

AVL/SE/2024-25

May 8, 2024

To  
The Corporate Relations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

Dear Sir/Madam,

**Sub: Notice of the 34<sup>th</sup> Annual General Meeting along with the Annual Report for the Financial Year 2023-24 of Avantel Limited ('Company') – Reg.**

**Ref: i) Regulation 34(1) of SEBI (LODR) Regulations, 2015  
ii) Scrip Code: 532406 (BSE); ISIN: INE005B01027**

In furtherance to the subject cited above, in terms of Regulation 34(1) of the SEBI (LODR) Regulations, 2015, as amended from time to time ('Listing Regulations'), we wish to inform that the 34<sup>th</sup> Annual General Meeting ('AGM') of the Company is scheduled to be held on **Thursday, May 30, 2024 at 11:00 A.M. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 2/2022 10/2022 and 09/2023 respectively issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/DDHS/DDHSRACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI.

Accordingly, we enclose herewith the Notice of the 34<sup>th</sup> Annual General Meeting along with the Annual Report of the Company for the financial year ended March 31, 2024, which is being sent by e-mail to those Members whose e-mail addresses are registered with the Company / Depository Participant(s) ('DP')/ the Companies' Registrar and Transfer Agent, KFin Technologies Limited ("KFintech").

In terms of Regulation 46 of the Listing Regulations, the said Annual Report along with the Notice of 34<sup>th</sup> Annual General Meeting and other relevant documents will also be available on the website of the Company at [www.avantel.in](http://www.avantel.in).

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is providing the facility to its Members to exercise their right to vote by electronic means on the businesses specified in the Notice convening the 34<sup>th</sup> Annual General Meeting of the Company, through remote e-Voting services of KFin Technologies Limited as well as e-Voting during the AGM.

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## Avantel Limited

**Registered Office**  
Plot No. 47/P, APIIC Industrial Park  
Gambheeram (V), Anandapuram (M)  
Visakhapatnam - 531163 A.P.  
Tel : +91-891-2850000  
Fax: +91-891-2850004

**Corporate Office**  
Plot No. 68 & 69,4th Floor, Jubilee Heights  
Survey No's. 66 & 67, Jubilee Enclave  
Madhapur, Hyderabad - 500 081. Telangana  
Tel : +91-40-6630 5000  
Fax : +91-40-6630 5004

CIN - L72200AP1990PLC011334

[www.avantel.in](http://www.avantel.in)  
[Info@avantel.in](mailto:Info@avantel.in)

The Company has fixed Thursday, May 23, 2024 (“Record Date”/ “Cut-off Date”) as the record date to determine the eligibility of the Members entitled to receive dividend and as the cut-off date to determine the eligibility of the Members entitled to cast their vote by electronic means and attend the AGM scheduled to be held on Thursday, May 30, 2024 at 11:00 A.M. (IST) through VC/OAVM Facility. Accordingly, the voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. The remote e-Voting period commences on Monday, May 27, 2024 (9:00 a.m. IST) and ends on Wednesday, May 29, 2024 (5:00 p.m. IST). The e-Voting instructions and the process to join meeting through VC/OAVM is set out in the said AGM Notice.

This is for your information and records.

Thanking you,

Yours faithfully,

**For Avantel Limited**

**D. Rajasekhara Reddy**  
**Company Secretary**

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[www.avantel.in](http://www.avantel.in)  
[Info@avantel.in](mailto:Info@avantel.in)



avantel



# ANNUAL REPORT

## 2023-2024



AS 9100D  
ISO 9001:2015  
ISO 27001:2013

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COMPANY INFORMATION

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**BOARD OF DIRECTORS**

Dr. Abburi Vidyasagar	-	Chairman & Managing Director
Mrs. Abburi Sarada	-	Whole-Time Director
Mr. Abburi Siddhartha Sagar	-	Whole-Time Director
Mr. Yalamanchili Kishore	-	Independent Director
Mr. Naveen Nandigam	-	Independent Director
Mr. Myneni Narayana Rao	-	Independent Director
Mr. Ramchander Vyasabhatty	-	Independent Director
Dr. Ajit T. Kalghatgi	-	Independent Director
Ms. Harita Vasireddi	-	Independent Director

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**Chief Financial Officer**

Mrs. Abburi Sarada

**Company Secretary & Compliance Officer**

Mr. D. Rajasekhara Reddy

**Registered Office:**

**CIN: L72200AP1990PLC011334**

Sy. No. 141, Plot No 47/P, APIIC Industrial Park,  
Gambheeram (V), Anandapuram (M),  
Visakhapatnam - 531163, Andhra Pradesh, India  
Phone: +91 - 891 – 2850 000

Fax: +91 - 891 – 2850 004

Email: compliance@avantel.in

Website: www.avantel.in

**Corporate Office:**

Sy No's. 66 & 67, Plot No. 68 & 69, 4<sup>th</sup> floor,  
Jubilee Heights, Jubilee Enclave, Madhapur,  
Hyderabad - 500 081, Telangana, India.

Phone: +91 - 40 - 6630 5000,

Fax: +91 - 40 - 6630 5004

Email: compliance@avantel.in

Website: www.avantel.in

**Registrars & Share Transfer Agents:**

M/s. KFIN Technologies Limited

Selenium Building, Tower - B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Rangareddy, Telangana, India.  
Email: einward.ris@k fintech.com

Phone No.: 1800 309 4001

**Statutory Auditors**

M/s. Grandhy & Co.,  
Chartered Accountants

201, Sunny Residency, Dwarakapuri Colony,  
Punjagutta, Hyderabad- 500082, Telangana, India.

**Internal Auditors**

M/s. Ramesh & Co.,  
Chartered Accountants  
6-3-661/B/1, Plot No: 78, Sangeeth Nagar,  
Somajiguda, Hyderabad-500082, Telangana, India.

**Secretarial Auditors**

M/s. P S Rao & Associates  
Practising Company Secretaries  
Flat No.10, 4th Floor, Ishwarya Nilayam,  
Dwarakapuri Colony, Punjagutta,  
Hyderabad - 500 082, Telangana, India.

**Cost Auditors**

M/s. MPR & Associates  
Cost Accountants  
Flat: 301, 3rd Floor, Sri Sai Brundavan Apartments,  
Dwarakapuri Colony, Punjagutta,  
Hyderabad - 500082, Telangana, India.

**Bankers**

Canara Bank  
Mid Corporate Branch, Hyderguda,  
Hyderabad – 500 029, Telangana, India.

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**Board Committees**

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**Audit Committee**

Mr. N. Naveen	-	Chairman
Mr. Y. Kishore	-	Member
Mr. V. Ramchander	-	Member
Mr. M. Narayana Rao	-	Member
Dr. Ajit T. Kalghatgi	-	Member

**Corporate Social Responsibility Committee:**

Mr. N. Naveen	-	Chairman
Mr. Y. Kishore	-	Member
Mrs. A. Sarada	-	Member
Mr. V. Ramchander	-	Member
Dr. Ajit T. Kalghatgi	-	Member

**Stakeholders Relationship Committee:**

Mr. M. Narayana Rao	-	Chairman
Dr. Abburi Vidyasagar	-	Member
Mr. Y. Kishore	-	Member
Ms. Harita Vasireddi	-	Member

**Nomination and Remuneration Committee**

Mr. M. Narayana Rao	-	Chairman
Mr. V. Ramchander	-	Member
Mr. N. Naveen	-	Member
Mr. Y. Kishore	-	Member
Dr. Ajit T. Kalghatgi	-	Member
Ms. Harita Vasireddi	-	Member

**Risk Management Committee**

Mr. A. Siddhartha Sagar	-	Chairman
Dr. Ajit T. Kalghatgi	-	Member
Ms. Harita Vasireddi	-	Member
Mr. V Ramchander	-	Member
Mr. P Bala Bhaskar Rao	-	Member
Mr. N Srinivas Rao	-	Member
Mr. P Srinivasa Rao	-	Member

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## NOTICE

Notice is hereby given that the 34th Annual General Meeting (“AGM”) of the Members of Avantel Limited will be held on Thursday, May 30, 2024, at 11:00 A.M. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) facility, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Report of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Report of Auditors thereon.
2. To declare final dividend of Re.0.20/- per Equity Share of face value of Rs.2/- each to the shareholders for the Financial Year ended March 31, 2024.
3. To appoint a Director in place of Mrs. Abburi Sarada (DIN: 00026543), who retires by rotation and being eligible, offers herself for re-appointment.

### **SPECIAL BUSINESS:**

4. **To consider and approve the re-appointment of Mr. Abburi Siddhartha Sagar (DIN: 02312563) as Whole Time Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and such other sanctions and approvals, as may be required and the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall include any Committee of the Board of Directors), the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Abburi Siddhartha Sagar (DIN: 02312563), as Whole-Time Director of the Company, designated as Director (Strategy and Business Development) liable to retire by rotation, at a remuneration of Rs. 48,00,000/- (Rupees Forty Eight Lakhs Only) per annum and other superannuation benefits as per service rules of the Company and such other perquisites, benefits as detailed in explanatory statement as approved by the Nomination and Remuneration Committee for a term of three (3) years effective from March 8, 2024.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to revise the remuneration by way of an increment of not more than 25% of the remuneration being paid during the immediate time period.

**FURTHER RESOLVED THAT** Mr. Abburi Siddhartha Sagar in addition to the above-mentioned Salary, is also eligible for a commission of 2% on the net profits of the Company to be arrived in pursuance of Section 198 of the Companies Act, 2013.

**FURTHER RESOLVED THAT** the overall amount of remuneration payable to Mr. Abburi Siddhartha Sagar shall not exceed 5% of net profits of the Company to be arrived in pursuance of Section 198 of the Companies Act, 2013.

**FURTHER RESOLVED THAT** in the event the Company does not have profits, or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto.”

**5. To consider the appointment of Dr. Ajit Tavanappa Kalghatgi (DIN: 05300252) as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded for appointment of Dr. Ajit Tavanappa Kalghatgi (DIN: 05300252), as an Independent Director of the Company for a period of 5 years i.e., from March 6, 2024 to March 5, 2029 and he shall not be liable to retire by rotation, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 of the Act.

**“FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

**6. To consider the appointment of Ms. Harita Vasireddi (DIN: 00242512) as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded for appointment of Ms. Harita Vasireddi (DIN: 00242512), as an Independent Director of the Company for a period of 5 years i.e., from March 6, 2024 to March 5, 2029 and she shall not be liable to retire by rotation, who has submitted a declaration that she meets the criteria of independence as provided in Section 149 of the Act.

**“FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

**7. To consider and approve to amend 'Avantel Employee Stock Option Plan 2023' (the “Plan” or “ESOP 2023”).**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b), and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, Regulation 7 of the Securities and

Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations"), and other applicable provisions, if any, of the SBEB Regulations, the relevant provisions of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), the consent of the members of the Company be and is hereby accorded to amend the 'Avantel Employee Stock Option Plan 2023' ("ESOP 2023"/ "Plan") to be in conformity with the SBEB Regulations and to amend the definition of the term "Employee" under the Plan with a view to grant employees stock options ("Options") to the employees of its Subsidiary Company(ies) in addition to the employees of the Company as may be determined by the Nomination and Remuneration Committee of the Board.

**FURTHER RESOLVED THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation, split, change in capital structure of the Company, if any additional Options granted by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling of total number of Options and equity shares specified under the Plan shall be deemed to be increased to the extent of such additional Options granted or equity shares issued.

**FURTHER RESOLVED THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the grantees under the Plan shall automatically stand reduced or increased, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the Plan and the ceiling in terms of number of shares specified under the Plan shall be deemed to be adjusted accordingly.

**FURTHER RESOLVED THAT** the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

**FURTHER RESOLVED THAT** the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise require, any committee of the Board or any director(s) or officer(s) authorised by the Board to exercise the powers conferred on the Board under this Resolution) be and is hereby authorised on behalf of the Company to take requisite steps for listing of the equity shares allotted on exercise of the options granted under the Plan, on the stock exchanges where the equity shares of the Company are listed and other applicable laws and to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to this Resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard in conformity with all the regulatory provisions, the Articles of Association of the Company and other applicable laws."

**8. To consider and approve to extend 'Avantel Employee Stock Option Plan 2023' (the "Plan" or "ESOP 2023") to the employees of its Subsidiary Company(ies).**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto ("SBEB Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR Regulations"), and

any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of Avantel Employee Stock Option Plan 2023' (the "Plan" or "ESOP 2023") to such persons who are in the employment of the subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time) of the Company, whether working in India or out of India and to the directors of the Company's subsidiary company(ies), and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP 2023.

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP 2023 from time to time or to suspend, withdraw, or revive ESOP 2023 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company."

**9. To ratify the remuneration payable to Cost Auditors for the financial year ending 2024-25.**

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. MPR & Associates, Cost Accountants (Firm Registration No.000413), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 2024-25, amounting to Rs.1,00,000/- (Rupees One Lakh only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

By order of the Board of Directors  
For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**NOTES:**

1. An Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. The Ministry of Corporate Affairs (“MCA”) vide its General Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 has permitted the holding of the Annual General Meeting (“AGM”) through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 34th AGM of the Company being conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) herein after called as “e-AGM”.

e-AGM: The Company has appointed KFin Technologies Limited (KFintech), Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM. The venue of the meeting shall be deemed to be the Registered Office of the Company.

3. Pursuant to the provisions of the circulars on the VC / OAVM (e-AGM) members can attend the meeting through login credentials provided to them to connect to Video Conference (VC) / Other Audio-Visual Means (OAVM). Physical attendance of the Members at the Meeting venue is not required. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to [csmbsunil@gmail.com](mailto:csmbsunil@gmail.com) with a copy marked to [cs@avantel.in](mailto:cs@avantel.in).
5. In terms of Section 152 of the Act, Mrs. Abburi Sarada, Whole-time Director, retires by rotation at the AGM and being eligible, offers herself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommended her re-appointment.
6. The members whose names shall appear on Company's Register of Members on May 23, 2024, in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. The Securities and Exchange Board of India (“SEBI”) and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service (“ECS”), NEFT, RTGS facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Limited at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members are requested to submit a request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updating of email address. Members holding shares in dematerialized mode are requested to register / update their email addresses with their Depository Participants.

8. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed Companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for the ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Limited in this regard.
9. In line with the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 the Notice calling the e-AGM and Annual Report has been uploaded on the website of the Company at <https://www.avantel.in/investors>. The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at <https://www.bseindia.com> respectively. The Notice and Annual Report is also available on the website of e-voting agency KFin Technologies Limited at the website address <https://evoting.kfintech.com>.

The Annual Report for the Financial year ended March 31, 2024 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report). A physical copy of the Annual Report shall be sent to those shareholders who request for the same.

10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in a single name are advised, in their own interest, to avail themselves of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company on or before May 23, 2024, through email on [cs@avantel.in](mailto:cs@avantel.in). The same will be replied by the Company suitably.
13. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members whose unclaimed dividends/shares

have been transferred to IEPF may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

14. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of Rs.1,08,870/- of the Company for the Financial Year ended March 31, 2024, has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.
15. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed Dividend amounts lying with the Company as on June 23, 2023 (date of last Annual General Meeting) on the website of the Company <https://www.avantel.in/investors> and also on the website of Ministry of Corporate Affairs.
16. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“Rules”), all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority.

The Company has transferred 82,860 equity shares to Investor Education and Protection Fund during the financial Year ended March 31, 2024.

To Claim the equity shares and dividend which were transferred to the Investor Education and Protection Fund, the shareholders are requested to visit the website of the Company i.e., <https://www.avantel.in/investors> to know the procedure for claiming the Shares and Dividend transferred to the Investor Education and Protection Fund Authority.

The Shareholders who have not encashed the dividends are requested to make their claim to the Secretarial Department, Avantel Limited, Sy No.66 & 67, Plot No. 68 & 69, 4th Floor, Jubilee Heights, Jubilee Enclave, Madhapur, Hyderabad – 500081, Telangana State, India. e-mail: [cs@avantel.in](mailto:cs@avantel.in) or [einward.ris@kfinetech.com](mailto:einward.ris@kfinetech.com)

17. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
18. Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFin Technologies Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@avantel.in](mailto:cs@avantel.in) by 11:59 p.m. IST on or before May 26, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Form No. 15G/15H are available on the website of the Company i.e., <https://www.avantel.in/investors>.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@avantel.in](mailto:cs@avantel.in). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before May 26, 2024.

19. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name appears in the Register of Members / list of beneficiaries received from the Depositories as on Friday, May 3, 2024.
20. SEBI vide circular nos. SEBI/HO/OIAE/OIAE\_IAD- 1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with master circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated August 11, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievance with the Company/its Registrar and Share Transfer Agent directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
21. KFin Technologies Limited, Registrar and Share Transfer Agent ("RTA") of the Company has launched a unified platform "KPRISM" for the benefit of shareholders. KPRISM is a self-service portal can be accessed at <https://ris.kfintech.com/default.aspx#>Investor Services > Investor Support>, that enables the shareholders to access their portfolios serviced by KFIN, and check details like dividend status and make request for annual reports, change of address, update bank mandate, download standard forms, etc.  
Members are requested to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting details.  
Quick link to access the signup page: <https://kprism.kfintech.com/signup>

22. SEBI, vide its circular dated 3 November 2021 (subsequently amended by circulars dated 14 December 2021, 16 March 2023 and 17 November 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1 April 2024, only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link :  
[https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)

#### **INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCING/OTHERAUDIO-VISUAL MODE ("VC/OAVM"):**

1. **Attending the e-AGM:** Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
3. Further, Members will be required to allow Camera, if any and hence use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Facility of joining the AGM through VC / OAVM shall be open 15 minutes before the time scheduled for the AGM.

6. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.

**7. Submission of Questions / queries prior to e-AGM:**

Members desiring any additional information with regard to Accounts/Annual Reports or having any questions or queries are requested to write to the Company Secretary on the Company's investor email id i.e., cs@avantel.in between May 24, 2024 (09.00 Hours IST) and May 26, 2024 (17.00 Hours IST), so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date. Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

8. **Speaker Registration before e-AGM:** Shareholders who wish to register as speakers at the AGM are requested to visit <https://evoting.kfintech.com/> register themselves between May 25, 2024 (09.00 Hours IST) and May 27, 2024 (17.00 Hours IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
9. Facility of joining the AGM through VC / OAVM shall be available to 2000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
10. Members who need technical assistance before or during the AGM, can contact KFintech at <https://evoting.kfintech.com/>

**INSTRUCTIONS FOR E-VOTING:**

In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on May 23, 2024 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process both remote e voting and e voting during e-AGM.

Pursuant to SEBI circular - SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/website of Depository(ies)/Depository Participants ("DPs") in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

The procedure and instructions for e-voting are as follows:

**Step 1:**

Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Step 2:**

Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 3:**

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

**Details on Step 1 are mentioned below:**

Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- A. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- B. Enter the login credentials provided in the email and click on Login.
- C. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
- D. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,).
- E. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- F. Login again with the new credentials.
- G. On successful login, the system will prompt you to select the “EVENT” i.e., “Avantel Limited.”
- H. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR / AGAINST” taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- I. Members holding multiple folios s may choose to vote differently for each folio / demat account.
- J. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm or “CANCEL” to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking “SUBMIT”.
- K. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'AVANTEL\_EVENT No'
- L. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1800 – 309 - 4001 (Toll Free).

**Details on Step 2 are mentioned below:**

Login method for remote e-Voting for Individual shareholders holding securities in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>A. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>1. Open web browser and type the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under “<b>IDeAS</b>” section.</li> <li>2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page.</li> <li>3. Click on options available against Company name or e-voting service provider - <b>KFintech</b> and you will be redirected to e-voting service provider website for casting your vote during the e-voting period.</li> </ol> <p><b>B. Users not registered for IDeAS e-Services:</b></p> <p>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> and proceed with completing the required fields. After successful registration, please follow the steps given above (A) to cast your vote.</p> <p><b>C. By visiting the e-voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-voting website of NSDL. Open web browser and type the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the “<b>Login</b>” icon, available under the 'Shareholder/Member' section.</li> <li>2. A new screen will open. Enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</li> <li>3. Click on options available against Company name or e-voting service provider - <b>KFintech</b> and you will be redirected to e-voting service provider website for casting your vote during the e-voting period.</li> </ol>

	<p><b>D. NSDL Speede</b></p> <p>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around;"> <span>App Store</span> <span>Google Play</span> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>A. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>1. Open web browser and type: and click on login icon and select New System Myeasi</li> <li>2. Shareholders can login through their existing user ID and password. The option will be made available to reach e-voting page without any further authentication.</li> <li>3. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The menu will have links to ESPs. Click on <b>KFintech</b> to cast your vote.</li> </ol> <p><b>B. User not registered for Easi/Easiest</b></p> <p>Option to register for Easi/Easiest is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> Proceed with completing the required fields. After successful registration, please follow the steps given above (A) to cast your vote.</p>
	<p><b>C. By visiting the e-voting website of CDSL:</b></p> <ol style="list-style-type: none"> <li>1. The user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; e-mail ID as recorded in the demat Account.</li> <li>2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-Voting Service Provider, i.e., <b>KFintech</b>.</li> </ol>
Individual Shareholders (holding securities in demat mode) logging through their depository participant(s)	<ol style="list-style-type: none"> <li>1. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option.</li> <li>2. Once you click on e-voting option, you will be redirected to NSDL/CDSL website after successful authentication, wherein you can see e-voting feature.</li> <li>3. Click on option available against Company name or e-voting service provider - <b>KFintech</b> and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</li> </ol>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact on 1800 22 55 33

**Those members who have not yet registered their email addresses are requested to get their email addresses registered with KFin, by following the procedure mentioned below:**

- A. Shareholders, whose email address is not registered with the Company / RTA or with their respective Depository Participant(s) are requested to register their e-mail address in the following manner:
  - a) Shareholders holding shares in physical form can register their e-mail id and mobile number with the RTA by sending an e-mail to RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - b) Shareholders holding shares in demat mode may update the e-mail address and mobile number through their respective Depository Participant(s).

Please note that registration of e-mail address and mobile number is now mandatory while voting electronically and joining virtual meetings.

- B. KFin Technologies Limited, Registrar and Share Transfer Agent (“RTA”) of the Company has launched a unified platform “KPRISM” for the benefit of shareholders. KPRISM is a self-service portal can be accessed at <https://ris.kfintech.com/default.aspx#>Investor Services > Investor Support>, that enables the shareholders to access their portfolios serviced by KFIN, and check details like dividend status and make request for annual reports, change of address, update bank mandate, download standard forms, etc.

Members are requested to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting details.

Quick link to access the signup page: <https://kprism.kfintech.com/signup>

Also, members are required to furnish physical copies of self-attested Form ISR-1, PAN, Aadhaar, Cancelled Cheque, along with a request letter to KFin Technologies Limited for verification of KYC documents.

In case of queries, members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at the toll-free number 1-800-309-4001.

**Details on Step 3 are mentioned below:**

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFintech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM though VC/ OAVM shall open at least 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC /OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number and email id.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only a single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on a first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

## **INSTRUCTIONS FOR MEMBERS FOR VOTING DURING THE E-AGM SESSION:**

1. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
2. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
3. Members/shareholders attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.
4. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

## **GENERAL INSTRUCTIONS:**

1. Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.

2. Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps under heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.
3. The e-voting period commences from **9.00 Hours (IST) on May 27, 2024, to 17.00 Hours (IST) on May 29, 2024**. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of **May 23, 2024**, may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
4. The Company has appointed Mr. M B Suneel (Membership No. ACS 31197 and CP No. 14449) of M/s. P S Rao & Associates, Practising Company Secretaries as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.
5. The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/abstained, shall submit the Report to the Chairman of the Company.
6. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 34th Annual General Meeting of the Company scheduled to be held on Thursday, May 30, 2024, the results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.avantel.in/investors> and on the website of KFinTech, <https://evoting.kfintech.com/> within 48 hours of conclusion of the Annual General Meeting.

#### **GENERAL INFORMATION:**

1. The Company's equity shares are Listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2023-2024.
2. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at KFIN Technologies Limited (Unit: Avantel Limited), Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Rangareddy, Telangana State, India.
3. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder, and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.
4. As required under Listing Regulations and Secretarial Standard - 2 on General Meetings, details in respect of Directors seeking appointment/re-appointment at the Annual General Meeting are separately annexed hereto. Directors seeking appointment / re-appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

By order of the Board of Directors  
For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: April 25, 2024

**EXPLANATORY STATEMENT**  
 (Pursuant to Section 102 of the Companies Act, 2013)

**Item No. 3**

To appoint a Director in place of Mrs. Abburi Sarada (DIN: 00026543), who retires by rotation and being eligible, offers herself for re-appointment.

<b>Annexure to the Notice</b> <b>Details of Directors seeking appointment/re-appointment at the ensuing</b> <b>Annual General Meeting on Thursday, May 30, 2024</b>	
<i>[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>	
Sl. No.	Particulars
	<b>Name of the Director</b>
	Mrs. Abburi Sarada
1.	DIN
2.	Date of birth and Age
3.	Qualification
4.	Experience and expertise in specific functional areas
5.	Brief Profile
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company
7.	Nature of appointment (appointment/re-appointment)
8.	Terms and Conditions of appointment / re-appointment
9.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid
10.	Date of first appointment on the Board
11.	Shareholding in the company including shareholding as a beneficial owner;
12.	The number of Meetings of the Board attended during the year
13.	Directorship Details of the Board
14.	Membership / Chairmanship of Committees of other Boards

**Item No: 4**

It is brought to the notice of the members that the term of Mr. Abburi Siddhartha Sagar, Whole-time Director of the Company was completed on March 7, 2024. Based on the recommendations of the Nomination and Remuneration Committee ('NRC'), the Members of the Board ('Board'), at their meeting held on March 6, 2024 had re-appointed Mr. Abburi Siddhartha Sagar as the Whole-time Director of the Company for a further period of three (3) years w.e.f. from March 8, 2024, in terms of Section 196, 197, 198, 203 read with Section II of Part II of Schedule V and other applicable provisions of the Companies Act, 2013 and proposes this re-appointment for shareholders' approval.

The Board, while re-appointing Mr. Abburi Siddhartha Sagar as the Whole-time Director ('WTD') of the Company, considered his background, experience and contributions to the Company during his past tenure as the Whole-time Director.

The Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member of the Company, proposing his candidature to the office of Whole Time Director of the Company. Mr. Abburi Siddhartha Sagar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Pursuant to the provisions of Section 152 & 196 of the Companies Act, 2013, any such proposal requires the approval of members by passing Special Resolution in the AGM. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Abburi Siddhartha Sagar be appointed as Whole Time Director of the Company at a remuneration as mentioned in the resolution.

As per the provisions of the Companies Act, 2013, Special Resolution of the members is required to give effect to the proposed resolution.

Further, on the recommendations of the NRC, the Board at its meeting held on March 6, 2024, approved the terms and conditions of Mr. Abburi Siddhartha Sagar re-appointment, subject to approval of the Shareholders. The main terms and conditions relating to the re-appointment of Mr. Abburi Siddhartha Sagar as Whole-time Director designated as Director (Strategy and Business Development) are as follows:

**1. Remuneration:**

**a. Basic Salary**

The present remuneration of Mr. Abburi Siddhartha Sagar is Rs.48,00,000/- (Rupees Forty Eight Lakhs Only) per annum. The annual increment, up to a maximum amount of Rs.75,00,00/- (Rupees Seventy Five Lakhs Only) per annum, which shall be effective from April 1, each year, will be decided by the Board based on the recommendations of the NRC who in turn shall consider the Company's and individual performance.

**b. Benefits, perquisites and allowances**

The Company's contribution to superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.

Increment in salary, perquisites, allowances and remuneration based on net profit or by way of bonus payable to Mr. Abburi Siddhartha Sagar, as recommended by NRC and approved by the Board, shall be in addition to the remuneration under (a) above.

**c. Bonus/Commission**

In addition to the salary and perquisites stated at 'a & b' above, commission shall be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profit of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

However, the aggregate remuneration paid to the appointee under 'a' 'b' & 'c' above and to all other Executive Directors, put together in any financial year shall not exceed the limits specified in Section 197 of the Companies Act, 2013 and other applicable provisions and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof, for the time being in force

## **2. Reimbursement of Expenses:**

Expenses incurred for travelling, boarding and lodging during business trips and provision of car(s) for use on Company's business and communication expenses shall be reimbursed at actuals and not considered as perquisites.

## **3. General:**

- a) The Whole-time Director shall perform his duties in the interest of the Company.
- b) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in the Act read with Rules made thereunder and the provisions contained in the SEBI LODR Regulations.
- c) The Whole-time Director shall adhere to the Code of Conduct of the Company and shall also comply with the other policies and laws applicable to the Company.

### **Brief Profile of Mr. Abburi Siddhartha Sagar:**

Mr. Abburi Siddhartha Sagar possesses over 13 years of experience in leading teams in sales, management, business development, technology and strategic consulting. He holds MBA degree from WP Carey, Arizona State University and a Master's Degree in Computer Science from Ira A Fulton Schools of Engineering, Arizona State University.

He complements the business acumen with a deep technical understanding required to develop a cohesive product vision and monetization strategy, innovative and build new technology offerings, and develop the eco systems necessary to deliver business results. He accomplished the enterprise solution architecture in the digital Transformation and innovation space with heavy focus on Customer centricity. He is acquainted with the latest technological innovations in the field of satellite communication and electronic engineering.

Keeping in view of his experience and strategic planning in the field of marketing, it would be in the interest of the Company to continue the employment of Mr. Abburi Siddhartha Sagar as a Whole-Time Director of the Company.

Mr. Abburi Siddhartha Sagar holds 1,90,16,460 (One Crore Ninety Lakhs Sixteen Thousand Four Hundred and Sixty Only) equity shares constituting 7.82% of total equity share capital of the Company and is a Director in Imeds Global Private Limited and Wiki Kids Private Limited.

Employment Agreement containing the terms and Conditions of the appointment of Mr. Abburi Siddhartha Sagar would be available for inspection by members at the Registered /Corporate Office of the Company during normal business hours on any working day.

Mr. Abburi Siddhartha Sagar is not debarred from holding the office as Director by virtue of any Order of SEBI or any other Authority.

The Board recommends passing of the resolution as set out at Item No.4 as Special Resolution.

Except Dr. A. VidyaSagar, Chairman & Managing Director and Mrs. Abburi Sarada, Whole Time Director & CFO, Mr. Abburi Siddhartha Sagar, being the appointee, or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no. 4.

**Item No. 5**

Pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, vide resolution dated March 6, 2024, appointed Dr. Ajit Tavanappa Kalghatgi as an Additional Director in the capacity of Independent Director of the Company, for a term of 5 years with effect from March 6, 2024 to March 5, 2029, subject to approval of members of the Company.

As per Regulation 17(1C) and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to take approval of shareholders for appointment of a person on the Board of Directors at the next general meeting or within a period of three months from the date of appointment, whichever is earlier, through a special resolution.

In the opinion of the Board and the Nomination and Remuneration Committee, the following are the core skills/expertise/competencies required for the Independent Director in the context of the Company's business: Wide Management and Leadership Experience, Functional and Managerial experience, Diversity, Personal Values and Corporate Governance, among others.

- Dr. Ajit Tavanappa Kalghatgi has more than 40 years of Experience in the field of RF & Communication Engineering.
- He was Graduated from Mysore University with BE in Electronics & Communications, and he has completed his M.Tech in Microwave & Radar Engineering from IIT, Kharagpur and Ph.D. from Leeds University, United Kingdom.
- He is serving as an Independent Director on the Board of Antrix Corporation Limited and Director at the IIT Tirupati Technology Innovation Hub.
- He worked in Avionics Design Bureau of HAL Hyderabad as Design Engineer where he was responsible for Microwave Front-ends & IFF transceiver. He was Director (R&D) BEL from September 2012 to June 2018 and CMD of BEL-THALES joint venture.
- Looking into his knowledge of various aspects relating to RF & Communication Engineering and Microwave & Radar Engineering, it is thought appropriate to appoint him as an Independent Director of the Company. He is well poised to add significant value and strength to the Board and his prior experience enables him to provide the Board with valuable insights.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing the candidature of Dr. Ajit Tavanappa Kalghatgi.

The Company also received from Dr. Ajit Tavanappa Kalghatgi: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

The Resolution set out at Item No.5 of the notice is put forth for consideration of the members as a Special Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Dr. Ajit Tavanappa Kalghatgi as an Independent Director of the Company.

The Letter of appointment of Dr. Ajit Tavanappa Kalghatgi setting out the terms and conditions of appointment shall be available for inspection by members at the Registered /Corporate Office of the Company during normal business hours on any working day.

**Brief Profile of Dr. Ajit Tavanappa Kalghatgi:**

- Dr. Ajit T. Kalghatgi has more than 40 years of Experience in the field of RF & Communication Engineering. He retired as Director (R&D) of Bharat Electronics. After graduating from Mysore University with BE in Electronics & Communications, he completed his M.Tech in Microwave & Radar Engineering from IIT, Kharagpur and Ph.D., from Leeds University UK.
- Post his retirement, he was associated with IIT Dharwad as Visiting Professor and Defence Institute of Advanced Technology DIAT Pune and SIT Tumkur as Research Advisor. He is currently Director at the IIT Tirupati Technology Innovation Hub and Independent Director on the Board of Antrix Corporation Ltd, Dept. of Space.
- He worked in Avionics Design Bureau of HAL Hyderabad as Design Engineer where he was responsible for Microwave Front-ends & IFF transceiver. He was with the University of Leeds, UK from 1988 to 1993 for his Ph.D as a Commonwealth Research Scholar and later as a Post Doctoral Fellow.
- He was Director (R&D) BEL from September 2012 to June 2018 and CMD of BEL-THALES joint venture.
- He had been with Central Research Laboratory (CRL) of BEL from 1994. He was Chief Scientist CRL Bangalore since April 2006. His research interests are in RF and Microwave Systems, Smart Antennas, RF MEMS and Secure Communication Technologies. He has more than 90 research papers and 5 patents to his credit. He is recipient of R&D Award from BEL for his significant contribution to its R&D programme. In recognition of his outstanding contribution to Technology Development leading to Product Design in the field of Secure Spread Spectrum Communication the Society of Defence Technologists (SODET) conferred the Gold Award for Technology Development & Innovation for the year 2005-06. He is also recipient of Raksha Mantri Award for Excellence in Innovation for the year 2007-08, as well as for the year 2008-09. AOC India chapter conferred on him the Achievement Award for Significant contribution to Electronic Warfare Systems in India
- He is a Member of the Editorial Board of Institution of Engineering & Technology (IET) UK's Microwave & Antennas research publications, Fellow of IETE, Member of IET-UK.

Keeping in view of his vast expertise and knowledge, it will be in the interest of the Company that Dr. Ajit Tavanappa Kalghatgi be appointed as an Independent Director of the Company.

He holds 60,000 equity shares in the Company, and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

Dr. Ajit Tavanappa Kalghatgi is not debarred from holding the office of Independent Director by virtue of any Order of SEBI or any other Authority.

Except Dr. Ajit Tavanappa Kalghatgi, none of the Directors on the Board or Manager or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution set out at Item No.5 of the Notice.

Your Directors recommend the Special Resolution for your approval.

**Item No. 6**

Pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, vide resolution dated March 6, 2024, appointed Ms. Harita Vasireddy as an Additional Director in the capacity of Independent Director of the Company, for a term of 5 years with effect from March 6, 2024 to March 5, 2029, subject to approval of members of the Company.

As per Regulation 17(1C) and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to take approval of shareholders for appointment of a person on the Board of Directors at the next general meeting or within a period of three months from the date of appointment, whichever is earlier, through a special resolution.

In the opinion of the Board and the Nomination and Remuneration Committee, the following are the core skills/expertise/competencies required for the Independent Director in the context of the Company's business: Wide Management and Leadership Experience, Functional and Managerial experience, Diversity, Personal Values and Corporate Governance, among others.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing the candidature of Ms. Harita Vasireddi.

The Company also received from Ms. Harita Vasireddi: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

The Resolution set out at Item No.6 of the notice is put forth for consideration of the members as a Special Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Ms. Harita Vasireddi as an Independent Director of the Company.

The Letter of appointment of Ms. Harita Vasireddi setting out the terms and conditions of appointment shall be available for inspection by members at the Registered /Corporate Office of the Company during normal business hours on any working day.

#### **Brief Profile of Ms. Harita Vasireddi:**

Ms. Harita Vasireddi is the Managing Director of Vimta Labs Limited, which is a leading contract research and testing organization in India, offering services in the fields of Food Testing, Pharmaceutical Development and Research, Environmental Testing, Clinical Diagnostics, and Electronics & Electricals Testing.

She has 25 years of vast experience in Contract Research and Testing Industry with expertise in business strategy & administration, quality management systems, and laboratory operations management.

She holds an MBA in Operations Management from Boston College, USA and Bachelors in Pharmaceutical Sciences from Mysore University, India.

Keeping in view of her vast expertise and knowledge, it will be in the interest of the Company that Ms. Harita Vasireddi be appointed as an Independent Director of the Company.

She does not hold any equity shares in the Company and is not debarred from holding the office of Independent Director by virtue of any Order of SEBI or any other Authority.

Except Ms. Harita Vasireddi, none of the Directors on the Board or Manager or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution set out at Item No.6 of the Notice.

Your Directors recommend the Special Resolution for your approval.

#### **Item No. 7 & 8**

Your Company believes that equity-based compensation plans are an effective instrument to align employee compensation to long term performance of the Company and also enhances overall shareholders' value creation. The

Company has introduced the “Avantel Employees Stock Option Plan - 2023” (“ESOP 2023” or “Scheme”) for the employees of Avantel Limited and the scheme has been approved by the Board of Directors at their meeting held on October 9, 2023, and the Shareholders of the Company on November 11, 2023. At present the management proposes to amend the definition of the term “Employee” under the Plan with a view to grant employees stock options (“Options”) to the employees of its Subsidiary Company(ies) in addition to the employees of the Company. This includes granting stock options to employees of its Subsidiary Company(ies), as determined by the Committee under the Scheme, in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) and other relevant laws.

To effect this change, the definition of an “Employee” as outlined in the Scheme are as below:

<b>Old Clause</b>	<b>New Clause</b>
<p>4.14 “Employee” means to the present and/or future eligible employees of the Company working in India or abroad and/or Directors (including Whole-Time Directors but excluding promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company and any other individuals/entities as allowed under applicable rules, regulations, guidelines and laws.</p>	<p>4.14 “Employee” or “Employee of the Company” means</p> <ul style="list-style-type: none"> <li>(i) an employee as designated by the Company, who is exclusively working in India or outside India,</li> <li>(ii) a Director of the Company, whether whole time director or not including a non-executive director who is not a Promoter or member of the Promoter Group, or</li> <li>(iii) an employee as defined in sub-clause (i) and (ii) above of its Subsidiary Company(ies);</li> </ul> <p><b>but does not include</b></p> <ul style="list-style-type: none"> <li>a. an Employee who is a Promoter or belongs to the Promoter Group;</li> <li>b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and</li> <li>c. a Director being an Independent Director.</li> </ul>

Further, the existing ESOP 2023 Scheme presently covers eligible employees of Avantel Limited exclusively. Consequently, the management proposes to extend stock options to employees of the subsidiary company under the 'Avantel Employee Stock Option Plan 2023', as per Regulation 6 of the SEBI SBEB Regulations. However, this extension is subject to approval by the shareholders of the Company.

The Committee and the Board of Directors (“Board”) of the Company on April 25, 2024, has recommended and approved the proposed amendments for approval of the Members.

The beneficiaries of these amendments shall be the eligible employees who may be granted Options in future under the Plan and the same are not prejudicial to the interests of the employees/option holders. The other terms and conditions of the Scheme shall continue to remain the same and it will not affect any earlier options granted under the Plan. Accordingly, the approval of the members is being sought for amendment in terms of the aforesaid SBEB Regulations.

Disclosure/main features of ESOP 2023 pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act, 2013 are as follows:

i. **Brief description of the Plan:** In view of the aforesaid background, the "Avantel Employee Stock Option Plan 2023" contemplates grant of options to eligible employees of the Company. The objective of the Plan is to reward the Employees for association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company views Employee Stock Options as instruments that would enable the Employees to get a share in the value, they create for the Company in the years to come. The Key objectives of this Plan are as under:

- a) To create sense of ownership amongst Employees through equity-based compensation and provide them an opportunity to partner in the success of business.
- b) To attract premium talent to join the Company.
- c) Retention of key talent within the Company.
- d) Recognizing contributions of the Employees who are crucial for the success of the Company in the long run.
- e) Provide an opportunity for wealth sharing with Employees.

The vesting of the options shall be in accordance with conditions as determined by the Nomination and Remuneration Committee. There shall be a minimum period of One Year between Grant of Options and Vesting of Options. Upon a valid Exercise of a Vested Option by a Participant, each Vested Option will entitle the Participant to 1 (one) Share of the Company.

ii. **The total number of options to be offered and granted:** The Options so far granted 39,75,800 out of the total 45,00,000 Options reserved under the Plan as on date. Therefore, the balance Options are available for further grants under the Plan. Each option when exercised, would be converted in to one equity share of Rs.2/- each (Rupees Two Only) fully paid-up.

Further, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the stock options granted. In this regard, the Committee shall adjust the number and price of the stock options granted in such a manner that the total value of the options granted under the Plan remain the same after any such corporate action. Accordingly, if any additional stock options are issued by the Company for making such fair and reasonable adjustment, the aforesaid ceiling, shall be deemed to be increased to the extent of such additional options issued.

iii. **Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s):** Please refer to the table given above defining the eligible employees as per the Plan.

iv. **Requirements of Vesting and period of Vesting/maximum period within which the options benefits shall be vested:** The vesting of the options shall be in accordance with conditions as determined by the Nomination and Remuneration Committee. Pursuant to the Plan there shall be a minimum period of one year between Grant of Options and Vesting of Options. Further options granted under Plan, shall vest after expiry of a minimum of 1 (One) year but not later than maximum of 4 (Four) years from the date of Grant, in the manner as decided by the Nomination and Remuneration Committee.

v. **Exercise price, purchase price or pricing formula:** The exercise price will be determined by the Nomination and Remuneration Committee at the time of Grant of Options and as detailed in the Grant Letter which shall be at a discount of not more than 60% of the price as defined below, whichever is lower:

- a) Closing price of the Share prior to the date of grant; or

- b) Three months volume weighted average price preceding the grant date;

However, the exercise price per Option shall not be less than the face value of the equity shares of the Company.

- vi. **Exercise period/offer period and process of exercise/acceptance of offer:** The Options may be Exercised by the Participant upon Vesting subject to the terms and conditions as may be determined by the Nomination and Remuneration Committee and as set forth under the Plan.
- vii. **The appraisal process for determining the eligibility of employees for the scheme(s):** In determining the eligibility of an Employee to receive an Option under the Plan as well as in determining the number of Options to be granted to any Employee, the Nomination and Remuneration Committee shall formulate the criterion for Grant of Options based on, but not limited to, 1 (one) or more of the following: a) Number of years of service of the Employee; b) Grade / level of the Employee; c) Performance of the Employee; d) Future potential of the Employee; e) Role criticality, based on the function leader's assessment of the individual and role; and / or f) Any other criteria as may be determined by the Nomination and Remuneration Committee.
- viii. **Maximum number of options to be offered and issued per employee and in aggregate:** Based on the eligibility criteria set out in the plan, the Nomination and Remuneration Committee (NRC) will decide.
- ix. **Maximum quantum of benefits to be provided per employee:** The maximum quantum of benefits underlying the stock options issued to an eligible employee shall depend upon the number of stock options held by the employee and the market price of the equity shares as on the date of sale.
- x. **Whether the Plan is to be implemented and administered directly by the Company or through a trust:** The Company shall directly implement and administer the Avantel Employee Stock Option Plan 2023 through the Board/the Nomination & Remuneration Committee.
- xi. **Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:** Company shall issue new shares on exercise of stock options under the Avantel Employee Stock Option Plan 2023.
- xii. **The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.: Not Applicable**
- xiii. **Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s): Not Applicable**
- xiv. **A statement to the effect that the company shall conform to the accounting policies specified:** Members are requested to note that the Company shall confirm to the applicable Accounting Standards and Policies as applicable to the Company, from time to time.
- xv. **the method which the company shall use to value its options:** Method of Valuation will be as prescribed under relevant/applicable Regulations, Rules/Laws.
- xvi. **Period of lock-in:** The equity shares allotted upon exercise of stock options under the Plan are not subject to any lock in period.
- xvii. **Terms & conditions for buyback, if any, of specified securities covered under these regulations:** None
- xviii. **The conditions under which option vested in employees may lapse:** The specific circumstances under which employees' options may lapse are subject to the terms and conditions as may be determined by the Nomination and Remuneration Committee and as set forth under the Plan.

- xix. **The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:** The employee shall exercise the vested options subject to the terms and conditions as may be determined by the Nomination and Remuneration Committee and as set forth under the Plan.

Approval of the Members is sought in terms of Section 62 of Companies Act, 2013 and rules made thereunder, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable provisions of law, for the issuance of stock options convertible into equity shares of the Company to Employees under the Avantel Employee Stock Option Plan 2023. The Board/ Nomination and Remuneration Committee shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI, RBI or otherwise.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent of Equity Shares held by them in the Company or the Options that have been/may be granted under the Plan.

Your Directors recommend the resolution set out at Item no. 7 and 8 for approval of the Members by way of Special Resolutions.

**Item No. 9**

The Board of Directors of your Company, pursuant to the recommendation of the Audit Committee, at its meeting held on April 25, 2024, has appointed M/s. MPR & Associates, Cost Accountants, (Registration No. 000413) as the Cost Auditor of the Company for the F.Y. 2024-25, at a remuneration of Rs.1,00,000/- (One Lakh only).

In accordance with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence the resolution at No. 9 in the Notice attached herewith are put up for the consideration of the shareholders.

