Promoters or their relatives

With whom transactions have taken place during the current or previous year.

Key Management Personnel :

Mr. Shailendra Nath Rai - Whole time director (uptill 30th April 2025)

Mr. Shailendra Nath Rai - Non Executive director (w.e.f 1st May 2025)

Mr. Vishal Sehgal - Non Executive director

Mr. Sunil Bhalla - Non Executive director

Mr. Sanjeev Agarwal - Whole Time Director (uptill 30th June 2026)

Mr. Sunil Raina - Whole Time Director (uptill 29th May 2025)

Mr. Sunil Raina - Managing Director (w.e.f 30th May 2025)

Mr. Anupam Shrivastava-Independent director

Mr. Ajay Kumar Singh- Independent director (w.e.f from 16th April 2024)

Ms. Deepika Gupta- Non Executive director (w.e.f from 20th May 2024)

Mr. Rajiv Kumar Singh - Independent director (w.e.f from 27th August 2024)

Mr. Rajesh Sethi- Chief Financial Officer (w.e.f. 04th September 2024)

Mr. Rahul Ghosh - Company Secretary & Compliance Officer (w.e.f. 17th December 2024)

Mr. Ritesh Singh - Company Secretary (w.e.f. 04th September 2024 to 13th December 2024)

Mr. Asitava Bosc - Chief Financial Officer (w.e.f. 3rd December 2022 to 30th June 2024)

Ms. Preeti - Company Secretary (w.e.f. 01st September 2023 to 5th July 2024)



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Nature of transaction	Joint Venture	
	2024-25	2023-24
A. Transactions during the year		
Advance to related party		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.03	0.03
B. Amount due to / from related parties		
Advance to vendor		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.24	0.24

Nature of transaction	Enterprises owned or significantly influenced by Promoters or their relatives	
	2024-25	2023-24
A. Transactions during the year		
Sales to related parties		
Ottomate International Private Limited	-	2.31
Services Taken		
Am Express Worldwide Logistics	-	70.55
Payment made to related parties		
Am Express Worldwide Logistics	-	70.55
Advance Given		
Sojo Infotel Pvt Limited	(10.00)	265.19
Arpriue Solutions Private Limited	-	18.00

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Nature of transaction	Enterprises owned or significantly influenced by key management personnel or their relatives	
	31 March 2025	31 March 2024
B. Amount due to / from related parties		
Other receivables		
Sojo Infotel Pvt Limited	0.04	0.04
Advance to Vendor		
Sojo Infotel Pvt Limited	255.19	265.19
Arpriue Solutions Private Limited	18.00	18.00
Trade receivable		
Ottomate International Private Limited	4.00	4.00

Nature of transaction	Remuneration of Key Management Personnel	
	31 March 2025	31 March 2024
Short-term employee benefits	68.32	64.25
Post-employment benefits	6.49	5.16
Issue of employee stock options	21.59	-

During the year FY24-25, the company has granted 2705631 ESOP to KMP.

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash.

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30 Commitments and contingencies**(A) Capital and other commitments**

Particulars	31 March 2025	31 March 2024
Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Rs. 12 millions (31 March 2024: Rs. Nil million) (refer note 8(a))]	20.48	26.16

(B) Contingent liabilities

Particulars	31 March 2025	31 March 2024
i. Claims against the Company not acknowledged as debt		
Sales tax demands and custom matters [refer note (a)] (amount paid under protest Rs. 50.29 million - Net of provisions) (31 March 2024: Rs. 158.43 million).	595.81	448.17
Goods and service tax matters [refer note (b)] (amount paid under protest Rs. 53.91 million) (31 March 2024: Rs. 45.01 million)	3113.19	1531.50
ii. Guarantees excluding financial guarantees		
Bank guarantees	219.50	548.03
	3,928.50	2,527.70

Contingent Liabilities – Indirect Tax Matters**(i) VAT – Classification of Tablet PCs, Data Cards and Modems**

The Holding company has received sales tax demands aggregating to Rs. 23.76 million (31 March 2024: Rs. 23.76 million), primarily pertaining to the state of Maharashtra for the financial years 2012–13 to 2016–17, including applicable interest and penalties. The VAT authorities have classified Tablet PCs, data cards and modems as unclassified goods and accordingly levied tax at higher rates.

An amount of Rs. 2.93 million (31 March 2024: Rs. 2.93 million) has been paid under protest and is included under "Balances with statutory/government authorities".

The Holding company believes that the aforesaid items are appropriately classifiable under specific entries applicable to IT/telecom equipment, in line with relevant circulars, including Circular No. 20/2013 dated 14 May 2013, and are therefore liable to tax at lower rates.

The Holding company has also received some miscellaneous demand aggregating to Rs. 0.53 million ((31 March 2024: Rs. 0.53 million) pertaining to Kerala for the FY 2011–12 wherein an amount of Rs. 0.16 million ((31 March 2024: Rs. 0.16 million) has been paid under protest and is included under "Balances with statutory/government authorities".

