

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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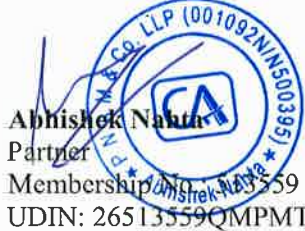
vi. Based on our examination, which included test checks, and based on the reports of the statutory auditors of the subsidiary companies, associate company and joint venture company incorporated in India, the Holding Company and such companies have used accounting software(s) for maintaining their books 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


Abhishek Nautani
Partner
Membership No. 113559
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.



P N A M & CO. LLP

Chartered Accountants

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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LLPIN: ABA-8514
ICAI FRN: 001092N/N500395

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P N A M & CO. LLP

Chartered Accountants

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

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 (e)	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
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

Abhishek Natta

Partner

Membership No. 513559



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



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*
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



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
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



Deepika

57



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

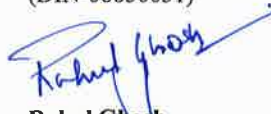
For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920


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



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)]	FCTR -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)



Deepak

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Note:-

- (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)

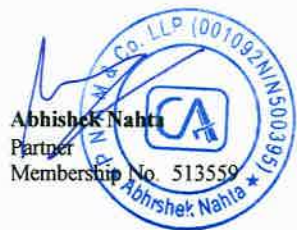
The accompanying notes are an Integral part of the consolidated financial statements.

As per our report of even date as attached

For PNAM & Co. LLP

Chartered Accountants

Firm's Registration No.: 001092N/N500395



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.

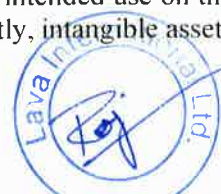
2.2.4 Intangible assets

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

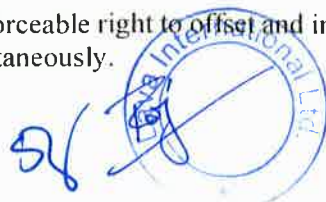
Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current income tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case 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.

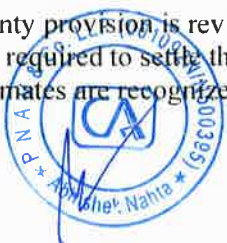
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

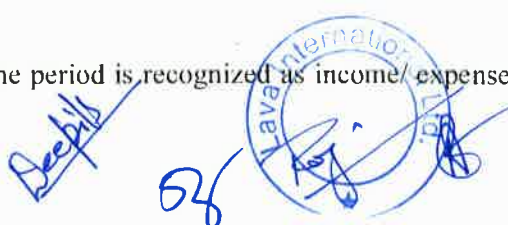
The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost or financial assets measured at FVTOCI.

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.



The Group 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 Group does not reduce impairment allowance from the gross carrying amount.

Derecognition of financial asset

The Group 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 Group'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 Group 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 Group 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.

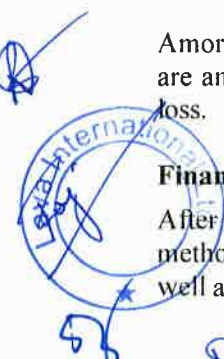
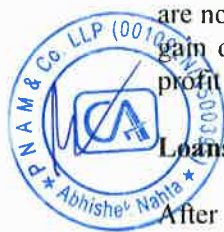
Loans and borrowings

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 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

Lava International Limited

Notes to the Consolidated 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	1,041.93	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)).



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Lava International Ltd.

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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, 2024	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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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 2025	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

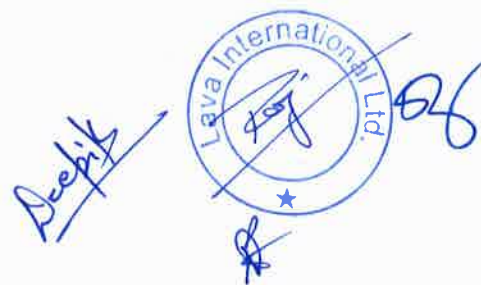
- Allowance for Expected credit loss (ECL) (Refer Note 23A)

	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
14,325.69	14,325.69	16,167.73	16,059.76
36.77	36.77	36.77	31.99
14,362.46	14,362.46	16,204.50	16,091.75
(10,391.74)	(10,391.74)	(15,509.43)	(14,138.89)
3,970.72	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 (ECL)	(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



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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 (31 March 2024 : 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 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 (31 March 2024 : 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 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)

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 10(a)]

Unsecured

Short Term loan***

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
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 (HK) 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**Inventories at the end of the year**