Hence, the respective resolution is recommended for your consideration and approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 in the Notice attached herewith.

Your Directors recommend the Ordinary Resolution for your approval.

By order of the Board of Directors  
**For Avantel Limited**

Place: Hyderabad  
Date: April 25, 2024

Sd/-  
**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

**Annexure to the Notice**

**Details of Directors seeking Appointment/Re-appointment**

*[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]*

Sl. No.	Particulars	Name of the Director		
		Mr. Abburi Sidhartha Sagar	Dr. Ajit Tavanappa Kalghatgi	Ms. Harita Vasireddi
1.	DIN	02312563	05300252	00242512
2.	Date of birth and Age	26/11/1987; 36 Years	03/05/1958; 65 Years	10/10/1974; 49 Years
3.	Qualification	Postgraduate in MBA (Masters in Business Administration) from WP Carey, Arizona State University and a Master's Degree in Computer Science from Ira A Fulton Schools of Engineering, Arizona State University.	Graduated from Mysore University with BE in Electronics & Communications, he completed his M.Tech in Microwave & Radar Engineering from IIT, Kharagpur and Ph.D., from Leeds University UK.	Postgraduate in MBA (Masters in Business Administration) in Operations Management from Boston College, USA and Bachelors in Pharmaceutical Sciences from Mysore University, India.
4.	Experience and expertise in specific functional areas	More than 13 years of experience in Sales, Business Management, Business Development, Technology and Strategic Planning.	More than 40 years of Experience in the field of RF & Communication Engineering.	She has over 25 years of vast experience in Contract Research and Testing Industry with expertise in Business Strategy & Administration, Quality Management Systems and laboratory operations management.
5.	Brief Profile	Brief Profile is given in the Explanatory Statement forming part of Notice.	Brief Profile is given in the Explanatory Statement forming part of Notice.	Brief Profile is given in the Explanatory Statement forming part of Notice.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Dr. Abburi Vidyasagar, Chairman & Managing Director and Mrs. Abburi Sarada, Whole-Time Director and CFO.	Not related to Directors, Manager and other Key Managerial Personnel of the Company.	Not related to Directors, Manager and other Key Managerial Personnel of the Company.
7.	Nature of appointment (appointment/re-appointment)	Re-appointment as a Whole-Time Director subject to retirement by rotation.	Appointment as an Independent Director of the Company.	Appointment as an Independent Director of the Company.

<b>Annexure to the Notice</b> <b>Details of Directors seeking Appointment/Re-appointment</b> <i>[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>				
Sl. No.	Particulars	Name of the Director		
		Mr. Abburi Sidhartha Sagar	Dr. Ajit Tavanappa Kalghatgi	Ms. Harita Vasireddi
8.	Terms and Conditions of appointment / re-appointment	Appointment as a Whole-Time Director subject to retirement by rotation.	Dr. Ajit Tavanappa Kalghatgi be appointed as an Independent Director for a period of 5 years i.e., from March 6, 2024, to March 5, 2029.	Ms. Harita Vasireddi be appointed as an Independent Director for a period of 5 years i.e., from March 6, 2024, to March 5, 2029.
9.	Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	As mentioned in the explanatory statement above	The sitting fees will be in line with other independent directors.	The sitting fees will be in line with other independent directors.
10.	Date of first appointment on the Board	01/03/2021	06/03/2024	06/03/2024
11.	Shareholding in the company including shareholding as a beneficial owner;	Holds 1,90,16,460 Equity Shares	Holds 60,000 Equity Shares	Nil
12.	The number of Meetings of the Board attended during the FY 2023-24	8 out of 8	NA	NA
13.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Rs.36,00,000 per annum	NA	NA

**Annexure to the Notice**

**Details of Directors seeking Appointment/Re-appointment**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

Sl. No.	Particulars	Name of the Director		
		Mr. Abburi Sidhartha Sagar	Dr. Ajit Tavanappa Kalghatgi	Ms. Harita Vasireddi
14.	Directorship Details of the Board	1) Imeds Global Pvt. Ltd. 2) Wiki Kids Pvt. Ltd.	1) Antrix Corporation Ltd. 2) IIT Tirupati Navavishkari - Hub Foundation	1) Vimta Labs Limited 2) Emtac Laboratories Private Limited
15.	Membership / Chairmanship of Committees of other Boards	NIL	1) Member of Audit Committee and Chairman of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Antrix Corporation Limited.  2) Member of Audit Committee of IIT Tirupati Navavishkari – Hub Foundation.	Chairman of Corporate Social Responsibility Committee of Vimta Labs Limited.
16.	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board.	NIL	NIL	Vimta Labs Limited
17.	Names of listed entities from which the person has resigned in the past three years	NIL	NIL	NIL

By order of the Board of Directors  
For Avantel Limited

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

## DIRECTORS' REPORT

Dear Member(s),

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report and the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2024:

### **1. Financial Highlights**

The Standalone and Consolidated performance for the Financial Year ended March 31, 2024 is as under:

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Income from Operations	22,391.75	15,426.73	22,436.70	15,445.11
Other Income	130.10	47.41	142.16	47.86
<b>Total Income</b>	<b>22,521.85</b>	<b>15,474.15</b>	<b>22,578.86</b>	<b>15,492.97</b>
Cost of Materials Consumed	7,723.32	7,658.31	7784.98	7,699.76
Change in Inventories	(77.61)	(1381.74)	(77.61)	(1381.74)
Employee benefit expenses	3,411.05	1,665.45	3562.57	1,777.23
Finance Cost	417.42	486.08	417.82	486.29
Depreciation	706.07	515.65	749.80	576.76
Other expenses	2,894.29	2,537.43	2987.09	2,667.84
<b>Total Expenses</b>	<b>15,074.53</b>	<b>11,481.19</b>	<b>15,424.65</b>	<b>11,826.14</b>
Profit/(Loss) – Before Tax & Exceptional Items	7,447.31	3,992.96	7,154.21	3,666.83
Current Tax	1,968.97	1,033.80	1,968.97	1,033.80
Deferred Tax	(66.75)	(44.44)	(70.24)	(50.76)
Profit/(Loss) – After Tax	5,545.09	3,003.59	5,255.48	2,683.79
Other comprehensive Income (Net Tax)	(36.76)	(25.34)	(36.76)	(25.34)
<b>Total Comprehensive Income</b>	<b>5,508.33</b>	<b>2,978.25</b>	<b>5,218.72</b>	<b>2,658.45</b>

### **2. State of the Company's Affairs**

During the financial year 2023-2024, your Company recorded a turnover of Rs.22,391.75 Lakhs and earned a net profit of Rs.5,508.33 Lakhs on a standalone basis and a turnover of Rs.22,436.70 Lakhs and net profit was Rs.5,218.72 Lakhs on a consolidation basis.

### **3. Transfer of amount to Reserves**

The Board of Directors do not propose to transfer any amount to the General Reserve for the Financial Year ended March 31, 2024.

### **4. Dividend**

The Board of Directors has recommended a final dividend of Re.0.20/- per equity share of Rs.2/- (Two rupees) each fully paid-up of the Company for the financial year 2023-24. Dividend is subject to approval of members

at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source. The Dividend will be paid to members whose names appear in the register of members as on record date and in respect of shares held in dematerialized form, it will be paid to the members whose names are furnished by NSDL and CDSL as beneficial owners as on that date.

## **5. Listing of Equity Shares**

The equity shares of the Company are listed on the trading platform of BSE Limited, a recognized stock exchange having a nationwide trading terminal.

## **6. Subsidiary Companies**

M/s. Imeds Global Private Limited, a Wholly Owned Subsidiary Company. As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statements of the Subsidiary Company in Form AOC-1 is enclosed as **Annexure – 1**.

## **7. Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures**

As per Rule 8 of the Companies (Accounts) Rules, 2014, a Report on the financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended March 31, 2024, is annexed to this Board's Report as **Annexure – 1**.

## **8. Consolidated Financial Statements**

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial Year ended March 31, 2024, forms part of the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed the Audited Financial Statements of its Subsidiary Company on its website <https://www.avantel.in/> and the same shall be provided to the shareholders upon their request.

## **9. Sub Division / Split of Equity Shares**

During the Financial Year, the shareholders by means of Postal Ballot through electronic means, on July 31, 2023, approved sub-division of Companys' one (1) equity share of face value of Rs.10/- each into five (5) equity shares of face value of Rs.2/- each and consequent amendment in the existing Capital Clause V of the Memorandum of Association (MOA) of the Company.

Accordingly, the authorised share capital of the Company was altered as Rs.20,00,00,000/- divided into 10,00,00,000 equity shares of Rs.2/- each and the paid-up and subscribed share capital of the Company was altered as Rs.16,21,79,720/- divided into 8,10,89,860 equity shares of Rs.2/- each.

After the requisite approvals of the Stock Exchange (i.e., BSE) and Depositories (i.e., NSDL and CDSL), new ISIN i.e., INE005B01027 has been allotted to the Company. The effect of the change in face value of the share was reflected on the share price at the Stock Exchange where Company is listed (BSE) with effect from August 16, 2023 (i.e., Record Date).

## **10. Bonus Issue**

During the Financial Year, the shareholders by means of Postal Ballot through electronic means, on November 11, 2023, approved for issue of Bonus Shares, wherein the Company had allotted 16,21,79,720 Equity Shares

of Rs.2/- each as fully paid-up to the Members of the Company, whose names appear in the Register of Members as on the Record date November 24, 2023, in the proportion of 2 (Three) new fully paid-up equity shares of Rs.2/- each for every 1 (One) existing fully paid-up equity share of Rs.2/- each held by them (i.e., in the ratio of 2:1).

## **11. Share Capital**

During the year under review, your Board of Directors approved split/sub-division of equity shares of the Company on June 23, 2023 and the same was approved by the shareholders by way of postal ballot on July 31, 2023, such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs.2/- (Rupees Two only) each, fully paid-up with effect from August 16, 2023 (Record Date).

Accordingly, the authorised share capital of the Company was altered as Rs.20,00,00,000/- divided into 10,00,00,000 equity shares of Rs.2/- each and the paid-up and subscribed share capital of the Company was altered as Rs.16,21,79,720/- divided into 8,10,89,860 equity shares of Rs.2/- each.

Further, the Authorized Share Capital of the Company was increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.2/- (Rupees Two Only) each to Rs.60,00,00,000/- (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs.2/- (Rupees Two Only) each and consequential alteration in the Memorandum of Association of the Company

During the Financial Year, the shareholders by means of Postal Ballot through electronic means, on November 11, 2023, approved for issue of Bonus Shares, wherein the Company had allotted 16,21,79,720 Equity Shares of Rs.2/- each as fully paid-up to the Members of the Company, whose names appear in the Register of Members as on the Record date November 24, 2023, in the proportion of 2 (Three) new fully paid-up equity shares of Rs.2/- each for every 1 (One) existing fully paid-up equity share of Rs.2/- each held by them (i.e., in the ratio of 2:1).

As on March 31, 2024, the paid-up share capital of the Company stood at Rs.48,65,39,160/- divided into 24,32,69,580 equity shares of Rs.2/- each fully paid up

## **12. Variations in Net worth**

The Standalone Net worth of the Company for the Financial Year ended March 31, 2024, is Rs.17,141.39 Lakhs as compared to Rs.11,188.03 Lakhs for the previous financial year ended March 31, 2023, and the Consolidated Net worth of the Company for the Financial Year ended March 31, 2024 is Rs.16,411.92 Lakhs as compared to Rs.10,748.17 Lakhs for the previous Financial year ended March 31, 2023.

## **13. Directors**

During the year under review, Mr. EBV Ramana Gupta (DIN:07402341), has tendered his resignation as the Independent Director of the Company due to pre-occupation and other professional assignments, with effect from December 26, 2023.

Except the above, there has been no change in the Board of Directors during the Financial Year ended March 31, 2024.

## **14. Appointment/Re-appointment**

Mrs. Abburi Sarada (DIN:00026543), Director of the Company who retires by rotation and being eligible, offers herself for re-appointment.

The Board of Directors of the Company at their meeting held on March 6, 2024, based on the recommendation of the Nomination & Remuneration Committee, had re-appointed Mr. Abburi Siddhartha Sagar

(DIN:02312563), as Whole-time Director of the Company with effect from March 8, 2024, and the same is being placed before the shareholders of the Company in this 34th Annual General Meeting for their approval.

The Board of Directors of the Company at their meeting held on March 6, 2024 based on the recommendation of the Nomination & Remuneration Committee, had appointed Dr. Ajit Tavanappa Kalghatgi (DIN: 05300252) and Ms. Harita Vasireddi (DIN: 00242512) as Independent Directors of the Company for a term of 5 years i.e., from March 6, 2024 to March 5, 2029 and the same is being placed before the shareholders of the Company in this 34th Annual General Meeting for their approval.

## 15. Key Managerial Personnel

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Dr. Abburi Vidyasagar	-	Managing Director
Mrs. Abburi Sarada	-	Chief Financial Officer
Mr. Abburi Siddhartha Sagar	-	Whole-Time Director
Mr. D. Rajasekhara Reddy	-	Company Secretary

## 16. Number of Meetings of the Board of Directors

During the financial year ended March 31, 2024, eight Board meetings were held on the following dates: April 13, 2023, May 17, 2023, June 23, 2023, July 13, 2023, July 31, 2023, October 9, 2023, January 19, 2024 and March 6, 2024.

The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

The attendance of the Directors at the Board meetings held during the Year were as follows:

Name of the Director	Number of Board Meetings	
	Held	Attended
Dr. Abburi Vidyasagar	8	8
Mrs. Abburi Sarada	8	8
Mr. Abburi Siddhartha Sagar	8	8
Mr. Myneni Narayana Rao	8	8
Mr. Ramchander Vyasabhattu	8	8
Mr. Naveen Nandigam	8	8
Mr. Yalamanchili Kishore	8	8
Mr. EBV Ramana Gupta *	6	6
Dr. Ajit Tavanappa Kalghatgi**	0	0
Ms. Harita Vasireddi**	0	0

Note: \* Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\*\*Dr. Ajit Tavanappa Kalghatgi and Ms. Harita Vasireddi were appointed as Independent Directors of the Company with effect from March 6, 2024.

## 17. Particulars of Loans, Guarantees, Securities or Investments under Section 186

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended March 31,

2024, is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the same is annexed to the Board's Report as **Annexure – 2**.

#### **18. Particulars of Contracts or Arrangements with Related Parties**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All the related party transactions are approved by the Audit Committee and Board of Directors.

The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended March 31, 2024, in prescribed Form AOC-2 is annexed to this Board's Report as **Annexure – 3**.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is <https://www.avantel.in/investors>

#### **19. Annual Return**

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is <https://www.avantel.in/investors>.

#### **20. The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed to this Board's Report as **Annexure – 4**.

#### **21. Audit Committee**

During the financial year ended March 31, 2024, six Audit Committee meetings were held on the following dates: April 13, 2023, May 17, 2023, June 23, 2023, July 13, 2023, October 9, 2023, and January 19, 2024.

The maximum time gap between any two meetings was not more than one hundred and twenty days.

During the year, there has been no such incident where the Board has not accepted the recommendation of the Audit Committee during the year.

#### **Composition, Name's of members & Chairperson and Attendance at Meetings**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Naveen Nandigam	Chairman	6	6
Mr. E B V Ramana Gupta *	Member	5	5
Mr. Myneni Narayana Rao	Member	6	6
Mr. Yalamanchili Kishore	Member	6	6
Mr. Vyasabhatty Ramchander	Member	6	6
Dr. Ajit Tavanappa Kalghatgi**	Member	0	0

Note: \* Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\*\*Dr. Ajit Tavanappa Kalghatgi was appointed as a member of Audit Committee with effect from March 6, 2024.

## **22. Nomination and Remuneration Committee**

### **❖ Brief description of the terms of reference:**

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

### **Composition, name of members & Chairperson, meetings held during the year and attendance at meetings.**

During the financial year ended March 31, 2024, five Nomination and Remuneration Committee meetings were held on the following dates: April 13, 2023, October 9, 2023, November 29, 2023, January 19, 2024, and March 6, 2024.

### **Composition, Name's of members & Chairperson and Attendance at Meetings**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Myneni Narayana Rao	Chairman	5	5
Mr. Naveen Nandigam	Member	5	5
Mr. E B V Ramana Gupta *	Member	3	3
Mr. Yalamanchili Kishore	Member	5	4
Mr. Vyasadhattu Ramchander	Member	5	4
Dr. Ajit Tavanappa Kalghatgi**	Member	0	0
Ms. Harita Vasireddi**	Member	0	0

Note: \* Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\*\* Dr. Ajit Tavanappa Kalghatgi and Ms. Harita Vasireddi were appointed as members of the Nomination and Remuneration Committee with effect from March 6, 2024.

### **23. Corporate Social Responsibility (CSR)**

Avantel is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence visà-vis the company's responsibilities towards the community.

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors had framed the policy on Corporate Social Responsibility and the Projects and Programmes undertaken by the Company during the year have been provided in **Annexure-5** and forms part of this Report.

During the F.Y.2023-24 the Company was required to spend an amount of Rs.54,30,074/-for implementation of various CSR activities in terms of Section 135 of the Companies Act, 2013. In this regard the Company has spent an amount of Rs.54,40,000/- on CSR activities which is in excess of the minimum amount required to be spent by the Company.

During the financial year ended March 31, 2024, two Corporate Social Responsibility Committee meetings were held on the following dates: April 13, 2023, and June 23, 2023.

#### **Composition, Name's of members & Chairperson and Attendance at Meetings**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Naveen Nandigam	Chairperson	2	2
Mrs. Abburi Sarada	Member	2	2
Mr. Yalamanchili Kishore	Member	2	2
Mr. Ramchander Vyasabhattu	Member	0	0
Dr. Ajit Tavanappa Kalghatgi*	Member	0	0

Note: \*Dr. Ajit Tavanappa Kalghatgi was appointed as a member of Corporate Social Responsibility Committee with effect from March 6, 2024.

### **24. Stakeholders Relationship Committee**

During the year, one Meeting of the Stakeholders Relationship Committee was held on January 19, 2024.

#### **Composition, Name's of members & Chairperson and Attendance at Meetings**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Myneni Narayana Rao	Chairman	1	1
Dr. Abburi Vidyasagar	Member	1	1
Mr. Yalamanchili Kishore	Member	1	1
Ms. Harita Vasireddi*	Member	0	0

Note: Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\* Ms. Harita Vasireddi was appointed as a member of the Stakeholders Relationship Committee with effect from March 6, 2024.

### **Terms of Reference**

- (I) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### **25. Share Allotment Committee**

During the year, Two Meetings of the Share Allotment Committee were held on November 11, 2023, and November 25, 2023.

#### **Composition, Name's of members & Chairperson and Attendance at Meetings**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Naveen Nandigam	Chairman	2	2
Mr. Myneni Narayana Rao	Member	2	2
Mr. EBV Ramana Gupta	Member	2	2
Mr. Abburi Siddhartha Sagar	Member	2	2

The Share Allotment Committee ('SAC') of the Company have allotted 16,21,79,720 equity shares of Rs.2/- each, by way of Bonus Issue, to such members whose names appeared in the Register of Members as on November 24, 2023, being the Record Date fixed for the said purpose, in the proportion of 2 (Two) new fully paid-up equity share of Rs.2/- each for every 1 (One) existing fully paid-up equity share of Rs.2/- each held by them (i.e., in the ratio of 2:1).

### **26. Risk Management Committee**

The Risk Management Committee consists of the following members:

<b>Sl.No</b>	<b>Name of the Director</b>	<b>Designation</b>
1	Mr. Abburi Siddhartha Sagar	Chairman
2	Dr. Ajit T. Kalghatgi	Member
3	Ms. Harita Vasireddi	Member
4	Mr. Vyasabhattu Ramchander	Member
5	Mr. P Bala Bhaskar Rao	Member
6	Mr. N Srinivas Rao	Member
7	Mr. P Srinivasa Rao	Member

The Committee has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. The Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the Quarterly Financial Results of the Company.

#### **Brief description of terms of reference**

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

#### **27. Mechanism for Evaluation of the Board**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the criteria recommended by the SEBI.

The Directors were given Five Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Managing Director and Executive Directors; and
- (v) Evaluation of Chairman.

The Directors were requested to give following ratings for each criterion:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Chairperson, based on the Evaluation done by the Directors, informed that the performance of the Directors is satisfactory, and they are recommended for continuation as Directors of the Company.

## **28. Management Discussion and Analysis**

The Management Discussion and Analysis, as required under the Listing Regulations, forms an integral part of this Report.

## **29. Directors' Responsibility Statement as required under Section 134 of the Companies Act, 2013**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024, and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2024, on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **30. Statement on Declaration given by Independent Directors under Section 149**

The Independent Directors have submitted a declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

## **31. Familiarization programmes imparted to Independent Directors**

The Members of the Board of the Company have been provided with opportunities to familiarize themselves with the Company, its Management and its operations. The Directors are provided with all the documents to

enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Executive Directors and Senior Management provide an overview of the operations and familiarize the new Non-Executive Directors with matters related to the Company's values and commitments. They are also introduced to the organization structure, constitution of various committees, board procedures, risk management strategies, etc.

Strategic presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails, etc.

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The Statutory Auditors and Internal Auditors of the Company make presentations to the Board of Directors on Financial Statements and Internal Controls. They will also make presentations on regulatory changes from time to time.

The details of the familiarisation programme are available on the website: <https://www.avantel.in/investors>

### **32. Meeting of Independent Directors**

A separate meeting of the Independent Directors was held under the Chairmanship of Mr. Yalamanchili Kishore, Independent Director on January 19, 2024, inter-alia, to discuss evaluation of the performance of the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

### **33. Registration of Independent Directors in Independent Directors Data bank**

All the Independent Directors of your Company have been registered and are members of Independent Directors Data bank maintained by the Indian Institute of Corporate Affairs (IICA).

### **34. Online Proficiency Self-Assessment Test**

All Independent Directors of the Company have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

### **35. Confirmation and Opinion of the Board on Independent Directors**

All the Independent Directors of the Company have given their respective declaration/ disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these

declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and Listing Regulations diligently.

## **36. Board Diversity**

The Company has over the years been fortunate to have eminent people from diverse fields to serve as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination & Remuneration Committee of the Board ensured diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture.

## **37. Statement of particulars of appointment and remuneration of managerial personnel**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Board's Report as **Annexure – 6**.

## **38. Directors and Officers Insurance ('D&O')**

As per the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance ('D&O') for all its Directors and members of the Senior Management.

## **39. Code of Conduct**

The Board of Directors has adopted and oversee the administration of the Avantel Limited Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all Directors, Officers and Employees of Avantel Limited and its subsidiaries. The Code of Conduct reflects the Company's commitment to doing business with integrity and in full compliance with the law and provides a general roadmap for all the Directors, Officers and Employees to follow as they perform their day-to-day responsibilities with the highest ethical standards. The Code of Conduct also ensures that all members of Avantel Limited and its subsidiaries perform their duties in compliance with applicable laws and in a manner that is respectful of each other and the Company's relationships with its customers, suppliers and shareholders, as well as the communities and regulatory bodies where the Company does business.