Based on legal advice and internal assessment, management believes that the likelihood of crystallization of the aforesaid demands is not probable. Accordingly, the same has been disclosed as a contingent liability.



(ii) Customs – Classification and Valuation Issues (DRI Proceedings)

Pursuant to a search conducted by the DRI at the Holding Company's factory on 9 February 2022, issues have arisen relating to the classification of display assemblies imported by the Holding Company and the inclusion of licence fees and royalty in the assessable value of imported goods. A sum of ₹40 million has been paid under protest and is accounted for under 'Balances with statutory/government authorities'.

Further, a show cause notice dated 10 June 2024 was issued in respect of a demand aggregating to ₹60.01 million, out of which ₹23.31 million pertains to the classification of display assemblies and related eligibility of exemption under Notification No. 24/2005-Cus dated 1 March 2005 and ₹36.86 million pertains to inclusion of licence fees and royalty in the assessable value of imported goods.

Subsequently, pursuant to the adjudication proceedings, an Order-in-Original dated 5 June 2025 was passed in respect of the aforesaid demand, together with a redemption fine of ₹213.00 million under section 125 of the Customs Act, 1962 and penalties totalling ₹260.17 million under sections 114A and 114AA of the Customs Act, 1962.

The Holding Company has filed an appeal against the above-mentioned order with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 3 September 2025.

(iii) Customs – Disallowance of Exemption on Display Assemblies

The Holding company had imported display assemblies for manufacturing mobile phones under Bill of Entry numbers 7691401 and 7691366, classified under HSN 85249100. Duty exemption amounting to Rs. 6 million (comprising Basic Customs Duty, Social Welfare Surcharge, and IGST) was claimed under Sl. No. 29 of Notification No. 24/2005-Customs dated 01 March 2005, which exempts "Liquid Crystal Devices i.e., Display Assemblies."

Subsequently, the Government of India issued a corrigendum dated 07 April 2022, substituting the text "Liquid Crystal Devices" with "Liquid Crystal Devices for goods mentioned against Sl. No. 1 to 38A." The display assemblies imported by the Holding company for manufacturing of mobile phone are not included within Sl. No. 1 to 38A of the notification. The Holding company contends that the corrigendum cannot operate retrospectively, as the Bill of Entry date of 01 March 2022 precedes the applicability of the corrigendum. The amount under dispute is Rs. 6 million.

The matter is currently pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), and the next date of hearing to be scheduled.

Based on legal advice and internal assessment, management believes that the Holding company has a strong case and expects no material financial exposure arising from this matter. Accordingly, no provision has been recognised in the financial statements.

(iv) Customs – Classification of Camera Modules

The Customs Department has disputed the eligibility of exemption from Social Welfare Surcharge on import of camera modules used in mobile phones, contending that such items are not comparable to "digital still image video cameras" and, accordingly, are not eligible for exemption under Notification No. 11/2018-Customs dated 02 February 2018.

The Holding company has claimed exemption under the aforesaid notification in respect of goods falling under tariff heading 8525 8020, on the basis that camera modules and digital still image video cameras perform a similar function of capturing and storing images. The dispute pertains to the period from 02 February 2018 to 31 July 2019, involving an amount of Rs. 23.71 million (31 March 2024: Rs. 23.71 million).

Pursuant to an adverse order, the Holding company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi. An amount of Rs. 1.56 million (31 March 2024: Rs. 1.56 million) has been deposited under protest and is included under "Balances with statutory/government authorities". We have received adverse order from CESTAT on 5th June 2026, further need to file appeal before Supreme Court.

Based on legal advice and internal assessment, management believes that the likelihood of crystallization of the aforesaid demand is not probable and, accordingly, no provision has been recognised in the financial statements.



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(b)(i) GST – Input Tax Credit (ITC) and Related Transactions

Pursuant to a review of transactions involving certain third parties, the Directorate General of Goods and Services Tax Intelligence (DGGI), Kaushambi, Uttar Pradesh, issued a show cause notice dated 30 July 2022 seeking reversal of Input Tax Credit (ITC) amounting to ₹928.15 million for the financial years 2017–18 to 2019–20 in respect of purchases made from suppliers located in Delhi and Uttar Pradesh on direct purchase and bill-to/ship-to arrangements. An amount of ₹20 million was paid under protest and was subsequently refunded during the year.

Subsequently, the Holding Company received an adjudication order dated 4 February 2025 involving an aggregate amount of ₹1,367.78 million, comprising ₹439.50 million towards ITC availed in Uttar Pradesh, ₹581.70 million towards tax on sales made from Uttar Pradesh and ₹346.40 million towards tax on sales made from Delhi. Further, ITC amounting to ₹256.37 million pertaining to Delhi was transferred to the appropriate jurisdictional authorities.