Stock-in-trade

Finished goods

For the year ended 31 March 2025	For the year ended 31 March 2024
743.06	964.66
1,005.54	1,159.13
1,748.60	2,123.79

Inventories at the beginning of the year

Stock-in-trade

Finished goods

964.66	2,966.90
1,159.13	1,458.97
2,123.79	4,425.87
375.19	2,302.08

18 Employee benefits expenses

Salary, wages and bonus

Contribution to provident and other fund (refer note 27)

Gratuity expense (refer note 27)

Share based payment expense (refer note 31)

Staff welfare, recruitment and training

For the year ended 31 March 2025	For the year ended 31 March 2024
1,249.28	1,551.78
64.04	68.17
17.42	20.70
16.51	9.02
248.65	261.17
1,595.90	1,910.84








19 Finance costs

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on		
-Term loan	39.50	120.95
-Cash credit	356.20	271.34
-Lease liabilities	13.01	16.30
-Security deposits	1.37	3.48
-Income tax	21.49	12.18
Bank charges	80.28	113.87
	511.85	538.12

20 Depreciation and amortisation expense

	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation expense		
- on Property, plant and equipment	201.68	167.67
- on ROU asset	36.75	34.76
Amortisation expense on intangible assets	110.37	110.37
	348.80	312.80

21 Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Power and fuel	50.01	49.90
Rent	47.41	49.97
Rates and taxes#	8.72	3.23
Insurance	13.15	15.37
Repair and maintenance - others	104.09	120.10
Advertisement and marketing expenses	646.29	1,168.65
Sales promotion, scheme expenses and expected credit Loss provision	572.96	2,471.07
Freight and cartage	309.58	355.41
Outsourced salary cost	74.28	60.46
Travelling and conveyance	114.48	109.05
Communication costs	8.76	8.19
Warranty expenses	270.88	493.33
Legal and professional fees	217.95	200.30
Payment to auditor (refer details below)*	3.35	2.50
Donation	-	0.07
Corporate social responsibility expense (refer note 33)	10.80	10.79
Miscellaneous expenses	38.87	56.33
Loss on sale of property, plant and equipment	-	-
Provision on Advances	353.30	-
Provision on Legal Suites**	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	155.95	-
Provision for impairment of investment	-	-
Provision for impairment of associates	47.93	-
Impairment Loss on Corporate Guarantee	-	-
	4,512.17	8,072.39

**Refer note 11(b)

Payment to auditor *

	For the year ended 31 March 2025	For the year ended 31 March 2024
As auditor:		
Audit fee	3.35	2.50
Reimbursement of expenses	-	-
	3.35	2.50

#Rates & Taxes include local rates and taxes paid at representative office situated at China amounting to Rs 2.94 millions



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

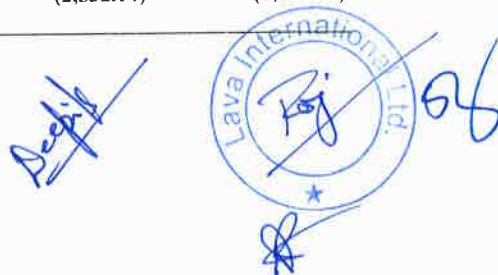
	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit/(Loss) before tax	(3,121.77)	(4,325.14)
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	(785.75)	(1,088.64)
Tax adjustment:		
Expenses not considered in determining taxable profit	10.97	25.00
Income not considered in 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)



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	(7,083.08)	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)	-	(22.97)
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	164.24	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)



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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 3)	
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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Credit risk

The Group 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 Group 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 Group has recognised an allowance for expected credit loss of ₹10,391.74 million (31 March 2024: ₹15,509.43 million) on trade receivables. In addition, an allowance for expected credit loss of ₹522.06 million (31 March 2024: ₹522.06 million) has been recognised on other financial assets.

During the year the Group 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	1,467.56	1,189.55
180-365 days	1,691.63	1,313.67
1 year plus	11,203.27	13,701.28
Total	14,362.46	16,204.50

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	1.54	0.38
- Due to changes in financial assumptions	1.54	(0.53)
- Due to experience adjustment	(0.18)	0.33
- Excess of interest on plan assets over actual return	2.90	0.18
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 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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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.



Handwritten signature and stamp of Lava International Limited. The stamp is circular with the text 'Lava International Ltd.' and a star. Below the stamp, the name 'Deepit' is written in blue ink.

(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)	(0.06)	-	-
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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Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts in Indian Rupees million, unless otherwise stated)
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



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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
(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 stock	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

- 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