## **40. Deposits**

The Company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## **41. Statutory Auditors**

M/s. Grandhy & Co., Chartered Accountants, (ICAI Firm Registration No. 001007S), were appointed as the Statutory Auditors of the Company for a period of 5 years at the 31st Annual General Meeting of the Company held on June 5, 2021, to hold office till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2026.

Accordingly, M/s. Grandhy & Co., Chartered Accountants, Statutory Auditors of the Company will continue as such till the conclusion of Annual General Meeting to be held in 2026. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

#### **42. Auditors Report**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Grandhy & Co., Chartered Accountants (ICAI Firm Registration No. 001007S), Statutory Auditors in their report for the Financial Year ended March 31, 2024.

#### **43. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2024.

The Secretarial Audit Report issued by M/s. P. S. Rao & Associates; Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure – 7**. The said Secretarial Audit Report does not contain any observation or qualification or reservation or adverse mark or disclaimers.

#### **44. Internal Auditors**

The Board of Directors of the Company has appointed M/s. Ramesh & Co., Chartered Accountants (Firm Registration No. 002979S) as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended March 31, 2024.

#### **45. Cost Audit and Maintenance of Cost Records specified by the Central Government under Section 148 of the Companies Act, 2013**

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors pursuant to the recommendation of the Audit Committee, had appointed M/s. MPR & Associates, Cost Accountants (Firm Registration No.000413), Hyderabad, as Cost Auditors of the Company, to carry out the audit of the cost records of the products manufactured by the Company during the financial year ending March 31, 2025 at a remuneration of Rs.1,00,000/-.

The remuneration payable to the cost auditor is required to be placed before the Members in the general meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to M/s. MPR & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting. The Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

A Certificate from M/s. MPR & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

The Company will file the cost audit report for the Financial Year ended March 31, 2024, with the Central Government before the due date.

#### **46. Board's response on Auditor's qualification, Reservation or adverse Remark or disclaimer made.**

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the Secretarial Audit Report for the year.

#### **47. Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**48. Corporate Governance**

The Company has a rich legacy of ethical governance practices and is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value.

A Report on Corporate Governance along with a Certificate from the Independent Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

**49. Vigil Mechanism (Whistle Blower Policy)**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct and Ethics. It also provides adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website i.e., <https://www.avantel.in/investors>

The Whistle Blower Policy aims to conduct affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. All employees of the Company are covered under the Whistle Blower Policy.

**50. Insurance**

All properties and insurable interests of the Company have been fully insured.

**51. Adequacy of Internal Financial Controls with reference to the Financial Statements**

The Corporate Governance Policies guide the conduct of affairs of the Company and clearly delineate the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of the Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct are widely communicated across the Company at all times.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company maintains all its records in the ERP (SAP) System and the workflow and approvals are routed through ERP(SAP).

The Board of Directors of the Company have adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Corporate Social Responsibility Policy, Dissemination of material events Policy, Documents preservation policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and conduct for Regulating, monitoring and reporting of trading by Insiders, Code of Practices and Procedures for Fair Disclosures and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company recognizes Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also,

projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

**52. Names of Companies, which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year**

During the Financial Year, no Company has become or ceased to be Company's Subsidiary, Joint Venture or Associate Company.

**53. Change in the nature of business**

There has been no change in the nature of business of the Company.

**54. The details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future**

There have been no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

**55. Proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)**

During the Financial year, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**56. Material changes and commitments**

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended March 31, 2024, to which the Financial Statements relates and the date of signing of this report.

**57. Employee Stock Options**

During the Year, the Company has introduced the “Avantel Employees Stock Option Plan - 2023” (“ESOP 2023” or “Scheme”). The scheme has been approved by the Board of Directors at their meeting held on October 9, 2023, and the Shareholders of the Company on November 11, 2023.

The objective of the Scheme is to reward the Employees for association, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company prospects that Employee Stock Options as instruments that would enable the Employees to get a share in the value, they create for the Company in the years to come.

The Scheme would result in grant of options not exceeding 45,00,000 equity shares of the Company. Each option when exercised, would be converted in to one equity share of Rs.2/- each (Rupees Two Only) fully paid-up. The quantum of benefits underlying the stock options issued to an eligible employee shall depend upon the number of stock options held by the employee and the market price of the equity shares as on the date of sale.

During the year, 39,69,800 options have been granted to the employees of your Company.

During the year, a reserve was made towards outstanding of Employee Stock Options (ESOPs) and Employee Compensation Expenses (Share based payment expenses) for the year ended March 31, 2024, of Rs.607.20 lakhs, which includes Employee Benefit expenses detailed in Note No.28 for standalone financial statements and Note No.27 for consolidated financial statements.

The details of Employees Stock Option Scheme pursuant to Rule 12(9) of Companies (Share Capital and

Debentures) Rules, 2014 are provided as **Annexure - 8** to this Report. Further, information pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and details of the Scheme as specified in Part F of Schedule – I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on Company's website and may be accessed at <https://www.avantel.in/>

Further, it is confirmed that the Scheme is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and during the year under review there were no material changes in the Scheme.

Certificate from M/s. P.S. Rao & Associates, Company Secretaries, Secretarial Auditors of your Company confirming that the scheme has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, forms part of the Corporate Governance Report and is also placed on the website of your Company at <https://www.avantel.in/investors>.

## **58. Business Responsibility and Sustainability Report**

As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the 'Business Responsibility and Sustainability Report' (BRSR) of your Company for the financial year ended March 31, 2023, forms part of this Annual Report and is annexed herewith as **Annexure - 9**.

## **59. Environment, Health and Safety**

The Company has certified with the following Environmental Management Systems (EMS) and Occupational Health and Safety (OH&S) Management System:

ISO 14001:2015 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. ISO 14001:2015 is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

## **60. Credit Rating**

Acuité Ratings & Research Limited ("Acuité") ("Credit Rating Agency") has upgraded its long-term rating to 'ACUITE A-' (read as ACUITE A minus) from 'ACUITE BBB+' (read as ACUITE triple B plus) and short-term rating to 'ACUITE A2+' (read as ACUITE A two plus) from 'ACUITE A2' (read as ACUITE A two) on Rs.69.50 Cr bank facilities of Avantel Limited. Outlook is 'Stable'.

The details of the Credit Ratings are available on the website of the Company at <https://www.avantel.in/>

## **61. Nomination and Remuneration Policy**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

Nomination and Remuneration policy of the Company forms part of this Annual Report as **Annexure-10** and the policy is also available on the Company's website <https://www.avantel.in/investors>.

## **62. Dividend Distribution Policy**

The Company has adopted the Dividend Distribution Policy to determine the distribution of dividend in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the “Listing Regulations”). The Dividend Distribution Policy is available on the Company's website, at <https://www.avantel.in/investors>.

### **63. Risk Management Policy**

The Company has developed and implementing a risk management policy which includes the identification therein of elements of risk, which in the opinion of the board may threaten the existence of the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Furthermore, your Company has set up a robust internal audit function which reviews and ensures the sustained effectiveness of internal financial controls by adopting a systematic approach to its work. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy of your Company is posted on the website of your Company and the web link is <https://www.avantel.in/investors>.

### **64. Human Resources**

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

### **65. Prevention of Sexual Harassment**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaints during the year.

The Company regularly conducts awareness programs for its employees.

The following is a summary of sexual harassment complaints received and disposed off during the year:

S.No.	Particulars	Status of the No. of complaints received and disposed off
1.	Number of complaints on Sexual harassment received	Nil
2.	Number of Complaints disposed off during the year	Not Applicable
3.	Number of cases pending for more than ninety days	Not Applicable
4.	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees.
5.	Nature of action taken by the employer or district officer	Not Applicable

### **66. Investor Education and Protection Fund (IEPF)**

Pursuant to Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Members who have not encashed the dividend warrants / demand drafts so far in respect of the unclaimed and unpaid dividends declared by the Company for the Financial Year 2016-17 and thereafter, are requested to make their claim to M/s. KFIN Technologies Limited (Registrars & Share Transfer Agents) well in advance of the last dates for claiming such unclaimed and unpaid dividends as specified hereunder:

Sl. No.	For the Financial year ended	Dividend in Rs.	Percentage of Dividend	Date of Declaration	Last date for claiming unpaid Dividend
1	2016-17 (Final Dividend)	Rs.2/-	20%	15-09-2017	14-10-2024
2	2017-18 (Final Dividend)	Rs.4/-	40%	27-07-2018	25-08-2025
3	2018-19 (Interim Dividend)	Rs.3/-	30%	28-01-2019	26-02-2026
4	2018-19 (Final Dividend)	Rs.2/-	20%	12-07-2019	10-08-2026
5	2019-20 (Interim Dividend)	Rs.2/-	20%	10-10-2019	08-11-2026
6	2019-20 (Final Dividend)	Rs.2/-	20%	25-06-2020	25-07-2027
7	2020-21 (Final Dividend)	Rs.4/-	40%	05-06-2021	04-07-2028
8	2021-22 (Final Dividend)	Rs.4/-	40%	30-05-2022	28-06-2029
9	2022-23 (Final Dividend)	Re.1/-	10%	23-06-2023	21-07-2030

**67. Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

**68. Compliance with Secretarial Standards**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

**69. Prevention of Insider Trading Code**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. During the year, the Company has complied with the said code.

**70. Acknowledgments**

We express our sincere appreciation and thank our valued Shareholders, Customers, Bankers, Business Partners/Associates, Financial Institutions, Insurance Companies, Central and State Government Departments for their continued support and encouragement to the Company. We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

By order of the Board of Directors  
For Avantel Limited

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad

Date: April 25, 2024

**ANNEXURE - 1****FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries/  
Associate Companies/Joint Ventures**

**Part “A”: Subsidiaries**

(Information in respect of subsidiary presented with amounts in Rs. in Lakhs)

S. No.	Particulars	Details
1.	Name of the subsidiary	M/s. Imeds Global Private Limited
2.	The date since when subsidiary was acquired	03/09/2021
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	FY 2023-24
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
5.	Share capital	1699.95
6.	Reserves & surplus	(729.47)
7.	Total assets	987.16
8.	Total Liabilities	9.59
9.	Investments	NIL
10.	Turnover	44.95
11.	Profit/ (Loss) before Taxation	(293.10)
12.	Tax Expense/ (Benefit)	(3.48)
13.	Profit/ (Loss) after Taxation	(289.62)
14.	Total Comprehensive Income	NIL
15.	Proposed Dividend	NIL
16.	% of Shareholding	100%

- a. Names of subsidiaries which are yet to commence operations – NIL
- b. Names of subsidiaries which have been liquidated or sold during the year – NIL

**Part - B - Associates and Joint Ventures**

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

- a) Name of Associates or Joint Ventures: Nil
- b) Names of associates or joint ventures which are yet to commence operations: Nil
- c) Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of **Avantel Limited**

Sd/-  
**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

Sd/-  
**Naveen Nandigam**  
Director  
DIN: 02726620

Sd/-  
**Abburi Sarada**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**D Rajasekhara Reddy**  
Company Secretary  
M.No. A61938

Place: Hyderabad  
Date: April 25, 2024

## ANNEXURE – 2

**Particulars of Loans, Guarantees, Investments and Security  
under Section 186 of the Companies Act, 2013**

(Rs. in Lakhs)

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition /guarantee	Time period for which it is made / given	Date of passing Board Resolution	Purpose of loan/ security/ acquisition /guarantee	For loans	
							Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Acquisition	From 01.04.2023 To 31.03.2024	Imeds Global Private Limited  Address: Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M) Visakhapatnam – 531163, Andhra Pradesh, India.	Rs.524.95 Lakhs was invested in M/s. Imeds Global Private Limited	NA	23.01.2023 & 06.03.2024	Investment in a Wholly owned Subsidiary	NA	NA

By order of the Board of Directors  
For Avantel Limited

Sd/-  
**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

1. There were no contracts/arrangements entered into by the company with related parties which are not at arm's length basis.
2. Details of contracts or arrangements or transactions entered into by the company with related parties which are at arm's length basis:

(Rs. in Lakhs)

<b>Sl. No.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts / arrangements/ transactions</b>	<b>Duration of the contracts/ arrangements / transactions</b>	<b>Salient terms of the contracts or arrange- ments or transactions including the value if any</b>	<b>Date(s) of approval by the Board if any</b>	<b>Amount paid as advances if any</b>	<b>Justification for entering into contracts</b>
1	Mrs. Abburi Sarada  (Whole-Time Director & Spouse of Dr. Abburi Vidyasagar)	Provide premises on lease	April 13, 2023 to March 31, 2024	Rs.12.41 Lakhs	April 13, 2023	NIL	Avantel Limited (the Company) is providing Rent free accommodation to the Managing Director. The rent paid by the Company is as per the lease rentals prevailing in surrounding buildings. The transaction entered by the Company is at Arm's length basis.
2	Lakshmee Foundation  (Owned and managed by Promoters)	Donation of CSR funds to Lakshmee Foundation to undertake CSR activities	April 13, 2023 to March 31, 2024	Rs.54.40 Lakhs	April 13, 2023	NIL	Avantel Limited (the Company) has entered into a contract to undertake CSR activities through Lakshmee Foundation. The Lakshmee Foundation, a Trust registered under the Indian Trusts Act, 1882, having a track record of undertaking CSR activities since 2010. The transaction entered by the Company is at Arm's length basis.

(Rs. in Lakhs)

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrange- ments or transactions including the value if any	Date(s) of approval by the Board if any	Amount paid as advances if any	Justification for entering into contracts
3	Wiki Kids Private Limited  (Promoter Directors of the Company has Substantial interest in Wiki Kids Private Limited)	Provide premises on lease	From November 1, 2023 to March 31, 2024	Rs.2.36 Lakhs	October 9, 2023	NIL	Wiki Kids Private Limited has entered into a sub-lease agreement with Avantel Limited for operational convenience. The rent received by Avantel Limited is similar to the Rent prevailing in surrounding buildings. The transaction entered by the Company is at Arm's length basis.
4	Imeds Global Private Limited  (a Wholly owned Subsidiary)	Provide premises on lease	From February 1, 2024 To March 31, 2024	Rs.1.18 Lakhs	January 19, 2024	NIL	Imeds GlobalPrivate Limited has entered into a sub-lease agreement with Avantel Limited for operational convenience. The rent received by Avantel Limited is similar to the Rent prevailing in surrounding buildings. The transaction entered by the Company is at Arm's length basis.

By order of the Board of Directors  
For Avantel Limited

Sd/-  
**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

*(Section 134(3)(m) of the Companies Act, 2013 read with  
the Companies (Accounts) Rules, 2014)*

**A. Conservation of Energy:**

Your Company is committed to conservation of Energy and adopted elaborate measures such as 25 KVA Solar Power Plant, LED lighting, Solar fencing for security, recycling of waste water for maintaining the Green Cover of the building premises etc. The production facility at Visakhapatnam is certified Green Building by the Confederation of Indian Industry(CII).

**B. Particulars with respect to Absorption of Technology, Research and Development (R&D) Specific Areas, in which R & D was carried out by the Company:****1. The efforts made towards Technology Absorption, Adoption and Innovation**

The Company is well equipped to handle the latest technological advancements in its sphere of work and continuously runs various initiatives to enhance the skill sets of its employees. All the product offerings of the Company have been developed indigenously in house by Avantel R & D wing and truly qualify the “Make in India” requirements being prophesied by the Government. The Company adopts innovative designs in all its state of the art solutions while being competitive.

**2. The benefits derived like product improvement, cost reduction, product development or import substitution**

The company's Research and Development center is recognized by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India. The specific areas in which R&D was carried out by the Company are as follows:

**a) Communication Technologies:**

We have made advancements in communication technologies using both space and ionospheric propagation to improve range, configurability, and reliability for critical applications. Our efforts focus on enhancing the capabilities of our systems to support robust and secure communication needs essential for operational effectiveness.

**b) Software Defined Radios:**

Development efforts in software defined radios have been geared towards improving adaptability and performance in various frequency bands. These developments help in supporting the needs of strategic forces through improved communication networks.

**c) Defense Innovation Projects:**

In collaboration with the Government of India's initiative for defense and security innovations, we have successfully engaged in multiple projects aimed at enhancing national defense capabilities through technological innovations. Avantel has won five such challenges, the maximum limit that any firm can be awarded, in the domain of space and is actively executing them.

**d) High-Power RF Systems:**

Our work in high-power RF systems typically used in Radars, focuses on improving power output

efficiency and system reliability, critical for applications requiring high performance under diverse operational conditions.

**e) Maritime Safety and Space Communication:**

We continue to enhance maritime communication systems, improving safety and operational coordination for maritime activities through advanced communication and tracking technologies.

**f) Wind Profiler Radar:**

Our advanced Wind Profiler Radar systems are designed to enhance meteorological assessments and environmental monitoring before launching a satellite. These radars utilize phased array technology to provide comprehensive atmospheric data over a significant vertical range. The focus of this technology is on delivering accurate and detailed wind profiles, which are essential for various strategic and operational planning purposes.

**3. Benefits derived as a result of the above R & D:**

The Company could offer indigenous, innovative, and customized solutions to Indian Defence Services and other strategic customers. Our solutions have immensely helped our customers to enhance their operational preparedness.

**4. Future plan of Action:**

Avantel is committed to advancing its technology portfolio across a broad spectrum of communication systems tailored for both maritime and terrestrial applications. Our strategic focus includes enhancing the versatility and performance of our systems to better serve diverse operational needs.

In line with our commitment to innovation, we are developing next-generation communication solutions that will serve a wide range of applications, from portable devices to complex airborne systems.

Additionally, Avantel is expanding its infrastructure capabilities, which will include the establishment of a new unit dedicated to providing integrated services across various operational spectrums. This unit will focus on enhancing our service delivery in areas such as telemetry, satellite command and control, and comprehensive mission support.

Finally, we are investing in state-of-the-art facilities for the assembly, integration, and testing of advanced technology components for space and defense, further solidifying our commitment to maintaining and extending our technological leadership in the industry.

**5. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:**

No technology has been imported during the past 3 years.

- a. The details of technology import: -NIL-
- b. The year of import: -NIL-
- c. Whether the technology has been fully absorbed: -NIL-
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL-

**6. Expenditure on Research & Development:**

Particulars	Rs. in Lakhs
Capital	15.41
Recurring	223.17
Total	238.58
Total R & D expenditure % as of Turnover*	1.06%

Note: \* Research and Development (R&D) expenditure is limited to Core Technology / Intellectual Property (IP) development only excluding product design and development expenses. Hence, R&D expenditure is less when compared to previous year.

**C. Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Particulars	(Rs. in Lakhs)	
	2023-24	2022-23
Used	4,224.26	5,124.36
Earned	56.38	35.64

By order of the Board of Directors  
**For Avantel Limited**

Sd/-  
**Abburi Vidyasagar**  
 Chairman & Managing Director  
 DIN: 00026524

Place: Hyderabad  
 Date: April 25, 2024

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. Brief outline on CSR Policy of the Company**

Avantel is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence visà-vis the company's responsibilities towards the community.

The objective of the Company is to actively contribute to the social, environmental and economic development of the society in which we operate.

In accordance with the requirements under the Companies Act, 2013, Our Company's CSR activities, amongst others, will focus on:

1. Promotion of Education;
2. Promotion of Women Empowerment;
3. Promotion healthcare including preventive healthcare;
4. Eradicating hunger and poverty; and
5. Other CSR activities prescribed under Schedule VII of the Companies Act, 2013.

During the year the Company has mainly focused on the Promotion of healthcare including preventive healthcare. Avantel Limited spent the major portion of the CSR amounts for promotion of Health as recommended by the CSR Committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (CSR Policy) Rules, 2014.

In accordance with the requirements under the CSR Policy, Avantel Limited CSR activities, amongst others, are covered to provide preventive health care activities.

Avantel Limited mandated the Lakshmee Foundation(CSR Registration No. CSR00010333), a Trust registered under the Indian Trust Act, 1882, having a track record of undertaking CSR activities since 2010 and it is registered under Section 80G and 12A or Form 10 AC of the Income Tax Act, 1961, to spend the CSR amount on health care activities through health care center namely **“Lakshmee Foundation Hospital”**. It has received necessary approvals from the respective departments.

Dr. Abburi Vidyasagar has donated 20,00,000 (Twenty Lakh) Equity Shares of Avantel Limited to M/s. Lakshmee Foundation. This generous contribution will be directed towards advancing philanthropic activities in the healthcare sector, focusing on initiatives aimed at improving access to quality healthcare for underserved communities. This significant donation of shares is poised to play a pivotal role in expanding the Foundation's reach and impact, ultimately enhancing the quality of life for countless individuals in need.

Lakshmee Foundation Hospital is located in Vijayawada City, NTR District, Andhra Pradesh and it provides quality primary healthcare services to the rural communities with subsidized cost. Also provides much-needed medical treatment to the rural populace, our community outreach team conducts awareness drives and health camps to foster the understanding of health and hygiene. Our objective is not only to save lives, but to improve living.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Naveen Nandigam	Chairperson	2	2
2	Mrs. Abburi Sarada	Member	2	2
3	Mr. Yalamanchili Kishore	Member	2	2
4	Mr. Ramchander Vyasabhattu	Member	0	0
5	Dr. Ajit T. Kalghatgi	Member	0	0

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

<https://www.avantel.in/investors>

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

The impact assessment is not applicable to the Company.

**5. (a) Average net profit of the company as per Section 135(5):**

Net Profit	For the Financial Year ended March 31 (amount in Rs.)		
	2022-23	2021-22	2020-21
	39,52,88,321	23,49,89,913	18,42,32,831
Average Net Profit for the preceding three Financial Years	27,15,03,688		

**(b) Two percent of average net profit of the Company as per section 135(5):**

Rs. 54,30,074/-

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**  
NA

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

**(e) Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs.54,30,074/-

**6. (a) (i) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Local area (Yes/ No	Location of the project						Mode of Implementation - Through Implementing Agency	Name
1	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**(a) (ii) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Local area (Yes/ No	Location of the project			Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
1	Donated to Lakshmee Foundation towards Health	Promotion of Health	No		NTR district, Andhra Pradesh, India.	Rs.54,40,000	No	The amount was spent through Lakshmee Foundation, a Trust registered under the Indian Trusts Act, 1882.	CSR00010333
			Total			Rs.54,40,000			

- (b) Amount spent on Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 54,40,000/-
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs.)	Amount Unspent (Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 54,40,000	Nil	NA	NA	Nil	NA

- (f) Excess amount for set off if any

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	Rs.54,30,074/-
(ii)	Total amount spent for the Financial Year	Rs.54,40,000/-
(iii)	Excess amount spent for the financial year [(ii)-(I)]	Rs.9,926/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.9,926/-

## 7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
					Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any	Amount (Rs.)		
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs.)	Balance Amount in Unspent CSR Account under section 135(6) (Rs.)	Amount spent in the reporting Financial Year (Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any	Amount (Rs.)	Date of transfer	Deficiency, if any
1.	FY 2022-23	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/acquired **NIL**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

<b>Sl. No.</b>	<b>Short particulars of the property or asset(s) [including complete address and location of the property]</b>	<b>Pin code of the property or asset(s)</b>	<b>Date of creation</b>	<b>Amount of CSR amount spent</b>	<b>Details of entity/ Authority/ beneficiary of the registered owner</b>		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.**

By order of the Board of Directors  
For Avantel Limited

Sd/-  
**Abburi Vidysagar**  
Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**Statement of particulars as per Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remuneration paid to the Managing Director and Senior Executives is reviewed and recommended by the Nomination and Remuneration Committee.