The Holding Company has challenged the aforesaid order by filing an appeal before the Commissioner (Appeals) on 21 March 2025. The matter remains pending.

Based on the facts and circumstances presently available, the stage of the appellate proceedings and legal advice obtained by the Holding Company, management has assessed that an outflow of economic resources in respect of the matter is not probable as at 31 March 2025 and, accordingly, no provision has been recognised.

(ii) GST – Audit Proceedings (Delhi)

The Holding Company received a DRC-07 order dated 30 December 2023 from the GST Department, Delhi, in the aggregate amount of ₹571.14 million, of which ₹285.57 million represents tax and ₹285.57 million represents interest based on the show cause notice issued on 23 September 2023 for scrutiny of the returns for FY 2017–18 (July 2017 to March 2018).

Additionally, the Holding Company received a DRC-01 notice dated 11 December 2023 in the aggregate amount of ₹602.69 million, representing a penalty in relation to the sale and purchase transactions in view of the proceedings initiated by DGGI, Kaushambi.

The Holding Company has submitted its responses/representations concerning the above matters within the prescribed timelines and the matters remain pending adjudication/consideration. Out of the above-referred amounts, ₹256.37 million relates to transactions which are also covered in the proceedings initiated by DGGI, Kaushambi. In relation to the other matters, the Holding Company has made detailed representations before the concerned authorities.

Concerning the above penalty notice, the Holding Company has made representations before the concerned authorities stating that the transactions in question are already subject to proceedings initiated by DGGI, Kaushambi and that parallel proceedings in respect of the same transaction are not permissible under the applicable law. As at the date of approval of these financial statements, the Holding Company has not received any further communication in respect of this matter.

Considering the facts and circumstances prevailing presently, the status of the proceedings and the legal advice obtained by the Holding Company, management has assessed that an outflow of economic resources in respect of the above matters is not probable as at 31 March 2025 and, therefore, no provision has been made.

(iii) GST – DGGI Proceedings (Gurugram)

After reviewing the transactions regarding certain third parties, the Directorate General of Goods and Services Tax Intelligence (DGGI), Gurugram, issued a show cause notice dated 12 June 2024 for reversal of Input Tax Credit (ITC) and imposition of penalty aggregating to ₹364 million for FY 2019–20 to 2021–22. An amount of ₹25 million (31 March 2024: ₹25 million) has been paid under protest and is shown under 'Balances with statutory/government authorities'.

Subsequently, after the adjudication process, a decision dated 15 December 2025 resulted in the issuance of two separate DRC-07 notices aggregating to ₹897.35 million, comprising ₹266.49 million towards tax, an equivalent amount towards penalty and ₹364.36 million towards additional penalty.

The Holding Company has contested the issuance of two separate DRC-07 notices on account of the above adjudication decision before the Hon'ble Allahabad High Court. By its order dated 16 March 2026, the Hon'ble High Court has directed that a fresh adjudication decision be issued. Subsequently, the Holding Company has filed an appeal before the Commissioner (Appeals) on 18 June 2026. The matter remains pending. Separately, a prosecution notice has also been received in this matter, and the proceedings are ongoing.

In view of the facts and circumstances currently available, the status of proceedings as of 31 March 2025, the current status of proceedings and the legal advice obtained by the Holding Company, management considers that the outflow of economic resources in relation to the above matter is not probable as of 31 March 2025 and therefore no provision has been made.



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(iv) GST – Scrutiny and Audit Proceedings

Notices aggregating to ₹276.91 million (31 March 2024: ₹96.90 million) have been notified to the Holding Company in connection with scrutiny assessments and audit findings under section 65 of the Central Goods and Services Tax Act, 2017, in relation to certain matters in various states. An amount of ₹8.91 million (31 March 2024: ₹0.01 million) has been deposited under protest and is included within 'Balances with statutory/government authorities'.

Responses to the notifications have been filed by the Holding Company in accordance with the timelines specified. Subsequent to 31 March 2025, matters aggregating to ₹263.45 million, inclusive of tax amount of ₹8.44 million, have been favourably disposed of by the concerned authorities. Consequently, the aforesaid matters do not represent outstanding exposure as at the date of approval of these financial statements, subject to the terms and finality of the respective orders.

Regarding the remaining matters, on the basis of information presently available, the status of the proceedings and legal advice obtained by the Holding Company, management has assessed that an outflow of economic resources in respect of such matters is not probable as at 31 March 2025 and, accordingly, no provision has been made. The Holding Company will continue to monitor the remaining matters and evaluate the accounting treatment in light of any orders or other significant developments.

- (c) The Annual General Meeting of the Holding Company for the financial year ending 31 March 2025 could not be held within the period specified under Section 96 of the Companies Act, 2013. Appropriate steps are being taken by the Holding Company to regularise the matter in accordance with the relevant provisions of the Act. The consequences arising from the same, if any, including fees, penalties or other charges, are yet to be determined by the appropriate authority. Based on the information currently available, the financial consequences, if any, cannot presently be reliably quantified.

- (d) Certain filings/returns under the Reserve Bank of India (RBI) Overseas Direct Investment (ODI) Regulations pertaining to prior years remain pending and are in the process of being regularized. The Holding Company has initiated the submission of the outstanding filings/returns. Applications for Late Submission Fees (LSF), where applicable, are being made, while applications for compounding, wherever required, are expected to be filed after the finalization of the financial statements as at March 31, 2025.

As the financial impact, if any, arising from the completion of the regulatory process is presently not ascertainable, no provision has been recognized in these financial statements..



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31 Employee stock option plans:

The plans existing during the year are as follows :

Number of options approved	15% of Equity Paid up Share capital
Method of settlement	Equity
Vesting conditions	The employee should be on roll of the Holding Company or its subsidiary

The details of activity under ESOP Schemes have been summarized below:

Particulars	31 March 2025		31 March 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of year	49,727,550	8.64	49,727,550	8.64
Options granted during the year	2,705,631	17.16	-	-
Exercised / Settled during the year	-	-	-	-
Forfeited during the year	5,289,122	12.85	-	-
Outstanding at the end of the year	47,144,058	8.66	49,727,550	8.64
Exercisable as at end of the year	44,438,427	8.14	44,859,358	7.59

The details of the ESOP outstanding are as follows:

Range of exercise price per share	Options Outstanding as at 31 March 2025			Options Outstanding as at 31 March 2024		
	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 1 - Rs. 3.125	20,444,744	0.75	2.50	20,444,744	1.75	2.50
Rs. 6.250 - Rs. 9.375	1,639,200	1.18	7.72	1,639,200	2.18	7.72
Rs. 9.375 - Rs. 12.500	14,504,346	2.33	10.95	18,508,158	-	10.95
Rs. 15.625 - Rs. 18.750	9,662,740	1.70	16.91	7,933,575	1.98	16.82
Rs. 21.875 - Rs. 25.000	893,028	2.00	24.86	1,201,872	3.00	24.86

The Holding Company has estimated fair value of options using Black-Scholes-Merton model. The following assumptions were used for calculation of fair value of options granted during the year.

Assumption factors	Granted during Year ended March 31, 2025
Risk free interest rate	5.84%
Expected life of option	3-4 years
Expected volatility	26.83%
Share price	Rs 31

Expected volatility during the expected term of the options is determined with reference to historical volatility of comparable listed entities

The share based payment expense incurred during the year is shown in the following table:

Particulars	31 March 2025	31 March 2024
Expense arising from equity-settled share-based payment transactions	16.51	9.02
Reversal of Share based payment reserve on account of option lapsed	(19.35)	-
	(2.84)	9.02

During the year, the Holding company has dealt with forfeited and lapsed options. The options forfeited before vesting (on account of non-fulfilment of vesting conditions) have been reversed through the statement of profit and loss and options that lapsed after vesting exercise date has been transferred from the Share Based Payment Reserve to retained earnings as a movement within equity.



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Lava International Limited

Notes to consolidated financial statements for the year ended 31 March 2025

(All amounts in Indian Rupees million, unless otherwise stated)

32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Holding Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

S. No.	Particulars	31 March 2025	31 March 2024
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	164.38	229.93
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	3.92	2.63
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.75	3.82
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

33 Details of Expenditure towards Corporate Social Responsibility as per section 135 of the Companies Act, 2013 and rules thereon:-

S. No.	Particulars	31 March 2025	31 March 2024
1	Gross amount required to be spent by the Holding Company during the year	10.50	10.31
2	Amount spent in cash during the year on:	10.80	10.79
a)	Construction/ acquisition of any asset	-	-
b)	Safeguarding environmental sustainability	-	-
c)	Promotion of education	10.80	-
d)	Upliftment of Rural Poor Youth	-	-
e)	Upliftment of Sports and Cultural Activities	-	-
f)	Protection of national heritage, art and culture	-	10.79
3	Shortfall at the end of the year	(0.30)	(0.48)
4	Reason for Shortfall	NA	NA
5	Contribution to trust controlled by the Holding Company	Nil	Nil
6	Movement in Provision made	Nil	Nil

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34 Customs – CVD on Imported Mobile Phones

Under applicable law, imports of mobile phones attract a special duty of customs in lieu of excise duty (CVD), equivalent to excise duty on like goods as if manufactured in India. Domestically manufactured mobile phones attract excise duty at 13.5% (including NCCD of 1%) if CENVAT credit on inputs and capital goods is availed and 2% (including NCCD of 1%) if no CENVAT credit is availed. Until 28 February 2015, the applicable excise duty rate was 7.21% (including NCCD of 1%). The Honorable Supreme Court of India has clarified that the benefit of exemption or concessional excise duty, subject to the condition that no CENVAT credit is availed, is also available to importers of like goods for payment of CVD under Customs.