- (i) **Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial Year 2023-24, percentage increase in remuneration of the Chief Executive Officer, the Chief Financial Officer and other Executive Directors and the Company Secretary during the Financial Year 2023-24:**

Sl. No.	Name of Director	Designation	Remuneration of Director / KMP for FY 2023-24 (Rs. in Lakhs) *	Ratio of remuneration of each Director/ KMP to median remuneration of employees	Percentage Increase in Remuneration
1	Dr. Abburi Vidyasagar ^	Chairman and Managing Director	287.77	51.18	62.47%
2	Mrs. Abburi Sarada ^	Whole-Time Director & CFO	257.36	45.77	74.60%
3	Mr. Abburi Siddhartha Sagar	Whole-Time Director	36.77	6.54	2.14%
4	Mr. D. Rajasekhara Reddy	Company Secretary & Compliance Officer	11.67	2.08	-

\*Median remuneration of Employees: Rs.5,62,293.00 /-

**Note:**

^ The marginal increase is in line with the operations of the Company for the year 2023-24.

\*The Independent Directors of the Company are entitled to sitting fees for attending Board / Committee Meetings as per the statutory provisions. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

**The number of permanent employees in the rolls of the Company:** There are 253 permanent employees on the rolls of the Company.

- (ii) **Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The Average percentile increase already made in the salaries of employees is 26%.

- (iii) The Remuneration paid to the Board of Directors and Key Managerial Personnel is as per the Remuneration policy of the Company.

By order of the Board of Directors  
For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**Statement of Particulars of Employees Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name and Designation	Remuneration received during the period from April 1, 2023, to March 31, 2024	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
1	Dr. Abburi Vidyasagar Managing Director	Rs. 36,00,000	Regular	M.Tech, MBA, PhD & Over 30 years	03-01-1993	63	HAL (Design Engineer), APSFC (Manager), Satyam Computers Ltd (GM)	Spouse of Mrs.A. Sarada, Whole-Time Director & CFO and Father of Mr. A Siddhartha Sagar, Whole-Time Director	4,36,69,724 (17.95%)
2	Mrs. Abburi Sarada Whole-Time Director & CFO	Rs. 18,00,000	Regular	B.Com and MBA & Over 30 years	14-05-2014	59	-	Spouse of Dr. Abburi Vidyasagar Managing Director and Mother of Mr. A Siddhartha Sagar, Whole-Time Director	1,50,74,940 (6.20%)
3	Mr. Abburi Siddhartha Sagar Whole-Time Director & CFO	Rs. 36,77,419	Regular	MS (CS); MBA & Over 10 years	08-03-2021	36	-	Son of Dr. Abburi Vidyasagar Managing Director and Mrs. A. Sarada, Whole-Time Director & CFO	1,90,16,460 (7.82%)

Note: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration) Rules, 2014.

By order of the Board of Directors  
For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**Statement of Particulars of Employees Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**List of Top 10 salaried employees for the Financial Year ended March 31, 2024**

Sl. No.	Name and Designation	Remuneration received during the period from April 1, 2023, to March 31, 2024	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
1	Mr. N Srinivas Rao Vice President -Technical	Rs. 37,98,400	Regular	B.Sc & 27 years	10-02-1997	51	Radio and TV Centre, Electronics Corporation of India	N.A.	N.A.
2	Mr. P Bala Bhaskar Rao Vice President (Marketing & Customer Support)	Rs. 33,10,100	Regular	AMIETE, MBA & 29 years	13-02-1995	48	-	N.A.	N.A.
3	Gp Capt P Srinivas (Retd) Vice President - Q A & Projects	Rs. 31,23,400	Regular	B.Tech, M.E & 30 years	04-12-2017	52	Indian Air Force	N.A.	11,550 (0.0047%)
4	Mr. G Bhaskar Deputy General Manager - R&D	Rs. 30,60,000	Regular	B.E (ECE) & 16 years	06-03-2008	38	-	N.A.	3 (0.00%)
5	Mr. M J S Kishore General Manager (Software Development)	Rs. 30,38,400	Regular	M.Sc & 18 years	26-03-2006	41	-	N.A.	N.A.

Sl. No.	Name and Designation	Remuneration received during the period from April 1, 2023, to March 31, 2024	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
6	Wg Cdr PRL Prakash (Retd) Vice President - Strategy & Business Development	Rs. 29,43,400	Regular	M.Tech & 34 years	01-04-2014	57	Brahmos Aerospace Private Limited, Indian Air Force	N.A.	1,200 (0.0005%)
7	Mr. Pusuluru Srinivasa Rao General Manager - Production	Rs. 29,33,400	Regular	M.Sc & 19 years	19-01-2005	49	Vikas Communications Pvt Ltd	N.A.	N.A.
8	Mr. Nageswara Rao Tatikonda General Manager - QA	Rs. 29,05,000	Regular	M.Tech, PGDM & 38 years	13-07-2012	59	M/s. Aster Group Noida Customer Operations Pvt Ltd., Indian Air Force	N.A.	15,000 (0.0062%)
9	Mr. G V Jaganmohan Dy General Manager - QA	Rs. 27,03,400	Regular	DECE, B.Sc, MS (IT) & 18 years	03-07-2001	47	-	N.A.	60 (0.00%)
10	Cdr Rajendra Sudhakar Dixit (Retd) General Manager - Customer Support	Rs. 26,43,400	Regular	M.E (E&T) & MBA & 28 years	01-08-2017	54	-	N.A.	N.A.

By order of the Board of Directors  
For Avantel Limited

Sd/-

**Abburi Vidyasagar**

Chairman &amp; Managing Director

DIN: 00026524

Place: Hyderabad

Date: April 25, 2024

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
for the Financial Year ended March 31, 2024

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]*

To  
The Members  
**Avantel Limited**  
Sy No.141, Plot No.47/P, APIIC Industrial Park,  
Gambheeram(V), Anandapuram (M),  
Vishakhapatnam - 531163, Andhra Pradesh, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Avantel Limited** [CIN: L72200AP1990PLC011334] (hereinafter called “the Company”) for the financial year ended 31<sup>st</sup> March, 2024 (“Audit Period”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation)Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. **(Not applicable to the company during the audit period)**
- v. The ffollowing Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:
- Telecom Regulatory Authority of India Act, 1997;
  - The Micro, Small and Medium Enterprises Development Act, 2006;
  - Industries (Development and Regulation) Act 1951;
  - Indian Telegraph Act, 1985.
  - Indian Wireless Telegraphic Act, 1993.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meeting of Board of Directors (SS-1) and General Meetings (SS-2), as amended from time to time, and Guidance note Meeting of Board of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.

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

#### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. There were changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/

Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case maybe.

**We further report that:**

- there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period:**

- i. the Company had sub-divided face value of share capital from Rs.10/- (Rupees Ten) to Rs.2/- (Rupees Two).
- ii. the Company had allotted 16,21,79,720 equity shares of Rs.2/- each, by way of Bonus Issues, to the existing shareholders of the company

Further, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For **P S Rao & Associates,**  
Company Secretaries

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR: 710/2020

ICSI Unique Code: P2001TL078000  
UDIN: F010322F000232711

Place : Hyderabad  
Date : April 25, 2024

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

*Annexure - A*

To  
 The Members of  
**Avantel Limited**  
 Sy. No. 141, Plot No. 47/P,  
 APIIC Industrial Park, Gambheeram (V),  
 Anandapuram (M), Visakhapatnam - 531163,  
 Andhra Pradesh, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For **P S Rao & Associates,**  
 Company Secretaries

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR: 710/2020

ICSI Unique Code: P2001TL078000  
 UDIN: F010322F000232711

Place : Hyderabad  
 Date : April 25, 2024

**Details of Employees Stock Option Scheme**  
*(Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014)*

The details of Stock Options as on March 31, 2024, under the Employees Stock Option Scheme-2023 of the Company are as under:

S.No.	Particulars	Grant-1
a)	Options granted	39,69,800
b)	Options vested	39,69,800
c)	Options exercised	-
d)	Total no. of shares arising as a result of exercise of options	-
e)	Options Lapsed	74,500
f)	Exercise Price (Rs.)	50
g)	Variation of terms of options	Nil
h)	Money realized by exercise of options	-
i)	Total number of options in force	38,95,300

Employee wise details of options granted to:

- (i). Key Managerial Personnel: Mr. D Rajasekhara Reddy – 12,500 Options
- (ii) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year: **Nil**
- (iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: **Nil**

By order of the Board of Directors  
**For Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**Business Responsibility & Sustainability Report  
for the Financial year ended March 31, 2024**

*As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity**

1. Corporate Identity Number (CIN) of the Listed Entity: L72200AP1990PLC011334
2. Name of the Listed Entity: Avantel Limited
3. Year of Incorporation: 30/05/1990
4. Registered office address: Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India.
5. Corporate address: Sy No.66 & 67, Plot No. 68 & 69, 4th Floor, Jubilee Heights, Jubilee Enclave, Madhapur, Hyderabad – 500081, Telangana State, India.
6. E-mail: compliance@avantel.in
7. Telephone: +91 040-6630 5000
8. Website: <https://www.avantel.in/>
9. Financial Year (FY) for which reporting is being done: 2023-24
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited
11. Paid-up Capital: Rs.48,65,39,160
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Dr Abburi Vidyasagar, Managing Director, Telephone: +91 040-6630 5000, Email: [compliance@avantel.in](mailto:compliance@avantel.in).
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): The disclosures are made on a standalone basis under this report.
14. Name of assurance provider: Not Applicable
15. Type of assurance obtained: Not Applicable

## II. Products/ Services

16. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Strategic Equipment's	100.00%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code*	% of total Turnover contributed
1.	Strategic Equipment's	2630, 2651, 3030, 3314, 6120, 6130, 6190, 6201	100.00%

\* As per National Industrial Classification, 2008 – Ministry of Statistics and Programme Implementation.

## III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	1	1	2
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	All States
International (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity? – 9.01%

c. A brief on types of customers

The Company majorly serves Indian Defense Forces and government organizations such as the Defense Research and Development Organization (DRDO), the Indian Space Research Organization (ISRO), Defense Public Sector Undertakings (DPSUs), Shipyards, and Ordnance Factories, Indian Railways, Research Institutes. Additionally, its client base includes publicly listed companies like L&T, NewSpace India Limited etc., as well as numerous private firms operating in the defense and space industries.

#### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	245	211	86.12%	34	13.87%
2.	Other than Permanent (E)*	167	162	97.00%	5	2.99%
3.	<b>Total employees (D + E)</b>	<b>412</b>	<b>373</b>	<b>90.53%</b>	<b>39</b>	<b>9.46%</b>
<b>Workers</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)*	67	67	100%	-	-
6.	<b>Total workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

b. Differently abled Employees and worker:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D+E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Differently Abled Workers</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F+G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	4	1	25.00%

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

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5%	0%	4%	18%	11%	17%	20%	14%	20%
Permanent Workers	100%	100%	100%	0%	67%	50%	143%	91%	104%

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of Holding / Subsidiary / Associate Companies / Joint Ventures

Sl. No.	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Imeds Global Private Limited	Subsidiary Company	100%	No

#### VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.):Rs.15426.73 Lakhs

(iii) Net worth (in Rs.):Rs.11188.02 Lakhs

#### VII. Transparency and Disclosures Compliances

25. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Current Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Web-link: <a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>	Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Current Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes Web-link: <a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes Web-link: <a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>	244	Nil	-	329	Nil	-
Employees and workers	Yes Web-link: <a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes Web-link: <a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes Web-link: <a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>	Nil	Nil	Nil	Nil	Nil	Nil

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Carbon footprint and emissions	Opportunity	Opportunity to move towards energy efficiency, sustainable development and reduce dependency on non-renewable sources.	The Company has commissioned a 25 KVA Solar Power Plant at Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V),	Positive

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India. This allows the Company to reduce its carbon footprint and emissions and tread towards a sustainable way of production.		
2.	Customer Satisfaction and Retention	Positive	Satisfied customers tend to demonstrate a proclivity for loyalty, as well as advocate for Avantel products and services among their network, thus generating an upswing in sales and nurturing a favorable brand image.	No	Positive
3.	Capacity or Infrastructure Constraint	Opportunity and Risk	Recognizing capacity or infrastructure constraints is essential to ensure optimal resource allocation and prevent operational bottlenecks that may impede growth.	The Company continuously invests in capacity expansion and infrastructure development based on demand forecasts. This proactive approach enables seamless operations and supports business growth. Additionally, partnerships and collaborations can help address temporary capacity constraints.	Adequate capacity and infrastructure planning enhance operational efficiency, reduce disruptions, and support revenue growth by meeting customer demands effectively.
4.	Financial Risk - Timely Availability of Fund Based	Risk	Recognizing financial risks associated with the timely availability of fund-based and non-fund-based finance is crucial to ensure uninterrupted business	The Company maintains Strong banking relationships, diversifies funding sources, and regularly assesses financial requirements.	Effective financial risk Management safeguards against potential cash flow disruptions, penalties, and missed growth opportunities, ensuring

<b>Sl. No.</b>	<b>Material issue identified</b>	<b>Indicate whether risk or opportunity (R/O)</b>	<b>Rationale for identifying the risk / opportunity</b>	<b>In case of risk, approach to adapt or mitigate</b>	<b>Financial implications of the risk or opportunity (Indicate positive or negative implications)</b>
	and non-fund Based Finance		operations and growth plans.	Developing contingency plans and optimizing working capital management help mitigate the risk of financial constraints.	the Company's financial stability, and supporting strategic initiatives.
5.	Supply Chain Disruption	Risk	Identifying the risk of supply chain disruption is crucial as it can lead to production delays, increased costs, and customer dissatisfaction.	The Company maintains a diversified supplier base, conducts regular risk assessments, and establishes contingency plans to mitigate supply chain disruptions. Collaborative relationships with suppliers and real-time monitoring also contribute to timely responses to potential disruptions.	Proper risk management helps minimize financial losses associated with supply chain disruptions, such as production downtime and increased operational expenses.
6.	Talent Acquisition and Retention	Opportunity and Risk	Attracting and retaining skilled and talented employees is crucial for the Company's growth and success. On the other hand, high employee turnover can lead to increased recruitment costs and loss of valuable expertise	Offer competitive compensation packages, career development opportunities, and foster a positive work culture.	Effective talent management can result in increased productivity and reduced recruitment costs, while high turnover can lead to higher expenses and lower productivity.
7.	Technological Advancements and Innovation	Opportunity	Identifying and capitalizing on technological advancements and fostering innovation can give Avantel Limited a competitive edge, leading to the development of cutting-edge products and services, increased market share, and improved customer satisfaction.	NA	Potential revenue growth, cost savings through improved efficiency, and increased profitability.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.**

**Principles:**

- Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
- Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.
- Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.
- Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.
- Principle 5: Businesses should respect and promote human rights.
- Principle 6: Businesses should respect and make efforts to protect and restore the environment.
- Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- Principle 8: Businesses should promote inclusive growth and equitable development.
- Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

<b>Disclosure Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://www.avantel.in/investors">https://www.avantel.in/investors</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>Avantel maintains robust compliance management system and follows all applicable SEBI regulations and guidelines on Corporate Governance to ensure ethical, transparent and accountable business conduct among others.</p> <p>The company has ISO 14001:2015 specifies the requirements for an environmental management system and ISO 45001:2018 specifies requirements for an occupational health and safety (OH&amp;S) management system.</p>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>As this is our first year for Business Responsibility and Sustainability Reporting, we have not set formal goals to report against. Our performance against goals would be reported based on some of the goals that we set and actions that we take during the year.</p>								
<b>Governance, leadership and oversight</b>									
7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements ( <i>listed entity has flexibility regarding the placement of this disclosure</i> ): Yes.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).	<p>Name: Dr. Abburi Vidyasagar  Designation: Chairman &amp; Managing Director  DIN: 00026524</p>								

<b>Disclosure Questions</b>		P1	P2	P3	P4	P5	P6	P7	P8	P9								
<b>Governance, leadership and oversight</b>																		
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		Yes. The Board of Directors at their meeting held on April 25, 2024, has constituted the Risk Management Committee. This committee will review the sustainability related matters.																
10. Details of Review of NGRBCs by the Company:																		
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee</b>									<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</b>								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Business responsibility policies are reviewed periodically and necessary actions for preserving the essence of the policies are reviewed.									Periodically whenever required								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Compliance with respect to various statutory requirements is placed before the Board of Directors.									Periodically whenever required								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes, Avantel regularly conducts audits and internal reviews of all policies and processes. These assessments are performed periodically by the Company to ensure compliance, effectiveness, and continuous improvement in its operations.																	

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

<b>Questions</b>	P1	P2	P3	P4	P5	P6	P7	P8
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

We specialize in the development and manufacturing electronic equipment's includes Software Defined Radios, Satellite Communication equipment, HF Communication equipment, Network Management Systems & Application Software, and Embedded Systems & Digital Signal Processing technologies. In the course of our operations throughout the year, we produced zero carbon emissions.

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Key Developments, Regulatory updates, Review of Policy & procedures and Code of Conduct and Ethics.	100%
Key Managerial Personnel	3	Health and safety measures; Skill Upgradation; and Code of Conduct and Ethics.	100%
Employees other than BoD and KMPs	27	Safety Precautions & Process; QMS, CAD Macro Application, Induction; Management Development Program on effective communication skills; Workshop on Prevention of Sexual Harassment; Skill Upgradation; and Code of Conduct and Ethics etc.,	54.29%
Workers	13	CAD Macro Application, MSS Hub, 3D Printing Machine, Two Way Terminal Training; Safety Precautions & Process and Code of Conduct and Ethics etc.,	47.06%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

<b>Monetary</b>					
	<b>NGRBC Principle</b>	<b>Name of the regulatory/ enforcement agencies/ judicial institutions</b>	<b>Amount (In INR)</b>	<b>Brief of the Case</b>	<b>Has an Appeal been preferred? (Yes/No)</b>
Penalty/ Fine	NA	NA	NA	NA	No
Settlement	NA	NA	NA	NA	No
Compounding	NA	NA	NA	NA	No
<b>Non-Monetary</b>					
	<b>NGRBC Principle</b>	<b>Name of the regulatory/ enforcement agencies/ judicial institutions</b>	<b>Brief of the Case</b>		<b>Has an Appeal been preferred? (Yes/No)</b>
Imprisonment	NA	NA	NA		No
Punishment	NA	NA	NA		No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

<b>Case Details</b>	<b>Name of the regulatory/ enforcement agencies/ judicial institutions</b>
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has an anti-corruption and anti-bribery policy. The policy asserts our zero-tolerance approach towards corruption and bribery. The policy also provides information and guidance on how to trace and deal with bribery and corruption issues. As a part of our training on the Code of Conduct, anti-bribery awareness sessions are also given to employees on Anti-Corruption and Anti-bribery topics. The web link is <https://www.avantel.in/investors>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: **Nil**

#### **Leadership Indicators:**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

The Company engages on a regular basis with its value chain partners to ensure sufficient awareness is imparted to them.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Board of Directors have to give declarations about his/her interest or concern in other Companies, bodies corporate, firms or other association of individuals in Form MBP-1. If any Director is interested in the item on the agenda at the time of meetings, he/she will vacate the meeting to avoid conflict of interests.

## **PRINCIPLE 2**

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

#### Essential Indicators:

1. Percentage of Research and Development (R&D) and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total Research and Development (R&D) and capex investments made by the entity, respectively:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
CAPEX	0.06%	0.44%	The research and development department at Avantel focuses on producing SDRs and Ku-Band terminals while considering both global and local market requirements. The primary objective of this endeavor is to enhance the product's environmental and social impacts, aiming for a more sustainable and socially responsible approach.
R&D	1.00%	4.56%	Research and Development (R&D) expenditure is limited to Core Technology / Intellectual Property (IP) development only excluding product design and development expenses. Hence, R&D expenditure is less when compared to previous year.

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

No. We understand the importance of sustainable practices and are actively exploring ways to integrate sustainable sourcing into our operations. We are committed to adopting responsible sourcing practices in the future to minimize environmental impacts, uphold ethical standards, and contribute positively to the communities and regions from which we source our materials.

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

NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company is in the business of providing technology and technological products and services for defence and space sector. Hence, the Company does not reclaim its products from its customers. The Company has a proper process keeping all regulatory norms in mind for reusing / recycling and disposing of end of life for plastics including packaging material, e-waste, hazardous waste and other types of waste from its production cycle. Further, the Company is abiding by all conditions and procedures mentioned by respective State Pollution Control Boards.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same: **Not Applicable**

The main products of the Company are Defense and space technology products for use in security applications. Once the products are sold, they will not be returned to the Company.