During FY 2014–15 and FY 2015–16, the Holding Company cleared imported mobile phones, paying CVD at higher rates of 7.21% (before 01 March 2015) and 13.5% (from 01 March 2015) instead of 2%. Following the Supreme Court clarification in the M/s SRF case, the Holding Company re-assessed certain Bills of Entries and filed a claim.

As of 31 March 2025, the recoverable amount (net of provision) stood at Rs. 26.28 million (31 March 2024: Rs. 306.09 million), primarily representing interest on the recovered CVD. These amounts are disclosed under “Balances with statutory/government authorities” under Other Assets, based on legal opinion obtained.

Based on legal advice and internal evaluation, management believes that the Holding Company has a valid claim for the recoverable CVD and associated interest. Provision has been recognised in respect of the matter as a matter of prudence, in line with the Holding Company’s accounting policy on provisions and contingencies.

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35 Investments accounted for using the equity method

Set out below are the associate and joint venture of the group as at 31st March 2025 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Nature	Principal place of business	Carrying amount		
			31st March 2025	31st March 2024	31st March 2023
MagicTel Solutions Private Limited	Associate	India	12.98	12.71	12.90
Yamuna Electronics Manufacturing Cluster Private Limited*	Joint venture	India	-	47.46	47.97
Total			12.98	60.17	60.87

*Through the shareholders agreement of Yamuna Electronics Manufacturing Cluster Private Limited, the Group has joint control over the entity, even though it only holds 45.33% effectively, of the voting rights.

(i) Commitments and contingent liabilities in respect of associates and joint ventures

The group has no contingent liabilities or capital commitments relating to its interest in MagicTel Solution Private Limited and Yamuna Electronics Manufacturing Cluster Private Limited as at 31 March 2025 and 31 March 2024.

The tables below provide summarised financial information for joint ventures and associates of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Lava International Limited's share of those amounts.

Summarised Balance Sheet

	MagicTel Solutions Private Limited		Yamuna Electronics Manufacturing Cluster Private Limited	
	31st March 2025	31 March 2024	31st March 2025	31 March 2024
Current assets	1.13	5.50	0.49	124.31
Non-current assets	51.41	45.54	-	-
Current liabilities	(0.61)	(0.19)	(19.61)	(19.62)
Non-Current liabilities	-	-	-	-
Net assets	51.93	50.85	(19.12)	104.70
Proportion of Group's ownership	25.00%	25.00%	45.33%	45.33%
Carrying amount of the Investment	12.98	12.71	0.00	47.46

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Summarised statement of profit and loss

MagicTel Solutions Private Limited

Yamuna Electronics Manufacturing
Cluster Private Limited

	31 March 2025	31 March 2024		31 March 2025	31 March 2024
Revenue	-	5.93		-	-
Interest income	2.32	1.69		-	-
Cost of Sales	(0.03)	(5.85)		-	-
Interest expense	(0.00)	(0.00)		(0.00)	(0.00)
Income tax expense/(income)	(0.17)	(0.00)		-	-
MAT credit	0.17	-		-	-
Employee benefit expense	(0.92)	(2.12)		-	-
Other expenses	(0.32)	(0.33)		(0.06)	(17.73)
Profit/(Loss) for the year	1.05	(0.74)		(0.06)	(17.73)
Less:- Exceptional Item	-	-		(123.75)	-
Less:- Restatement related to earlier year corrected in current year	-	-		-	-
Other comprehensive income	-	-		-	-
Total comprehensive income	1.05	(0.74)		(123.81)	(17.73)
Tax adjustment of earlier years	-	-		-	-
Proportion of Group's ownership	25.00%	25.00%		45.33%	45.33%
Gain/ (Loss) from profit of associate/ joint venture	0.26	(0.19)		(56.12)	(8.04)

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36 Lease Liabilities**Contractual maturities of lease liabilities:-**

The details of contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on an undiscounted basis are as follows:-

Particulars	31 March 2025	31 March 2024
Payable not later than 1 year	58.95	42.70
Payable later than 1 year and not later than 5 year	18.78	66.75
Later than 5 year	-	-
	77.73	109.45

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
As at 01 April 2023	34.45	96.46	1.50	15.46	147.87
Addition in lease liability	-	-	-	-	-
Deletion in lease liability	-	-	-	-	-
Interest expense on lease liability	3.84	10.76	0.17	1.53	16.30
Payment made during CY	15.28	35.28	0.65	3.51	54.72
As at 31 March 2024	23.02	71.95	1.02	13.50	109.45
Addition in lease liability	-	-	-	12.39	12.39
Deletion in lease liability	-	-	-	-	-
Interest expense on lease liability	2.57	8.02	0.11	2.31	13.01
Payment made during CY	15.28	35.28	0.65	5.95	57.16
As at 31 March 2025	10.31	44.69	0.48	22.25	77.73
Non Current portion	-	10.65	0.00	8.13	18.78
Current maturities of lease liability	10.31	34.04	0.48	14.12	58.95

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37 Group Information

Additional information, as required under Schedule III to the Companies act, 2013 for entities consolidated as subsidiaries, Controlled trust, Associates and joint ventures :

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(i) Parent (Holding Company)												
1	Lava International Limited	India	31 March 2025	-	481.02%	(793.60)	133.73%	(3,319.93)	-3.14%	3.63	140.41%	(3,323.56)
			31 March 2024	-	115.00%	2,513.45	78.75%	(2,943.03)	0.07%	0.25	71.71%	(2,943.28)
(ii) Subsidiaries												
Indian												
1	Lava Enterprises Limited	India	31 March 2025	99.05%	-8.40%	13.86	1.51%	(37.38)	-	-	1.58%	(37.38)
			31 March 2024	99.05%	2.34%	51.25	0.00%	(0.02)	-	-	0.00%	(0.02)
2	Sojo Distribution Private Limited	India	31 March 2025	90.00%	6.63%	(10.94)	-0.14%	3.42	-	-	-0.14%	3.42
			31 March 2024	90.00%	-0.66%	(14.35)	0.12%	(4.43)	-	-	0.11%	(4.43)
3	Sojo Manufacturing Services (A.P.) Private	India	31 March 2025	99.97%	-23.80%	39.27	-0.07%	1.69	-	-	-0.07%	1.69
			31 March 2024	99.97%	1.72%	37.58	0.00%	0.13	-	-	0.00%	0.13
4	Sojo Manufacturing Services Private Limited	India	31 March 2025	99.95%	6.95%	(11.47)	1.29%	(32.11)	-	-	1.36%	(32.11)
			31 March 2024	99.95%	0.94%	20.64	0.00%	(0.09)	-	-	0.00%	(0.09)
Foreign												
1	LAVA International (H.K.) Limited	Hong Kong	31 March 2025	100.00%	206.94%	(341.41)	-2.79%	69.27	-	59.42	-0.42%	9.84
			31 March 2024	100.00%	-14.00%	(305.94)	13.60%	(508.19)	-	-	12.38%	(508.19)
2	Xolo International (H.K.) Limited	Hong Kong	31 March 2025	100.00%	-24.89%	41.06	-0.64%	15.82	-	-	-0.67%	15.82
			31 March 2024	100.00%	1.09%	23.80	2.32%	(86.61)	-	-	2.11%	(86.61)
3	Lava Technologies DMCC	UAE	31 March 2025	100.00%	274.56%	(452.97)	0.06%	(1.41)	-	-	0.06%	(1.41)
			31 March 2024	100.00%	-21.12%	(461.70)	24.12%	(901.28)	-	-	21.96%	(901.28)



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Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
4	Lava Technologies LLC (USA)#	USA	31 March 2025	100.00%	-25.55%	42.16	0.00%	-	-	-	0.00%	-
			31 March 2024	100.00%	1.93%	42.16	0.00%	-	-	-	0.00%	-
5	Pt. Lava Mobile Indonesia**	Indonesia	31 March 2025	95.00%	0.00%	(0.00)	0.00%	-	-	-	0.00%	-
			31 March 2024	95.00%	0.00%	(0.00)	-0.03%	1.07	-	-	-0.03%	1.07
6	Lava International DMCC. UAE*	UAE	31 March 2025	100.00%	0.00%	-	0.00%	-	-	-	0.00%	-
			31 March 2024	100.00%	0.00%	-	1.84%	(68.94)	-	-	1.68%	(68.94)
7	Lava Mobility (Private) Limited. Sri Lanka	Sri Lanka	31 March 2025	100.00%	-0.92%	1.51	0.00%	-	-	-	0.00%	-
			31 March 2024	100.00%	0.08%	1.78	0.00%	0.02	-	-	0.00%	(0.02)
8	Lava Mobile Mexico S.DER.L. DE C.V.	Mexico	31 March 2025	99.00%	0.02%	(0.03)	0.00%	-	-	-	0.00%	-
			31 March 2024	99.00%	0.00%	-	0.01%	0.22	-	-	0.01%	(0.22)
9	Lava International (Myanmar) Co. Limited***	Myanmar	31 March 2025	99.00%	-0.36%	0.59	0.00%	-	-	-	0.00%	-
			31 March 2024	99.00%	0.03%	0.72	0.01%	0.42	-	-	0.01%	(0.42)
10	Lava international (Nepal) Private Limited	Nepal	31 March 2025	100.00%	-5.13%	8.46	-0.19%	4.61	-	-	-0.19%	4.61
			31 March 2024	100.00%	0.11%	2.32	-0.03%	0.98	-	-	-0.02%	0.98
11	China Bird Centroamerica. S.A.****	Panamá	31 March 2025	100.00%	-1501.19%	2,476.71	-7.03%	174.58	-	-	-7.38%	174.58
			31 March 2024	100.00%	97.83%	2,138.27	0.77%	(28.59)	-	(39.27)	-0.26%	10.68
12	Lava International (Bangladesh) Limited	Bangladesh	31 March 2025	99.99%	-6.54%	10.79	0.00%	-	-	-	0.00%	-
			31 March 2024	99.99%	0.46%	10.10	0.00%	(0.10)	-	-	0.00%	(0.10)
Non Controlling interest in all subsidiaries			31 March 2025		1.36%	(2.24)	0.00%	(0.12)	-	-	0.01%	(0.12)
			31 March 2024		-0.10%	(2.12)	-0.56%	20.85	-	-	-0.51%	20.85