#### **Leadership Indicators:**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Yes.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
-		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste (non-hazardous waste)	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

## PRINCIPLE 3

**Businesses should respect and promote the well-being of all employees, including those in their value chains.**

### Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	211	211	100%	211	100%	-	-	-	-	-	-
Female	34	34	100%	34	100%	34	100%	-	-	-	-
<b>Total</b>	<b>245</b>	<b>245</b>	<b>100%</b>	<b>245</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees*</b>											
Male	162	162	100%	162	100%	-	-	-	-	-	-
Female	55	100%	5	100%	5	100%	-	-	-	-	-
<b>Total</b>	<b>167</b>	<b>167</b>	<b>100%</b>	<b>167</b>	<b>100%</b>	<b>5</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	67	67	100%	67	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67</b>	<b>67</b>	<b>100%</b>	<b>67</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent workers*</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

<b>Benefits</b>	<b>FY 2023-24 (Current Financial Year)</b>			<b>FY 2022-23 (Previous Financial Year)</b>		
	<b>No. of employees covered as a % of total employees</b>	<b>No. of workers covered as a % of total workers</b>	<b>Deducted and deposited with the authority (Y/N/N.A.)</b>	<b>No. of employees covered as a % of total employees</b>	<b>No. of workers covered as a % of total workers</b>	<b>Deducted and deposited with the authority (Y/N/N.A.)</b>
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others (please Specify)	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company strives to provide equal opportunities for its specially abled employees and provides them with the necessary infrastructure to work and access to the facilities for the same.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The same is hosted on the intranet of the Company.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

<b>Gender</b>	<b>Permanent Employees</b>		<b>Permanent Workers</b>	
	<b>Return to work Rate</b>	<b>Retention Rate</b>	<b>Return to work Rate</b>	<b>Retention Rate</b>
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	Employees / workers are encouraged to share their concerns with their reporting managers, the HR department and members of the Senior Leadership Team. Apart from this, an Ethics and POSH escalation mechanism is also available including a third-party helpline. The Company, on a regular basis, sensitizes its employees /workers on the same as well. It is mandatory for new employees / workers to read, understand and affirm the Company's Code of Conduct document as part of the induction program. Employees / workers can raise their concerns to POSH Committee Members, the Whistle blower channel, and Grievance Redressal channel. The concern received, if any, is investigated by the authorized persons by gathering, validating and analyzing the data. The observations and findings / recommendations are shared with the committee members. The documentation of the action taken is filed for records. Periodically, these concerns are reviewed by the Audit Committee Members. The lessons learnt are also shared during the quarterly Employee Communication meetings.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: Nil

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of Employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
<b>Total Permanent Workers</b>	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)				FY 2022-23 (Previous Financial Year)					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
<b>Employees</b>										
Male	237	47	19.83%	110	46.40%	196	35	18%	85	43.36%
Female	37	4	10.80%	21	56.75%	20	4	20%	14	70.00%
<b>Total</b>	<b>274</b>	<b>51</b>	<b>21.50%</b>	<b>131</b>	<b>47.80%</b>	<b>216</b>	<b>39</b>	<b>18%</b>	<b>99</b>	<b>45.80%</b>
<b>Workers</b>										
Male	26	5	19.23%	20	76.90%	16	5	31.25%	10	62.50%
Female	2	0	0%	2	100%	1	0	0%	1	100.00%
<b>Total</b>	<b>28</b>	<b>5</b>	<b>17.85%</b>	<b>22</b>	<b>78.57%</b>	<b>17</b>	<b>5</b>	<b>29.40%</b>	<b>10</b>	<b>58.80%</b>

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	237	237	100%	196	196	100%
Female	37	37	100%	20	20	100%
<b>Total</b>	<b>274</b>	<b>274</b>	<b>100%</b>	<b>216</b>	<b>216</b>	<b>100%</b>
<b>Workers</b>						
Male	26	26	100%	16	16	100%
Female	2	2	100%	1	1	100%
<b>Total</b>	<b>28</b>	<b>28</b>	<b>100%</b>	<b>17</b>	<b>17</b>	<b>100%</b>

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, occupational health and safety management system has been implemented as an integrated management system combining both ISO 14001:2015 & 45001:2018 (EHS). It covers the entire operations covering the manufacturing facilities and offices. The management systems have been implemented in accordance with these Standards. The EHS Management System defines the mandatory requirements for systematic management and execution within the organisation. The Company's Integrated EHS Management System is accredited by international certification bodies.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a procedure in place to establish, implement & maintain a documented procedure for ongoing identification of the hazards, assessment of risks, and the implementation of necessary control measures.

The procedure is based on six step risk assessment:

- Classify Work Activities
- Identify Hazards
- Determine Risks
- Decide if Risk is Tolerable
- Prepare Risk Control Action Plan
- Review adequacy of action plan and the same is the key driver for controlling the hazardous risk.

All relevant stakeholders and EHS team members are involved in risk assessments and the risk management process, Risk Assessments & Safe Work Method Statement are developed and approved prior to starting any work activity. All identified risks and risk mitigation plans are documented, approved and communicated to all relevant parties involved in the activity. This is periodically audited by the trained internal auditors and by accreditation bodies.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N): **Yes**
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No): **Yes**

11. Details of safety related incidents, in the following format:

<b>Safety Incident/Number</b>	<b>Category</b>	<b>FY 2023-24 (Current FY)</b>	<b>FY 2022-23 (Previous FY)</b>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

As a part of the EHS Integrated Management system, the safe and healthy workplace is ensured through periodic reviews through:

- a) Internal Audit
- b) External audit by accreditation bodies
- c) Review of risks and objectives in the management reviews
- d) Incident Management Process
- e) Near miss management process
- f) Health Awareness Program
- g) Periodical Occupational Health Checkup
- h) Safety Review Meetings

13. Number of Complaints on the following made by employees and workers:

<b>Benefits</b>	<b>FY 2023-24 (Current Financial Year)</b>			<b>FY 2022-23 (Previous Financial Year)</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions. - NA

**Leadership Indicators:**

1. Does the entity extend any life insurance or any compensatory package in the event of death of
  - (A) Employees (Y/N): Yes (covered under group personal accident policy, gratuity)
  - (B) Workers (Y/N): Yes (covered under workmen compensation act, group personal accident policy and ESIC scheme)
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All Statutory Compliances are monitored in ERP – Customized Report, which triggers alert to people responsible for such compliance and also gets escalated to his / her seniors to avoid any non-compliances.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		<b>No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</b>	
	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed*</b>
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

## PRINCIPLE 4

**Businesses should respect the interests of and be responsive to all its stakeholders.**

### Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

We consider individuals, groups, institutions or entities that contribute to shaping our business that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external and direct as well as indirect. Our key stakeholders include employees, investors, suppliers and partners, customers, government authorities, Management, Bank / financial institutions and the community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No) No	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	We use digital as well as physical channels of communication including but not limited to e-mails, leadership touchpoints and appraisal and training programmes for personal and professional growth.	Regular	Through physical and digital channels of communication, we aim to provide our employees with an empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate offices, manufacturing locations and in the field.
Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/ calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports.	Quarterly and need based	We engage with them so that they can take an informed decision to invest in our Company. The key area of engagement includes an update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks.

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Customers	No	Physical and virtual meetings, customer events, calls, e-mail and website.	Daily	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/ tenders and maximize the outreach of our products.
Suppliers & Partners	No	Physical and virtual meetings, supplier forums, partner events, calls, e-mail and website.	Frequent and need-based	To make suppliers aware of the requirements of the Company with respect to the quality and other specifications. They are also made aware of the policies of the Company with respect to the ethical practices and also the quality standards maintained by the Company.
Government authorities	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	Need-based	With regulatory authorities, our engagement is aimed at discharging responsibilities. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry.
Community	No	Our engagement with the community includes physical visits as well as digital channels.	Frequent and need-based	With giving back to society as a core tenet of the Company, our corporate social responsibility and employee volunteering programmes target the areas of education, health and Rural Development activities.
Management	No	Email, Website, meeting, Intranet and Telephone	As and when required	Growth in sales & profitability / efficiency & effectiveness of operations
Bank / Financial Institutions	No	Email, Website, meeting, Letters and Telephone	As and when required	Good financial performance

**Leadership Indicators:**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with the respective stakeholder groups is done by the relevant business and functional heads. Feedback from such consultations is shared with the Board during the quarterly Board meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, the stakeholder engagement program is deployed by focusing on each identified stakeholder from various business divisions of the organization. We are working towards the betterment of communities in the vicinity of our manufacturing plant which is located in Visakhapatnam. We have identified stakeholders, and we are working on projects for them.

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/marginalized stakeholder groups.

The Company has carried out a comprehensive stakeholder identification program. This allowed us to understand the needs and expectations of our stakeholders better. Various systems are in place to address the concerns of all stakeholders viz. customers, shareholders, suppliers, financial institutions, employees, and others specially the stakeholders near our business locations who are directly or indirectly impacted by the way we conduct our business. We specially focus on the environment near our vicinity and run various programs to reduce impact on environment due to our operations and upliftment of vulnerable / marginalized communities. Some of the environment friendly measures are: our green initiatives to reduce waste, minimal pollution, recycling of waste water and energy efficient lighting systems & generation of solar power. On the social front, we run several programs that include health, hygiene and nutrition development in school children, promoting girl child education in the surrounding villages, medical camps and health centers etc., under Corporate Social Responsibility activities of the Company.

**PRINCIPLE 5**

**Businesses should respect and promote human rights.**

**Essential Indicators:**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: (Employees ever trained / Headcount March 31, 2024)

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	245	245	100%	177	177	100%
Other than Permanent*	29	29	100%	39	39	100%
<b>Total Employees</b>	<b>274</b>	<b>274</b>	<b>100%</b>	<b>216</b>	<b>216</b>	<b>100%</b>

Category	FY 2023-24 (Current Financial Year)				FY 2022-23 (Previous Financial Year)			
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)		
<b>Workers</b>								
Permanent	1	1	100%	1	1	100%		
Other than Permanent*	26	26	100%	16	16	100%		
<b>Total Employees</b>	<b>27</b>	<b>27</b>	<b>100%</b>	<b>17</b>	<b>17</b>	<b>100%</b>		

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

Category	FY 2023-24 (Current Financial Year)				FY 2022-23 (Previous Financial Year)						
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage		
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)	
<b>Employees</b>											
<b>Permanent</b>											
Male	211	-	-	211	100%	157	-	-	157	100%	
Female	34	-	-	34	100%	20	-	-	20	100%	
<b>Other than Permanent*</b>											
Male	26	-	-	26	100%	39	-	-	39	100%	
Female	2	-	-	2	100%	2	-	-	2	100%	
<b>Workers</b>											
<b>Permanent</b>											
Male	1	-	-	1	100%	1	-	-	1	100%	
Female	1	-	-	1	100%	1	-	-	1	100%	
<b>Other than Permanent*</b>											
Male	26	-	-	26	100%	16	-	-	16	100%	
Female	1	-	-	1	100%	1	-	-	-	100%	

### 3. Details of remuneration/salary/wages

#### a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	2	156.07 Lakhs	1	257.36 Lakhs
Key Managerial Personnel	3	36.77 Lakhs	1	257.36 Lakhs
Employees other than Board of Directors and KMP	237	4.07 Lakhs	37	4.15 Lakhs
Workers	26	0.32 Lakhs	-	-

Note: \* Only Executive Directors are considered. The Independent Directors are eligible for sitting fees.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

No separate mechanism exists in the Company for Redressal of Human Rights Issues. However, there exists Grievance Redressal Procedure for resolving employee's grievances on service related matters.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labor	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labor / Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

It is ensured that no work related adverse consequences are imposed out to the Complainant by placing the Complainant & Respondent in different work places, in case both were in the same work place. Moreover, the Complainant can report any such incident to the higher authorities for appropriate action.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
<b>Child labour</b>	100%
<b>Forced/involuntary labour</b>	100%
<b>Sexual harassment</b>	100%
<b>Discrimination at workplace</b>	100%
<b>Wages</b>	100%
<b>Others - please specify</b>	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

N.A.

#### **Leadership Indicators:**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints:

The Company's Policies cover the guidelines on Human rights, and it is applicable to all members. The members were given the liberty to report any violations of the Code or share their concerns confidentially through e-mail or ERP and access to Committee members as per the various Committees under the Code of Conduct.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No due diligence per se has been conducted for human rights but the Company makes sure no rights of any of its members are compromised.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
<b>Sexual Harassment</b>	Nil
<b>Discrimination at workplace</b>	Nil
<b>Child labour</b>	Nil
<b>Forced Labour/ Involuntary Labour</b>	Nil
<b>Wages</b>	Nil
<b>Others - please specify</b>	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

## PRINCIPLE 6

**Businesses should respect and make efforts to protect and restore the environment.**

**Essential Indicators:**

1. Details of total energy consumption (in Kwh) and energy intensity, in the following format:

<b>Parameter</b>	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
<b>From renewable sources</b>		
Total electricity consumption (A)	1015442	853185
Total fuel consumption (B)	2531	1682
Energy consumption through other sources (C)	34684	35891
Total energy consumed from renewable sources (A+B+C)	1052657	890758
<b>Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)</b>	<b>47.01 Kwh per Lakh turnover</b>	<b>57.74 Kwh per Lakh turnover</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) - **NA**

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres) *</b>		
(i) Surface water	-	-
(ii) Groundwater	6000	4500
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>6000</b>	<b>4500</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>6000</b>	<b>4500</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	<b>0.2680 kilolitres per Lakh turnover</b>	<b>0.2917 kilolitres per Lakh turnover</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has implemented a mechanism of Zero Liquid Discharge in its manufacturing unit wherein a well maintained Sewage Treatment Plant is in place to recycle the waste water. The treated waste water is used for Gardening, ensuring that there is no discharge of the waste water to environment. Treated water is tested periodically in an authorized lab.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Nox	Metric tons	NA	NA
Sox	Metric tons	NA	NA
Particulate matter (PM)	Metric tons	NA	NA
Persistent organic pollutants (POP)	Nil	NA	NA
Volatile organic compounds (VOC)	Metric tons	NA	NA
Hazardous air pollutants (HAP)	Metric tons	NA	NA
Others – please specify	Nil	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

<b>Parameter</b>	<b>Unit</b>	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
<b>Total Scope 1 emissions*</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	<i>Metric tonnes of CO<sub>2</sub> equivalent /rupee of turnover</i>	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	<i>Metric tonnes of CO<sub>2</sub> equivalent /rupee of turnover adjusted for PPP</i>	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	<i>Metric tons CO<sub>2</sub> / metric ton produced</i>	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company has already commissioned a solar plant at one of its factories located at Gambheeram (V), Anandapuram (M), Visakhapatnam, Andhra Pradesh. The solar plant has a capacity of 25 KVA and is aimed at reducing the green house gas emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	0.035	0.028
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H) Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2.00	1.55
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2.035</b>	<b>1.578</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?  
(Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Material required to be scrapped is periodically identified through a list which is approved as per the policy. Such identified scrap is moved to separate area earmarked for the purpose. Stores records will be updated accordingly.

Interested qualified Vendors shall be allowed to visit the scrap yard for assessment before submitting the quotation/bid.

Competitive quotes are collected and upon comparison of the quotations, an internal assessment will be carried out for process compliance and issue of scrap invoices. Upon finalization, the vendor is invited to pick up the scrap.

**Disposal of E wastes & Hazardous material (eco – friendly waste disposal):**

The above said process is applicable for e-wastes also. Additionally, the vendor who is interested to collect the e-waste has to be approved by the pollution control board and has to hold a valid license as below.

- Hazardous waste authorization.
- Consent Order for Air and Water.

The vendor is required to provide a certificate of destruction with our documentation references for the records.

The above is in Compliance with ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company has complied with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non - compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

#### **Leadership Indicators:**

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Production site that operate in Visakhapatnam (high 40-80%)
- (ii) Nature of operations: Development & Manufacturing of Software Defined Radios, Satellite Communication equipment, HF Communication equipment, Network Management Systems & Application Software and Embedded Systems & Digital Signal Processing technologies.
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres) *</b>		
(i) Surface water	-	-
(ii) Groundwater	6000	4500
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>6000</b>	<b>4500</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>6000</b>	<b>4500</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.2680 kilolitres per Lakh turnover</b>	<b>0.2917 kilolitres per Lakh turnover</b>
<b>Water intensity (optional) - the relevant metric may be selected by the entity</b>	<b>-</b>	<b>-</b>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions (Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</b>	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 3 emissions per rupee of turnover</b>	-	NA	NA
<b>Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity</b>	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As mentioned above, no operations/ offices of the Company are situated around ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Solar Power project	The Company has installed a solar powerplant with a capacity of 25 KVA Gambheeram (V), Anandapuram (M), Visakhapatnam, Andhra Pradesh.	The Company aims at reducing its dependence on non-renewable sources of energy and this happens to be the Company's first step towards reducing its carbon footprint.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have emergency preparedness plans in place for each site to address any external and internal disasters. These plans have a clear focus on minimizing exposure to hazardous situations and cover various scenarios with clear assignments of responsibilities. This also includes business continuity measures per business segment. The web link is <https://www.avantel.in/>.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No adverse impact to the environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

## PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

### Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/ associations.

Three. The Company is a member of Federation of Telangana Chamber of Commerce and Industry (FTCCI), Telangana State, India; the Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) Andhra Pradesh, India and Confederation of Indian Industry (CII), Andhra Pradesh, India.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the Trade and Industry Chambers/ Associations	Reach of trade and Industry Chambers/ Associations (State / National)
1.	Federation of Telangana Chamber of Commerce and Industry (FTCCI)	National
2.	Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)	National
3.	Confederation of Indian Industry (CII)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

#### Leadership Indicators:

1. Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
Nil				

## PRINCIPLE 8

**Businesses should promote inclusive growth and equitable development.**

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community.

The Board of Directors of the Company had adopted the Whistle Blower Policy. A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct and Ethics. It also provides adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel have been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company <https://www.avantel.in/investors>

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / small producers	20.99%	23.91%
Directly from within India	54.85%	45.18%

#### Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount spent (In INR)
1.	Andhra Pradesh State, India	Vijayawada, NTR District	Rs.54,40,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) – No  
 (b) From which marginalized/vulnerable groups do you procure- NA  
 (c) What percentage of total procurement (by value) does it constitute- NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Health	11,251	45%

## PRINCIPLE 9

**Businesses should engage with and provide value to their consumers in a responsible manner.**

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has internal ERP systems christened as “FUNWORK” where all activities from “Enquiry” to “After Market Support” are captured and archived. All customer communications are handled with utmost care and the grievances are addressed with utmost care. The mechanisms for receiving customer communications & complaints are through email, letter, fax, website portal and verbal communications directly to project management teams. In addition, the CSD teams collects feedback forms from clients/customers regularly as per the Company's Standard Practice and the complaints are addressed in right earnest for quick disposal. Being an AS9100 & ISO 9001 complaint company, these mechanisms are critically scrutinized during internal and external audits which otherwise will result in major non-compliance and bears the risk of cancellation of certification. Your company has always exceeded the expectations of customers and never had a customer complaint being un-addressed within the stipulated timelines.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Details	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY ended March 31, 2024 (Current Financial Year)		Remarks	FY ended March 31, 2023 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
<b>Voluntary recalls</b>	Nil	Nil
<b>Forced recalls</b>	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has a framework on cyber security and risks related to data privacy. The same is hosted on the website of the Company. The web link is <https://www.avantel.in/investors>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

Nil

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches - Nil
- b. Percentage of data breaches involving personally identifiable information of customers – 0%
- c. Impact, if any, of the data breaches - Nil

**Leadership Indicators:**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company is in the niche segment of Defence and it requires a high level of product confidentiality in the interest of National Safety. Hence, the product information together with Technical Data is made available to the Customer's special requests for copies of the same are forwarded through encrypted e-mails. The web link is <https://www.avantel.in/investors>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
We have conviction in the importance of providing accurate and transparent product information to our customers. Regular communication with customers is done by our technical team and various training programs are conducted to educate on safe and efficient use of products.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
The main products of the Company are engineering and technical products, defence sector items, optic components, electronics and mechanical items for use in strategic/national security applications by Indian Armed Forces. Avantel is committed to providing support to customers till our product is in service.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

By order of the Board of Directors  
**For Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

## **Nomination and Remuneration Policy**

### **1. Introduction**

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Avantel Limited (the Company) is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, the Key Managerial Personnel (KMP) and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

### **2. Objective of the Policy**

- (a) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent director(s) on the Board, KMP(s) and the Senior Management Personnel of the quality required, Avantel allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
  - (i) guiding the Board in relation to appointment and removal of Director(s), Key Managerial Personnel and Senior Management;
  - (ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
  - (iii) recommending to the Board the remuneration payable to the Director(s) and setting forth a policy for determining remuneration payable to KMP and Senior Management Personnel.
- (b) While determining the remuneration for the Director(s) (including non-executive directors) and KMPs and Senior Management Personnel, regard should be had to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.
- (c) While designing the remuneration package it should be ensured:
  - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
  - (ii) There is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (d) Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.
- (e) The Committee may consult with the chairman of the Board as it deems appropriate.

The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including Section 178 thereof), rules framed there under and clause 49 of the Listing

Agreement including, *inter-alia*, principles pertaining to determining qualifications, positives attributes, integrity and independence.

- (f) In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

### **3. Effective Date**

This policy shall be effective from the date of its adoption by the Board.

### **4. Definitions**

- (a) In this Policy unless the context otherwise requires:

- (i) '**Board of Directors**' or '**Board**', in relation to the Company, means the collective body of the directors of the Company.
  - (ii) '**Committee**' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
  - (iii) '**Company**' means "AVANTEL LIMITED".
  - (iv) '**Independent Director**' means a director referred to in Section 149(6) of the Companies Act, 2013 read with clause 49 of the Listing Agreement.
  - (v) '**Key Managerial Personnel (KMP)**' shall have the meaning ascribed to it in the Act and the Rules made thereunder.
  - (vi) '**Non-Executive Directors**' includes Independent Directors.
  - (vii) '**Policy**' means Nomination and Remuneration policy.
  - (viii) '**Senior Management Personnel**' for this purpose shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.
- (b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **5. Applicability**

This Policy is applicable to:

- (i) Directors, including Non- Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

### **6. Membership**

- (a) The Committee shall consist of such number of directors as is required under applicable laws.
- (b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
- (c) Term of the Committee shall be continuous unless terminated by the Board of Directors.

- 7. Chairman**
  - (a) Chairman of the Committee shall be an Independent Director.
  - (b) Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.
  - (c) Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.
- 8. Frequency of Meetings**

The meeting of the Committee shall be held at such intervals as may be required.
- 9. Committee Members' Interests**
  - (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
  - (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- 10. Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.
- 11. Quorum**

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.
- 12. Voting**
  - Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.
  - In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- 13. Responsibility of the Committee**
  - (a) The Committee is responsible for:
    - (i) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
    - (ii) advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
    - (iii) monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
    - (iv) monitoring and evaluating the application of this Policy;
    - (v) monitoring and evaluating current remuneration structures and levels in the Company; and
    - (vi) any other responsibility as determined by the Board.

#### **14. Appointment of Directors, KMP or Senior Management Personnel**

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel.
- (b) A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- (c) Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance of provisions of the Companies Act, 2013 and compliance of clause 49 of the Listing Agreement.
- (d) The appointment of a Director or a KMP, as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

#### **15. Remuneration**

##### **(a) Remuneration to Executive Directors, Directors other than Executive Director:**

- (i) The remuneration/ compensation/ commission etc. to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (ii) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- (iii) Increments to the existing remuneration/ compensation structure of Directors shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.
- (iv) Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **16. Remuneration to Executive Director**

##### Fixed pay:

- Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### Variable components:

- The Executive Director(s) may be paid performance linked commission within the overall limits as approved by the shareholders.

**Remuneration to Directors other than Executive Director:****Sitting Fees:**

- The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**17. Remuneration to KMP and Senior Management Personnel**

(i) The remuneration payable to KMP and Senior Management Personnel including their increments will be determined by the Managing Director and recommend to the Nomination and Remuneration Committee for approval.

(ii) Where any insurance is taken by the Company on behalf of its KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**(iii) Remuneration:****(i) Fixed pay:**

- KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Committee.

**(ii) Variable components:**

- Based on the performance KMP and Senior Management Personnel will be paid incentives.

**18. Policy On Board Diversity**

(a) The Board of Directors shall have the optimum combination of Directors from the different areas/fields like [production, management, quality assurance, finance, sales and marketing, research and development, Human Resources etc] or as may be considered appropriate.

(b) The Board shall have at least one Board member who has accounting or related financial management expertise.

**19. Removal**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director(s), KMP(s) and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

**20. Disclosure of Information**

This Policy shall be disclosed in the Board's report.