S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(iii) Associates												
Indian												
1	MagicTel Solutions Private Limited	India	31 March 2025	25.00%	-7.87%	12.98	-0.01%	0.26	-	-	-0.01%	0.26
			31 March 2024	25.00%	0.58%	12.69	0.01%	(0.19)	-	-	0.00%	(0.19)
(iv) Joint venture (accounted for using equity method)												
Indian												
1	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	31 March 2025	45.33%	0.00%	-	2.26%	(56.12)	-	-	2.37%	(56.12)
			31 March 2024	45.33%	2.17%	47.46	0.22%	(8.04)	-	-	0.20%	(8.04)
(v) Controlled Trust												
Indian												
1	Lava Employee Welfare Trust	India	31 March 2025	-	-0.39%	0.65	0.00%	0.10	-	-	0.00%	0.10
			31 March 2024	-	0.03%	0.60	0.00%	0.09	-	-	0.00%	0.09
Inter company eliminations / adjustments on consolidation			31 March 2025	-	727.57%	(1,200.37)	-27.99%	694.75	96.86%	(111.85)	-36.89%	873.29
			31 March 2024	-	-88.45%	(1,933.09)	-21.13%	789.76	99.93%	367.04	-9.34%	383.45
Total			31 March 2025		100%	(164.98)	100%	(2,482.58)	100%	(115.48)	100%	(2,367.10)
Total			31 March 2024		100%	2,185.61	100%	(3,737.28)	100%	367.29	100%	(4,104.57)

* Lava International DMCC, UAE, ceased to exist w.e.f. 6 December 2023. The date of cessation was inadvertently stated as 12 June 2023 in the consolidated financial statements for the year ended 31 March 2023 and has been rectified in these financial statements. The revision relates to the disclosed date only and does not affect the amounts recognised in any period presented.

** Pt. Lava Mobile Indonesia has been dissolved with effect from 10th July 2025.

*** Lava International (Myanmar) Co. Limited has been struck off with effect from 20th February, 2023.

****Refer note 23A

#The board of the directors of the Holding Company has approved the liquidation of Lava Technologies I.L.C., USA as on meeting held on 16th January, 2026.



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38 Research and development expenditure:

The Group has duly carried out its research and development activities during the year and the details of related expenditure are given below:

Particulars	31 March 2025	31 March 2024
Amount charged to Statement of Profit and Loss	155.16	188.30
Amount capitalised		
- Property, plant and equipment	0.51	3.27
	155.67	191.57

39 The Holding Company has obtained report which is required to be furnished under section 92E of the Income Tax Act, 1961 relating to international transactions to determine whether the transactions with associated enterprises were undertaken at "arm's length price". The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and there is no adjustments required in financial statements on the basis of said report..

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

41 The Group has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any and to the extent ascertainable, on long term contracts including derivative contracts.

42 The Group does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

43 The Group has not been declared wilful defaulter as at the date of the balance sheet or on the date of approval of the financial statements.

44 Non Adjusting Events subsequent to 31 March, 2025

a) The Directorate of Enforcement (ED) has begun proceedings under the Prevention of Money Laundering Act, 2002 ("PMLA") regarding certain historical transactions from 2013 to 2015. The Holding Company and its former Managing Director have been named as accused. The ED filed a Prosecution Complaint on 6 December 2023, and the case is now pending before the appropriate court. The Holding Company is contesting the proceedings and pursuing the available legal remedies. Additionally, the Directorate of Enforcement (ED) has initiated proceedings under the Foreign Exchange Management Act, 1999 (FEMA). The Holding Company and some of its directors and officers have received summons under Section 37(1) and Section 37(3) of FEMA at various times, asking for information and documents about certain foreign exchange transactions and related compliance matters. The Holding Company has supplied the requested information and documents and has collaborated with the ED during the ongoing proceedings. As of 31 March 2025, the proceedings are still in the investigation stage. No show-cause notice, adjudication order, or finding of contravention has been issued against the Holding Company. Based on legal advice and management's assessment, no provision or adjustment has been considered necessary in the financial statements as at 31 March 2025. The outcome of the matter cannot presently be determined.

b) National Financial Reporting Authority (NFRA) Proceedings

Pursuant to a notice dated 27 June 2025 issued by the National Financial Reporting Authority ("NFRA") under Section 132 of the Companies Act, 2013, the Holding Company was requested to furnish certain information and documents relating to the financial years 2020-21 to 2023-24.