**21. Deviation from the Policy**

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

**22. Amendments to the Policy**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

By order of the Board of Directors  
For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

*[Pursuant to Regulation 34 (2) (e) of Securities Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**Business Overview:****1) Review of Operations**

Your Company has yet again demonstrated exceptional growth and grossed a turnover of Rs.22,391.75 lakhs for the F.Y. 2023-24 which is the highest since inception. This year was an eventful year wherein we have successfully executed few significant projects viz. 6300 RTIS systems for Indian Railways, MSS Helicopter version units to Lockheed Martin, USA and MSS M II terminals to various ships & strategic vehicles, S band Hub station & MSS terminals to ICG. Your company has designed, developed, and successfully demonstrated 1 KW HF Software Defined Radio (SDR) sets compliant to SCA 4.1 architecture to Indian Air Force. Avantel has got a supply order from NSIL, ISRO for supply of 30,000 MSS terminals for shipping boats to be supplied in FY 2024-25. Your Company this year has initiated development of 5 / 10 KW HF Systems, HF Manpacks, Ku band terminals, multi band airborne SCA compliant Software Defined Radios.

The operations of Imeds Global Private Limited, subsidiary of Avantel Limited offering innovative medical solutions are in consolidation phase while ventilators, patient monitors, CPAP, BiPAP, portable Oxygen Concentrators are under advanced stage of development, and we are confident that these products will be certified during 2024-25.

The Company has recorded a Profit (before tax) of Rs.7,447.31 Lakhs against Rs.3,992.96 Lakhs in the previous year with an increase in profit by (before tax) 86.51% compared to last fiscal.

**2) Outlook for the next year**

The budget estimates for the Ministry of Defence (MoD) for 2024-25 are Rs.621,540.85 crore, constituting 13.04 percent of the total Union Budget. The allocations to the MoD in BE 2024-25 are an increase of 4.71 per cent from the 2023-24 budget estimates of Rs.593,537.64 crores. The MoD notes that the interim budget of FY 2024-25 has maintained an upward trend in the capital outlay allocations to fill the critical capability gaps through the modernization of the Armed Forces. In the past 10 years, the modernization budget and the capital outlay on defence services have grown consistently. In BE 2024-25, an amount of Rs.141,160.9 crores has been allocated under the modernization heads. This represents an increase of 5.52 per cent over the BE 2023-24 allocations under the same heads, which stood at Rs.133,871.26 crores.

The government's Atmanirbhar Bharat initiative has also focused on India's defence sector, which aims to promote indigenous production and reduce the country's dependence on imports. The government is focusing on the defence industry as a key area to achieve self-reliance. The government has taken several policy initiatives in the past few years under 'Make in India' programme and brought in reforms to encourage indigenous design, development and manufacture of defence equipment in the country.

During the last three financial years (2020-21 to 2022-23), for instance, 122 contracts have been signed for capital procurement of defence equipment by the MoD. Out of these, 100 contracts accounting for 87 per cent of total contracts value have been signed with Indian vendors for capital procurement of defence equipment. (Source: <https://www.idsa.in/issuebrief/Defence-Budget-2024-25-SSC-Rajiv-ASingh-160224>)

Avantel is in the forefront of building self-reliance in defence technologies and has been consistently offering solutions as per requirements of the strategic customers. During the FY 2024-25, the company has impressive

order book and is expected to introduce few new products viz. SCA complied HF Software Defined Radios and MSS Xponders for fishermen in addition to the present product lines.

Further, your company is also establishing a facility in E City, Shamshabad, Hyderabad with built up space of about 70,000 Sq. Feet in about 4 acres of land. The facility is scheduled to be operational by October 2024 and shall house state of the art facilities and infrastructure for space technologies. In view of the recently released Indian new space policy, your company has embarked on new initiatives in line with the company's diversification plans and submitted proposals for establishment of Ground Station as a Service (GSAAS) facility & SATCOM as a Service through dedicated satellite to IN-SPACe, ISRO, GoI for consideration.

The company is also establishing a state of the art R & D and Production centre for Imeds in about 2 acres land with built space of approx. 30,000 sq feet and expected to go operational by Q3 FY 2024-25.

### **3) Risks And Concerns**

#### **a) Risks**

The supply chains have been stabilised post Covid effects despite the Geopolitical disturbances around the world. However, the challenges of procurement of semiconductors with long lead time have bearing on production cycles and must be meticulously planned. The Company has to quickly complete development of various products in communication domain to be able to sustain the growth

#### **b) Risk Mitigation**

The company has in place an elaborate supply management process and is constantly refining the same for availability of materials in time. Alternative strategies are resorted to well in time to take care of bottlenecks, if any. Your company is aware of market conditions and innovation in design as well as operations is helping Avantel stay ahead in competition.

The company has a clear focus on its long term perspective plan and initiated diversification strategies to enhance / refine its product portfolio for the next eight years.

### **4) Opportunities and Threats**

#### **a) Opportunities**

Avantel is well positioned in the Strategic Electronics segment for its indigenous offerings specially in the areas of Satcom, HF Systems, and various types of Software Defined Radios. Privatisation of Space domain itself has opened new avenues and company is seized of this significant business opportunity. The company is drawing up plans to enter into other segments of Space to be able to offer unique customised solutions to Indian Defence sector.

In the medical segment, in view of the emerging demand for indigenous medical devices, iMeds is poised to introduce various indigenous products in the Surgical and Respiratory domain in the coming FY to enhance its product mix.

#### **b) Threats**

No major threats are envisaged, and company has visibility for the next three years. However, competition from established players as well as startups in new technologies needs to be handled with focus on innovation, design and developments of new products.

### **5) Internal Control Systems and their adequacy**

Your Company has well defined internal control systems. The company has the following certifications:

- AS9100: 2016 and ISO 9001:2015 certified Quality Management System
- ISO/IEC 27001:2013 certified Information Security Management System.
- ISO/IEC 17025:2017 certified and NABL accredited in-house Environmental Test Laboratory.
- ISO 14001:2015 certified Environmental Management System
- ISO 45001:2018 certified Occupational Health and Safety Management System

The Company has a robust Internal & external audit mechanisms which are regularly monitored through the ERP system “Funwork”.

All the internal and external audits are completed in time. There are no non-compliances in respect of the processes / systems in place and the Companies internal control systems are very well appreciated.

An effective control is exercised by the top management who monitors various key performance indicators regularly through Management reviews & other means and ensures that all the critical business functions exceed expectations with timely interventions as required.

## **6) Industrial Relations and Human Resources Management**

Your Company enjoys an excellent rapport and standing among its Customers & Suppliers. There are no pending disputes with any of the stakeholders and the company enjoys very cordial and harmonious relations across the business environment. The company's strength lies in its Human resources and its HR policies. The employees are highly motivated and technically equipped to meet the organizational goals at all times.

During the Year, the Company has introduced the “Avantel Employees Stock Option Plan - 2023” (“ESOP 2023” or “Scheme”). The scheme has been approved by the Board of Directors at their meeting held on October 9, 2023, and the Shareholders of the Company on November 11, 2023.

The objective of the Scheme is to reward the Employees for association, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Company prospects that Employee Stock Options as instruments that would enable the Employees to get a share in the value, they create for the Company in the years to come.

The key objectives of this scheme is (a) to create sense of ownership amongst Employees through equity-based compensation and provide them an opportunity to partner in the success of business; (b) to attract premium talent to join the Company; (c) Retention of key talent within the Company; (d) Recognizing contributions of the Employees who are crucial for the success of the Company in the long run; and (e) provide an opportunity for wealth sharing with Employees.

The Scheme would result in grant of options not exceeding 45,00,000 equity shares of the Company. Each option when exercised, would be converted in to one equity share of Rs.2/- each (Rupees Two Only) fully paid-up. The quantum of benefits underlying the stock options issued to an eligible employee shall depend upon the number of stock options held by the employee and the market price of the equity shares as on the date of sale.

## **7) Variations in Net Worth**

The Standalone Net worth of the Company for the Financial Year ended March 31, 2024, is Rs.17,141.39 Lakhs as compared to Rs.11,188.03 Lakhs for the previous financial year ended March 31, 2023 and the Consolidated Net worth of the Company for the Financial Year ended March 31, 2024 is Rs.16,411.92 Lakhs as compared to Rs.10,748.17 Lakhs for the previous Financial year ended March 31, 2023.

**8) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation**

During the year, the significant changes in the financial ratios of the Company are summarised in notes to financial statements on a standalone basis Note No. 50 and on consolidation basis Note No. 49.

**9) Cautionary Statement**

Statements in the management discussion analysis describing the Company's objectives, projections, estimates, expectations are forward looking within the meaning of applicable security-laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual results may differ materially from these expressed in the statement. Important factors that could make difference to Company's operations include economic conditions, changes in the Government priorities/policies/ regulations, tax laws and other statutes and other incidental factors affecting the business environment. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events.

By order of the Board of Directors  
For Avantel Limited

Sd/-  
**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

## **REPORT ON CORPORATE GOVERNANCE**

### **Company's philosophy on Code of Governance:**

Corporate Governance is based on the principles of equity, fairness, integrity, transparency, accountability and commitment to values. Avantel adopts a business process which is aimed at enhancing an organization's wealth while being committed to high ethical values and conduct.

At Avantel, we believe in complying with the spirit of the law and not just the letter of the law. We follow the policy of continual disclosure of accurate financial and governance information on our website to ensure investors awareness and protection. Our Board consists of experienced and participative independent directors, which ensures an independent and unbiased decision-making process.

At Avantel, we ensure the application of best governance practices, adherence to high ethical values, healthy stakeholder relations and achievement of our objectives while meeting the stakeholder's needs.

The Company has also adopted Code of Conduct for the Board of Directors and other Senior Level Management and also Whistle Blower Policy to enable the employees and Directors to report their concerns directly to the Chairman of the Audit Committee.

At Avantel, we have always sought to be a value driven organization, where our growth and success is directed by our values. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

### **GOVERNANCE STRUCTURE**

The Corporate Governance structure of M/s. Avantel Limited is as follows:

#### **1) Board of Directors**

The composition of the Board of Directors of the Company is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As of March 31, 2024, the Companys' Board of Directors consists of 9 Directors, out of which Six are Non-Executive Independent Directors. The Board of Directors of the Company do not serve as Independent Director in more than Seven Listed Companies or in case he is serving as a Whole-Time Director in any listed Company, does not hold such position in more than three listed Companies, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management.

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

The Board has unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

#### **The composition and category of the Board of Directors is as follows:**

The Board comprises of Nine Directors as on March 31, 2024.

<b>Name of Director</b>	<b>Category</b>	<b>Designation</b>	<b>No. of shares held in the Company (%)</b>	<b>Names of the Listed and Other Companies holding Directorship &amp; category of such Directorship held</b>
Dr. Abburi Vidyasagar	Promoter-Executive	Chairperson & Managing Director	4,56,69,724 (18.77%)	Managing Director of Avantel Limited; Director of Imeds Global Private Limited and Wiki Kids Private Limited.
Mrs. Abburi Sarada	Promoter-Executive	Whole-Time Director	1,50,74,940 (6.20%)	Whole Time Director of Avantel Limited and Director of Imeds Global Private Limited.
Mr. Abburi Siddhartha Sagar	Promoter-Executive	Whole-Time Director	1,90,16,460 (7.82%)	Whole Time Director of Avantel Limited; Director of Imeds Global Private Limited and Wiki Kids Private Limited.
Mr. Yalamanchili Kishore	Non-Executive	Independent Director	Nil	Independent Director of Avantel Limited
Mr. Naveen Nandigam	Non-Executive	Independent Director	Nil	Independent Director of Avantel Limited and Kapston Services Limited.
Mr. Myneni Narayana Rao	Non-Executive	Independent Director	Nil	Independent Director of Avantel Limited and Welspun Specialty Solutions Limited. Director of Bridge Gap Engineering India Private Limited.
Mr. Vyasabhattu Ramchander	Non-Executive	Independent Director	Nil	Independent Director of Avantel Limited and Bambino Agro Industries Limited.
Dr. Ajit Tavanappa Kalghatgi	Non-Executive	Independent Director	60,000 (0.02%)	Independent Director of Avantel Limited, Antrix Corporation Limited & IIT Tirupati Navavishkari – Hub Foundation.

Name of Director	Category	Designation	No. of shares held in the Company (%)	Names of the Listed and Other Companies holding Directorship & category of such Directorship held
Ms. Harita Vasireddi	Non-Executive	Independent Director	NIL	Independent Director of Avantel Limited and Managing Director of Vimta Labs Limited. Director of Emtac Laboratories Private Limited.

## 2) Selection criteria of Board Members

The Nomination and Remuneration Committee in accordance with the Company's Policy for determining the qualifications, positive attributes and independence of director and the requirements of the skill-sets on the Board considers eminent persons having an independent standing in their respective field and who can effectively contribute to the Company's business, for appointment of new Directors on the Board. The Policy for determining the qualifications, positive attributes and independence of director is available on the website of the Company.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The Company has adopted Guidelines on selection criteria of Board members, which are available on the website of the Company.

## 3) Skills of Directors

Your Board aims to be comprised of Directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's responsibilities. The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfill its role and in light of the Company's strategic direction;
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future Director Appointments.

Your Board considers the following key skills set out in the matrix collectively, which it considered to be desired of the Board of Avantel:

### Board skills and experience

S1- Industry expertise (Telecommunication and Satellite Technologies)
S2- Executive leadership and Board experience
S3- Expertise in financial matters
S4- Corporate Governance
S5- Strategy & Risk Management;
S6- Health, safety, environment and sustainability
S7- M&A/Capital Markets;
S8- Sales, Marketing and Market Strategy;

<b>Board Competency Matrix:</b>									
<b>Board of Directors</b>		S1	S2	S3	S4	S5	S6	S7	S8
Dr. Abburi Vidyasagar		✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Abburi Sarada		✗	✓	✓	✓	✗	✓	✗	✓
Mr. Abburi Siddhartha Sagar		✓	✓	✓	✓	✓	✓	✗	✓
Mr. Yalamanchili Kishore		✓	✓	✓	✓	✓	✗	✗	✓
Mr. Naveen Nandigam		✗	✓	✓	✓	✓	✗	✓	✓
Mr. Myneni Narayana Rao		✓	✓	✓	✓	✗	✓	✗	✓
Mr. Mr. Vyasabhattu Ramchander		✗	✓	✓	✓	✓	✗	✗	✓
Dr. Ajit Tavanappa Kalghatgi		✓	✓	✓	✓	✓	✓	✗	✓
Ms. Harita Vasireddi		✗	✓	✓	✓	✓	✓	✓	✓

The current composition of your Company's Board includes directors with core industry experience and has all the key skills and experience set out above.

#### 4) Relationship among Directors

Dr. Abburi Vidyasagar, Mr. Abburi Siddhartha Sagar and Mrs. Abburi Sarada are related to each other. Further, none of the directors are related to each other.

#### 5) Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship / Membership of Board / Committees in other Public / Listed Companies are as under:

Name	Attendance in the Board meetings		Attendance at AGM held on June 23, 2023	No. of Directorships in other Companies	In other Public Companies #			
	Held	Present			Committee			
					Membership	Chairman		
Dr. Abburi Vidyasagar	8	8	Y	2	0	0		
Mrs. Abburi Sarada	8	8	Y	1	0	0		
Mr. Abburi Siddhartha Sagar	8	8	Y	2	0	0		
Mr. Naveen Nandigam	8	8	Y	1	0	1		
Mr. Yalamanchili Kishore	8	8	Y	0	0	0		
Mr. Myneni Narayana Rao	8	8	Y	2	1	0		
Mr. Ramchander Vyasabhattu	8	8	Y	1	1	1		
Mr. EBV Ramana Gupta*	6	6	N	0	0	0		
Dr. Ajit Tavanappa Kalghatgi **	0	0	NA	3	2	0		
Ms. Harita Vasireddi **	0	0	NA	2	0	0		

**Note:** \* Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company due to pre-occupation and other professional assignments, with effect from December 26, 2023.

\*\* Dr. Ajit Tavanappa Kalghatgi and Ms. Harita Vasireddi were appointed as Independent Directors of the Company with effect from March 6, 2024.

- # Includes only Audit Committee and Stakeholders Relationship Committee (Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies act, 1956).

None of the Directors on the Board hold directorships in more than ten public companies. None of the Independent Director serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024, have been made by the Directors. None of the Directors on the Board are member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

None of the Independent Directors are Promoters or related to Promoters. They do not have a pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company. None of the independent directors of the Company is a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

In the opinion of the Board, all the independent directors fulfill the conditions specified in the Companies Act, 2013, including amendments there under and SEBI Listing Regulations, 2015, as amended from time to time, and are independent of the management.

Pursuant to section 150 read with of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013, your Company's Independent Directors have registered themselves on the portal of "Indian Institute of Corporate Affairs" as Independent Director within the prescribed timelines.

#### **6) Statement on Declaration given by Independent Directors under Section 149**

The Independent Directors have submitted a declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

#### **7) Profile of Board of Directors**

Brief profile of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold Directorship, and the membership of the Committees of the Board are furnished hereunder:

##### **Dr. Abburi Vidyasagar, Chairman & Managing Director**

Dr. Abburi Vidyasagar (62 Years) is a Post Graduate in Electronics and Communication Engineering. He did his B.Tech from JNTU, Kakinada, Andhra Pradesh from 1977 to 1981 and did his Master of Engineering from IIT, Kharagpur from 1981 to 1983. He also did Master of Business Administration from Osmania University, Hyderabad in the year 1989-1991. Dr. A. Vidyasagar received Doctorate from JNTU, Hyderabad for his outstanding work on E-Learning Methodologies.

Dr. A. Vidyasagar promoted Avantel Limited in 1990, a technology driven research-oriented Company and developed world-class infrastructure for design, manufacture and development of Wireless Products for Defence, Satellite Communications and Export Markets. Avantel with a team of engineers developed satellite communication products for voice and data communication working on Indian Satellites for various platforms like ships, submarines, aircrafts and helicopters. These products and solutions enhanced self-reliance of the Indian defence services and enabled network centric communication between mobile platforms of Indian Navy complying with military standards.

Following are few of his career achievements:

- Designed Circuits and Micro Electronic Modules for Fighter Aircrafts and Electronic Warfare Systems.

- Designed Communications Equipment for Ground-to-Air and Air-to-Air Communications in Fighter Aircrafts.
- Project Appraisal for Techno-Economic feasibility of Technology driven SMEs in the areas of Electronics, Telecom, information Technology and Medical Services, Software Development and Project Management.

Dr. A. Vidyasagar is Chairman and Managing Director in Avantel Limited, Director in Imeds Global Private Limited and Wiki Kids Private Limited.

Dr. A. Vidyasagar holds 4,56,69,724 (18.77%) equity shares in the Company.

Dr. A. Vidyasagar is spouse of Mrs. A. Sarada, Whole Time Director & CFO of the Company and father of Mr. Abburi Siddhartha Sagar, Whole Time Director. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

#### **Mrs. Abburi Sarada, Whole Time Director & Chief Financial Officer (CFO)**

Mrs. Abburi Sarada (59 Years) Whole-Time Director and Chief Financial Officer of the Company. She holds master's degrees in Business Administration from Madurai Kamaraj University. She did her Bachelor of Commerce from Osmania University and has also completed her bachelor's in communication and journalism from Padmavathi University.

Mrs. Sarada is associated with Avantel Limited since 1992. She has over 30 Years of experience in Finance and Banking. She has made a significant contribution to the growth of Avantel Limited during her tenure as Director of the Company.

Mrs. Sarada is presently Whole Time Director & Chief Financial Officer (CFO) in Avantel Limited and Director in Imeds Global Private Limited. She is a member of the Corporate Social Responsibility Committee of Avantel Limited.

Mrs. Sarada holds 1,50,74,940 (6.20%) equity shares in the Company.

Mrs. Sarada is the spouse of Dr. Abburi Vidyasagar, Chairman & Managing Director and mother of Mr. Abburi Siddhartha Sagar, Whole-Time Director. Other than the said Directors, she is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

#### **Mr. Abburi Siddhartha Sagar, Whole-Time Director (Strategy & Business Development)**

Mr. Abburi Siddhartha Sagar (36 Years) with an impressive academic portfolio including a Master's degree in Computer Science and an MBA, Siddhartha Abburi brings to the table over ten years of refined expertise as a solution architect for some of the S&P 500's most esteemed corporations.

In his current professional endeavors, Siddhartha plays a pivotal role as the Director of Business Development and Strategy at Avantel, a front-running establishment in the field of defense electronics. Parallel to this, he also holds the position of Director at iMeds Global Private Limited, a company that contributes significantly to the medical equipment industry.

Expanding his sphere of influence in the educational sector, Siddhartha co-founded Simply Science, an initiative that strongly advocates for the democratization of education, striving to make it more accessible and financially feasible for all.

Beyond his professional commitments, Siddhartha has a fervent passion for sports and technology. His pursuits in these arenas not only enrich his personal life, but they also contribute to his persona as a multifaceted and dynamic professional. His comprehensive interests foster a holistic perspective, an attribute that sets him apart in his professional journey.

Mr. Siddhartha Sagar is a Whole-Time Director (Strategy & Business Development) in Avantel Limited, Director in Imeds Global Private Limited and Wiki Kids Private Limited. He is a member of Risk Management Committee of Avantel Limited.

Mr. Siddhartha Sagar holds 12,67,764 (7.82%) equity shares in the Company.

Mr. Siddhartha Sagar is the son of Dr. Abburi Vidyasagar, Chairman & Managing Director and Mrs. Abburi Sarada, Whole Time Director & CFO. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

### **Mr. Naveen Nandigam, Independent Director**

Mr. Naveen Nandigam (62 Years) is a fellow member of Institute of Chartered Accountants of India (ICAI) and he has been in CA practice since 1990 and in the year 1993 having a passionate interest in making a difference to the student community he started DIGVIJAY Coaching Center at Hyderabad to provide professional coaching to students pursuing CA, CS, CWA courses in India. Over the past 30 years, his committed passion with his team of faculties has produced more than 1200 CA, CS and CWA fully qualified professionals in India. Mr. Naveen expertise in financial reporting and management.

Mr. Naveen continuously balances his CA profession as well as his coaching assignments with each other.

He is presently a Director on the Board of Avantel Limited and Kapston Services Limited.

He is a Chairman of Audit Committee, member of Nomination & Remuneration Committee, Corporate Social Responsibility Committee of Avantel Limited and Chairman of Audit Committee, member of Nomination & Remuneration Committee of Kapston Services Limited.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

### **Mr. Y. Kishore, Independent Director**

Mr. Yalamanchili Kishore (65 Years) has more than 35 years of rich experience in product development and implementation including Presales, Solution architecture, Consulting, Implementation, Quality & Governance, Engineering and R&D.

Mr. Kishore prior to his role as Senior Vice President of Delivery of Products and Services, he held various technical leadership roles in design and development of products in a multi-shore environment. The products developed include for insurance industry, legacy modernization, GIS and cloud native products. He was Head of Offshore Delivery Team where he managed the product development and implementation of services around Intellect SEEC products. He also served as Senior Manager at ERA Software Systems where he was involved in product and application development including document management, medical imaging and defence applications.

Mr. Kishore holds Bachelor of Technology in Electronics and Communication Engineering, 1981, JNTU, Kakinada and Master of Technology in Controls and Instrumentation, 1984, IIT, Bombay.

He is presently a Director on the Board of M/s. Avantel Limited.