The Holding Company has submitted the information and documents sought by NFRA within the stipulated timelines and has fully cooperated with the authority. As on the date of approval of these financial statements, no further communication, proceedings, observations or directions have been received from NFRA pursuant to the said notice.

Based on management's assessment, no provision or adjustment to the accompanying financial statements has been considered necessary in respect of the above matter.



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c) Serious Fraud Investigation Office (SFIO) Proceedings

Pursuant to an order dated 11 February 2026 issued by the Ministry of Corporate Affairs under Section 212(1)(c) of the Companies Act, 2013, the Serious Fraud Investigation Office ("SFIO") commenced an investigation into the affairs of the Holding Company and certain other companies. In connection therewith, the Holding Company received a notice dated 12 March 2026 under Section 217(2) of the Companies Act, 2013, seeking information and documents relating to the investigation.

The Holding Company has furnished the information and documents sought by the SFIO and has extended full cooperation with the investigation from time to time. As on the date of approval of these financial statements, no further communication, findings or directions have been received from the SFIO pursuant to the said notice.

Based on management's assessment, no provision or adjustment to the accompanying financial statements has been considered necessary in respect of the above matter. The outcome of the investigation, if any, cannot presently be determined.

- 45 The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 46 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 47 The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- 48 The Balances outstanding with nature of transaction with Struck-off companies as per section 248 of the Companies Act, 2013 for Holding company

Name of Struck off companies	Nature of transactions with Struck- off companies	Balance outstanding	Relationship with the Struck-off companies
Mahaan Merchants Private Limited	Sale of Products	361.02	NA

- 49 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 50 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Group has regrouped and rearranged previous year figures to make them comparable with the current year figures.

Particulars	As previously reported	Restatement*	Regrouping	As restated
Income				
Revenue from operations	36,460.55	3,937.79	(2.68)	40,395.66
Warranty expenses	494.49	-	1.18	493.31
Sales promotion, scheme expenses and expected credit loss	566.78	1902.79	1.50	2,471.07

Particulars	As previously reported	Restatement*	Regrouping	As restated
Cost of raw material and components consumed	17,858.78	(553.11)	179.99	17,485.66
Changes in inventories of finished goods, spares and st	2,181.57	120.51		2,302.08
Advertisement and marketing expenses	1,222.18	126.44	(179.97)	1,168.65

* Refer note 23A for Restatement Adjustment



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- 52 The financial statements have been prepared on a going concern basis. As at 31 March 2025, the Holding Company had negative total equity of ₹164.98 million and incurred a loss of ₹2,367.10 million during the year. The Holding Company is also subject to various legal, regulatory, taxation and other contingencies, as disclosed in the relevant notes to these financial statements. These circumstances indicate the existence of factors that may affect the Holding Company's ability to continue as a going concern and have been considered by management in making its assessment.

In making this assessment, management has considered the Holding Company's actual operating and cash flow performance subsequent to 31 March 2025, projected cash flows from operations, working capital requirements, available financial resources, committed financing arrangements and other mitigating actions being implemented to support the Holding Company's liquidity position. Subsequent to the reporting date, the Holding Company entered into an agreement dated 15 July 2026 for a committed bridge loan facility aggregating ₹1,842 million, comprising ₹1,750 million from M/s Profitex Shares & Securities Private Limited and ₹92 million from M/s Cosmic Force Private Limited, each carrying interest at 12% per annum. The facility also provides for conversion of the debt into equity at ₹12.39 per share, subject to the terms and conditions of the agreement.

Based on the assessment performed, including consideration of the Group's actual performance subsequent to the reporting date, available financial resources, committed financing arrangements and approved business plans and forecasts, management expects that the Group will have adequate financial resources to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, management considers the going concern basis of preparation to be appropriate.

As per our report of even date as attached

For PNAM & Co. LLP

Chartered Accountants

Firm's Registration No.:

001092N/N500395

**For and on behalf of the Board of Directors of
Lava International Limited**

CIN - U32201DL2009PLC188920

Abhishek Nahta
Partner

Membership No. 513559



Sunil Raina
Managing Director
(DIN-09302069)

Deepika Gupta
Non-Executive Director
(DIN-08850031)

Rajesh Sethi
Chief Financial Officer
ICAI Membership No.078079

Rahul Ghosh
Company Secretary
ICSI Membership No.A42036

Place: Delhi
Date: 11th August 2026

Place: Delhi
Date: 11th August 2026