He is a member of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of M/s. Avantel Limited.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

### **Mr. M. Narayana Rao, Independent Director**

Mr. Myneni Narayana Rao (68 Years) an Engineer, with his 40 years of rich experience in making, shaping and treating of exotic ferrous and non-ferrous metals such as Special Steels, Superalloys has remarkably contributed to the applications of strategic industries of Atomic Energy, Space, Aerospace, Defence and Energy sectors.

Mr. Narayana Rao is a dynamic leader and an astute of technocrat scientist, who had spent his service in the development of strategic materials, gained expertise and lead Mishra Dhatu Nigam Limited (MIDHANI), a Public Sector Undertaking under Ministry of Defence, as its Chairman & Managing Director for 9 years. After completion of his service in MIDHANI, he has taken up as CEO of M/s. MTAR Technologies, Hyderabad for three years.

He took over as President of M/s. KCP Industries (Heavy Engineering unit) in the year 2020, which is in the field of manufacturing of cast products, Machining and Fabrication of large size components for cement and mineral processing plants. The company also produces the oil and gas - process equipment and also strategic requirements of space and defence such as Rocket motor casing etc.

Mr. Narayana Rao was bestowed with the following awards: JRD Tata Award (2015), Young Scientist award (1989), Engineer of the year award (1991), Metallurgist of the year award (2006) and also a Fellow of Indian National Academy of Engineering (INAE) and Fellow of Andhra Pradesh state Academy of Sciences (APAS).

He is presently a Director on the Board of Avantel Limited, Welspun Specialty Solutions Limited and Bridge Gap Engineering India Private Limited.

He is a member of Audit Committee, Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee of Avantel Limited and member of Audit Committee, Nomination & Remuneration Committee of Welspun Specialty Solutions Limited.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

#### **Mr. Ramchander Vyasabhattu, Independent Director**

Mr. Ramchander Vyasabhattu (70 years) is a Post Graduate in Management from Institute of Public Enterprise and a Graduate in Mechanical Engineering from Osmania University Hyderabad with Specialization in Foundry Engineering from National Institute of Foundry and Forge Technology, Ranchi.

He has over four decades of rich and varied experience in Project Finance, implementing and monitoring, support, promotion and development of small and medium scale industries and service sector units by extending need-based credit, nurturing entrepreneurship and generating employment, having been a General Manager in APSFC.

He also has significant experience in Technical as being a shop floor engineer in Singareni Collieries Ltd & in the General Administration. He retired as a Managing Director of APITCO Limited.

He was the President of Hyderabad Management Association for the year 2022-23.

He is presently the Commission Secretary of Telangana State Electricity Regulatory Authority.

He is a Director on the Board of M/s. Avantel Limited and M/s. Bambino Agro Industries Limited.

He is a member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee of Avantel Limited and Chairman of Audit Committee, member of Nomination & Remuneration Committee and Shareholders' Grievance Committee of M/s. Bambino Agro Industries Limited.

He is not holding any equity shares of the Company and is not related to any Director or Manager or the Key Managerial Personnel of the Company.

#### **Dr. Ajit Tavanappa Kalghatgi, Independent Director**

Dr. Ajit T. Kalghatgi has more than 40 years of Experience in the field of RF & Communication Engineering. He retired as Director (R&D) of Bharat Electronics. After graduating from Mysore University with BE in Electronics & Communications, he completed his M.Tech in Microwave & Radar Engineering from IIT, Kharagpur and Ph.D., from Leeds University UK.

Post his retirement, he was associated with IIT Dharwad as Visiting Professor and Defence Institute of Advanced Technology DIAT Pune and SIT Tumkur as Research Advisor. He is currently Director at the IIT Tirupati Technology Innovation Hub and Independent Director on the Board of Antrix Corporation Ltd, Dept. of Space.

He worked in Avionics Design Bureau of HAL Hyderabad as Design Engineer where he was responsible for Microwave Front-ends & IFF transceiver. He was with the University of Leeds, UK from 1988 to 1993 for his Ph.D as a Commonwealth Research Scholar and later as a Post Doctoral Fellow.

He was Director (R&D) BEL from September 2012 to June 2018 and CMD of BEL-THALES joint venture.

He had been with Central Research Laboratory (CRL) of BEL from 1994. He was Chief Scientist CRL Bangalore since April 2006. His research interests are in RF and Microwave Systems, Smart Antennas, RF MEMS and Secure Communication Technologies. He has more than 90 research papers and 5 patents to his credit. He is recipient of R&D Award from BEL for his significant contribution to its R&D programme. In recognition of his outstanding contribution to Technology Development leading to Product Design in the field of Secure Spread Spectrum Communication the Society of Defence Technologists (SODET) conferred the Gold Award for Technology Development & Innovation for the year 2005-06. He is also recipient of Raksha Mantri Award for Excellence in Innovation for the year 2007-08, as well as for the year 2008-09. AOC India chapter conferred on him the Achievement Award for Significant contribution to Electronic Warfare Systems in India

He is a Member of the Editorial Board of Institution of Engineering & Technology (IET) UK's Microwave & Antennas research publications, Fellow of IETE, Member of IET-UK.

He is presently a Director on the Board of Antrix Corporation Limited, IIT Tirupati Navavishkari – Hub Foundation and Avantel Limited.

He is a Member of Audit Committee and Chairman of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Antrix Corporation Limited; Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee of Avantel Limited.

He holds 60,000 equity shares of the Company, and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

He is not related to any Director or Manager or the Key Managerial Personnel of the Company.

### **Ms. Harita Vasireddi, Independent Director**

Ms. Harita Vasireddi is the Managing Director of Vimta Labs Limited, which is a leading contract research and testing organization in India, offering services in the fields of Food Testing, Pharmaceutical Development and Research, Environmental Testing, Clinical Diagnostics, and Electronics & Electricals Testing.

She has 25 years of vast experience in Contract Research and Testing Industry with expertise in business strategy & administration, quality management systems, and laboratory operations management.

She holds an MBA in Operations Management from Boston College, USA and Bachelors in Pharmaceutical Sciences from Mysore University, India.

She is also a Director of Emtac Laboratories Private Limited and Avantel Limited. She is Chairman of Corporate Social Responsibility Committee of Vimta Labs Limited and Member of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee of Avantel Limited.

She does not hold any equity shares in the Company and is not related to any Director or Manager or the Key Managerial Personnel of the Company.

### **8) Number of Meetings of the Board of Directors**

During the financial year ended March 31, 2024, eight Board meetings were held on the following dates: April 13, 2023, May 17, 2023, June 23, 2023, July 13, 2023, July 31, 2023, October 9, 2023, January 19, 2024, and March 6, 2024.

<b>Name of the Director</b>	<b>Number of Board Meetings</b>	
	<b>Held</b>	<b>Attended</b>
Dr. Abburi Vidyasagar	8	8
Mrs. Abburi Sarada	8	8
Mr. Abburi Siddhartha Sagar	8	8
Mr. Myneni Narayana Rao	8	8
Mr. Ramchander Vyasabhattu	8	8
Mr. Naveen Nandigam	8	8
Mr. Yalamanchili Kishore	8	8
Mr. EBV Ramana Gupta *	6	6
Dr. Ajit Tavanappa Kalghatgi **	0	0
Ms. Harita Vasireddi **	0	0

**Note:** \* Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\*\* Dr. Ajit Tavanappa Kalghatgi and Ms. Harita Vasireddi were appointed as Independent Directors of the Company with effect from March 6, 2024.

### **9) Shareholding of Non-Executive Directors**

<b>Particulars</b>	<b>No of Shares Held</b>
Mr. Yalamanchili Kishore	Nil
Mr. Naveen Nandigam	Nil
Mr. Myneni Narayana Rao	Nil
Mr. V. Ramchander	Nil
Dr. Ajit Tavanappa Kalghatgi	60,000
Ms. Harita Vasireddi	Nil
<b>Total</b>	<b>60,000</b>

### **10) Committees of the Board**

Currently, there are 5 Board Committees – The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Share Allotment Committee was constituted for allotment of Bonus Shares. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

**11) Audit Committee**

Your Company has in place, an Audit Committee, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, comprising of members in compliance of the said regulations. The Committee is entrusted with the powers / role as prescribed under Section 177 of the Companies Act, 2013 and regulation 18 read with Part C of Schedule II to SEBI (LODR) Regulations, 2015, The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

**Terms of reference of Audit Committee**

The terms of reference of the Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

**Powers of the Audit Committee includes:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it is considered necessary.

**Role of the Audit Committee includes:**

1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made to the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
  - viii) Management Discussion and Analysis of financial conditions and result of operations.
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
7. Review of internal audit reports relating to internal control weaknesses.

8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Review of the financial statements of subsidiary Companies.
11. Review and monitor the auditor's independence and performance and effectiveness of audit process.
12. Approval or any subsequent modification of transactions of the company with related parties.
13. Scrutiny of inter-corporate loans and investments.
14. Valuation of undertakings or assets of the Company, wherever it is necessary.
15. Evaluation of internal financial controls and risk management systems.
16. To look into the reasons for substantial defaults in the payment to the shareholders (in the case of non-payment of declared dividends) and creditors.
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
19. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
20. Discussion with internal auditors of any significant findings and follow up there on.
21. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
22. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
23. To review the functioning of the Whistle Blower Mechanism.
24. Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.
26. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
27. Annual statements of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee discharges its functions and obligations on a regular basis and on the occurrence of the events.

**The composition of the Audit Committee and attendance by each Member of the Audit Committee:**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Naveen Nandigam	Chairman	6	6
Mr. E B V Ramana Gupta *	Member	5	5
Mr. Myneni Narayana Rao	Member	6	6
Mr. Yalamanchili Kishore	Member	6	6
Mr. Vyasabhattu Ramchander	Member	6	6
Dr. Ajit Tavanappa Kalghatgi **	Member	0	0

**Note:** \* Mr. E B V Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\*\* Dr. Ajit Tavanappa Kalghatgi was appointed as a member of Audit Committee with effect from March 6, 2024.

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management. The Company Secretary of the Company acts as the Secretary of the said Committee. The Chief Financial Officer of the Company, Internal Auditors and Statutory Auditors are invitees to the meetings of the Audit Committee.

#### **Meetings during the year**

The Audit Committee met 6 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. The said committee met on the following dates:

The Audit Committee meetings were held on April 13, 2023, May 17, 2023, June 23, 2023, July 13, 2023, October 9, 2023, and January 19, 2024.

#### **12) Nomination and Remuneration Committee**

Your Company has in place a Nomination and Remuneration Committee, constituted in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, comprising of members in compliance of said regulations. The Committee is entrusted with the powers as prescribed under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to SEBI (LODR) Regulations, 2015. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

#### **Terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of the remuneration package of all the Key Managerial Personnel i.e., salary, benefits, bonus, stock options, pensions etc.
7. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
8. Payment / revision of remuneration payable to Managerial Personnel.
9. While approving the remuneration, the committee shall take into account the financial position of the Company, trends in the industry, qualifications, experience and past performance of the appointee.
10. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
11. Any other functions / powers / duties may be entrusted by the Board from time to time.

The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company <https://www.avantel.in/>

The Company has paid Remuneration, profit related Commission and Sitting Fee during the Financial Year 2023-24. The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board/Committee meetings.

**The composition of the Nomination and Remuneration Committee and the attendance by each member of the Committee:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Myneni Narayana Rao	Chairman	5	5
Mr. Naveen Nandigam	Member	5	5
Mr. E B V Ramana Gupta *	Member	3	3
Mr. Yalamanchili Kishore	Member	5	4
Mr. Vyasabhattu Ramchander	Member	5	4
Dr. Ajit Tavanappa Kalghatgi **	Member	0	0
Ms. Harita Vasireddi **	Member	0	0

**Note:** \* Mr. E B V Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\*\* Dr. Ajit Tavanappa Kalghatgi and Ms. Harita Vasireddi were appointed as members of the Nomination and Remuneration Committee with effect from March 6, 2024.

**Meetings during the year**

During the Financial Year, Nomination and Remuneration Committee Meetings were held on April 13, 2023, October 9, 2023, November 29, 2023, January 19, 2024, and March 6, 2024.

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration of both the Executive and the Non-Executive Directors to the Board and also the remuneration of Senior Management, one level below the Board.

The Committee reviews the remuneration payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

### **13) Mechanism for Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the criteria recommended by the SEBI.

The Directors were given Five Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Managing Director and Executive Directors; and
- (v) Evaluation of Chairman.

The Directors were requested to give following ratings for each criteria:

- 1. Could do more to meet expectations;
- 2. Meets expectations; and
- 3. Exceeds expectations.

The Chairperson, based on the Evaluation done by the Directors, informed that the performance of the Directors is satisfactory, and they are recommended for continuation as Directors of the Company.

### **14) Stakeholders Relationship Committee**

The Company has in place a Stakeholders Relationship Committee, constituted in accordance with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, comprising of members in compliance of said regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

#### **Terms of reference**

The terms of reference of the Stakeholders Relationship Committee are as under:

- a. Redressal of grievances of shareholders, debenture holders and other security holders.
- b. Transfer and transmission of securities.
- c. Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
- d. Issuance of duplicate shares certificates.
- e. Review of dematerialization of shares and related matters.

f. Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e., M/s. KFIN Technologies Limited, to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/investors under the supervision of Company Secretary & Compliance Officer of the Company.

The Committee, along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued, and paid-up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March 2024, 24,28,25,240 Equity Shares of Rs.2/- each representing 99.82% of the total number of Shares are in dematerialized form.

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with Section 124 of the Companies Act, 2013, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the unclaimed dividend and corresponding shares held by them shall be transferred to IEPF Authority.

As required under Section 124 of the Companies Act, 2013 read with the IEPF Rules as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

#### **The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Myneni Narayana Rao	Chairman	1	1
Dr. Abburi Vidyasagar	Member	1	1
Mr. Yalamanchili Kishore	Member	1	1
Ms. Harita Vasireddi *	Member	0	0

**Note:** Mr. EBV Ramana Gupta, has tendered his resignation as the Independent Director of the Company, with effect from December 26, 2023.

\* Ms. Harita Vasireddi was appointed as a member of the Stakeholders Relationship Committee with effect from March 6, 2024.

During the Financial Year, the Stakeholders Relationship Committee Meeting was held on January 19, 2024.

The Stakeholders Relationship Committee specifically look into various aspects of interest of shareholders, debenture holders (if any) and other security holders.

Mr. D. Rajasekhara Reddy, Company Secretary is appointed as the Compliance Officer of the Company. The Board has authorized the Company Secretary, who is also the Compliance Officer, to approve share transfers/transmission

and comply with other formalities in relation thereto. All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

A total of 244 queries/complaints were received during the year and were totally resolved to the satisfaction of the shareholders. There were no complaints pending for redressal during the year. There were no pending transfers as on 31st March 2024.

### **15) Corporate Social Responsibility Committee**

The Company has in place a Corporate Social Responsibility Committee, constituted in accordance with Section 135 of the Companies Act, 2013, comprising of members in compliance of the said Act. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

#### **Composition of the Corporate Social Responsibility Committee and attendance by each Member of the Committee**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Naveen Nandigam	Chairperson	2	2
Mrs. Abburi Sarada	Member	2	2
Mr. Yalamanchili Kishore	Member	2	2
Mr. Ramchander Vyasabhattu	Member	0	0
Dr. Ajit Tavanappa Kalghatgi *	Member	0	0

**Note:** \* Dr. Ajit Tavanappa Kalghatgi was appointed as a member of Corporate Social Responsibility Committee with effect from March 6, 2024.

The Corporate Social Responsibility Committee meetings were held on April 13, 2023, and June 23, 2023.

The terms of reference of the Corporate Social Responsibility Committee are as under:

- i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

### **Corporate Social Responsibility Policy**

The Company has adopted the Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR policy is disclosed on the website of the Company <https://www.avantel.in/>

### **16) Share Allotment Committee**

During the year, Two Meetings of the Share Allotment Committee were held on November 11, 2023, and November 25, 2023.

**Composition and attendance by each Member of the Committee**

<b>Name of the Director</b>	<b>Designation</b>	<b>Number of Meetings</b>	
		<b>Held</b>	<b>Attended</b>
Mr. Naveen Nandigam	Chairman	2	2
Mr. Myneni Narayana Rao	Member	2	2
Mr. EBV Ramana Gupta	Member	2	2
Mr. Abburi Siddhartha Sagar	Member	2	2

The Share Allotment Committee ('SAC') of the Company have allotted 16,21,79,720 equity shares of Rs.2/- each, by way of Bonus Issue, to such members whose names appeared in the Register of Members as on November 24, 2023, being the Record Date fixed for the said purpose, in the proportion of 2 (Two) new fully paid-up equity share of Rs.2/- each for every 1 (One) existing fully paid-up equity share of Rs.2/- each held by them (i.e., in the ratio of 2:1).

### **17) Risk Management Committee**

The Company has in place a Risk Management Committee constituted in accordance with the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 comprising of members in compliance with the said regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

#### **a) Terms of reference:**

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

The Company recognises that enterprise risk management is an integral part of good management practice. The purpose of this policy is to articulate our approach and expectations in relation to the management of risk across the

organisation. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities. All employees are responsible for managing risk in so far as is reasonably practicable within their area of activity.

## b) Composition, Name of members and Chairperson

The Risk Management Committee was constituted on April 25, 2024, by the Resolution passed by the Board of Directors of the Company.

### Composition of the Risk Management Committee:

S.No.	Name of the Director	Designation
1	Mr. Abburi Siddhartha Sagar	Chairman
2	Dr. Ajit T. Kalghatgi	Member
3	Ms. Harita Vasireddi	Member
4	Mr. Vyasabhattu Ramchander	Member
5	Mr. P Bala Bhaskar Rao	Member
6	Mr. N Srinivas Rao	Member
7	Mr. P Srinivasa Rao	Member

Mr. P Bala Bhaskar Rao is the Chief Risk Officer and Mr. D. Rajasekhara Reddy acts as Secretary to the Committee.

## c) Risk Management Policy

The Company has developed and implementing a risk management policy which includes the identification therein of elements of risk, which in the opinion of the board may threaten the existence of the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Furthermore, your Company has set up a robust internal audit function which reviews and ensures the sustained effectiveness of internal financial controls by adopting a systematic approach to its work. The Risk Management Policy of your Company is posted on the website of your Company and the web link is <https://www.avantel.in/investors>.

## 18) Remuneration of Directors

The details of remuneration to the Directors for the financial year ended March 31, 2024:

- There were no pecuniary relationship or transactions with any Non-Executive Director of the Company.
- The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., <https://www.avantel.in/>

Name of the Director	Salary	Perquisites and other benefits <sup>1</sup>	Commission <sup>2</sup>	Sitting fee	Total
Dr. Vidyasagar Abburi #	36.00	12.41	239.36	N.A	287.77
Mrs. Abburi Sarada #	18.00	-	239.36	N.A	257.36
Mr. A Siddhartha Sagar #	36.77	-	-	N.A	36.77
Mr. Yalamanchili Kishore	-	-	-	2.10	2.10
Mr. Naveen Nandigam	-	-	-	2.10	2.10

Name of the Director	Salary	Perquisites and other benefits <sup>1</sup>	Commission <sup>2</sup>	Sitting fee	Total
Mr. EBV Ramana Gupta	-	-	-	1.40	1.40
Mr. Myneni Narayana Rao	-	-	-	2.00	2.00
Mr. V. Ramachander	-	-	-	1.80	1.80
Dr. Ajit Tavanappa Kalghatgi *	-	-	-	-	-
Ms. Harita Vasireddi *	-	-	-	-	-

1. Perquisites and other benefits include Provident Fund

2. Represents commission for the year ended March 31, 2024, which will be paid, subject to deduction of tax after adoption of the accounts and necessary approvals at the AGM.

Note: \* Dr. Ajit Tavanappa Kalghatgi and Ms. Harita Vasireddi were appointed as Directors of the Board with effect from March 6, 2024.

# There were no severance fees or stock option plan. The appointment of the Managing Director and Whole-Time Directors are for a period of three years on the basis of terms and conditions laid down in the respective resolutions passed by the Members in the General Meetings. The service contract of Managing Director and Whole-Time Directors are 3 years each with 3 months' notice period.

#### 19) All pecuniary relationship or transactions of the Non-Executive Directors

The Company has not entered into any pecuniary transactions with the Non-Executive Directors. During the year, the Company has paid a sitting fee to the Non-Executive Directors.

#### 20) Non-Executive Directors' compensation and disclosures

All fees/compensation paid to the Non-Executive Directors (including Independent Directors) are recommended by the Nomination and Remuneration Committee and fixed by the Board and approved by the shareholders in the General Meeting, if required and the remuneration paid/payable are within the limits prescribed under the Act.

#### 21) General Body Meetings

##### a) The details of date, location and time of the last three Annual General Meetings held are as under:

Annual General Meetings (AGMs) for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, were held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) mode and details regarding time, date, location and special resolutions passed in the respective AGMs are as tabled below:

Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
March 31, 2023	Friday, June 23, 2023 at 11:00 A.M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circulars issued by Ministry of Corporate Affairs (MCA Circulars).	No Special Resolutions were passed

Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
March 31, 2022	Monday, May 30, 2022 at 11:00 A.M	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 issued by Ministry of Corporate Affairs (MCA Circulars).	<ul style="list-style-type: none"> <li>• To consider and approve the re-appointment of Dr. Abburi Vidyasagar (DIN: 00026524) as the Managing Director of the Company.</li> <li>• To consider and approve the re-appointment of Mrs. Abburi Sarada (DIN: 00026543) as Whole-Time Director of the Company.</li> <li>• To consider the appointment of Mr. V Ramchander (DIN: 03400005) as an Independent Director of the Company for a term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.</li> <li>• To consider the increase in authorized share capital and consequent Amendment to Memorandum of Association of the Company.</li> <li>• To Consider the Approval of issue of Bonus Shares.</li> </ul>
March 31, 2021	Saturday, June 5, 2021 at 2:00 P.M.	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars).	<ul style="list-style-type: none"> <li>• Appointment of Mr. EBV Ramana Gupta (DIN: 07402341) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.</li> <li>• Appointment of Mr. M Narayana rao (DIN: 00577494) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.</li> </ul>

Mr. M B Suneel, Company Secretary in Practice (M/s. P. S. Rao & Associates), conducted the e-voting process and the Poll during the previous Annual General Meeting in accordance with the law and in a fair and transparent manner.

**b) Extraordinary General Meeting**

Apart from the Annual General Meeting, no other GeneralMeeting was held during the Financial Year.

**c) Postal Ballot**

During the year under review, pursuant to Regulation 44 of SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with Rules made thereunder, Members of the Company approved following Ordinary Resolutions and Special Resolutions by way of postal ballot:

<b>Sl. No.</b>	<b>Type of Resolution</b>	<b>Brief description of Resolutions</b>	<b>Postal Ballot Dated</b>
1	Ordinary Resolution	To approve sub-division/split of Equity Shares having the face value of Rs.10/- per share to Rs.2/- per share.	Postal Ballot Notice dated June 23, 2023
2	Ordinary Resolution	To consider and approve alteration of Capital Clause of the Memorandum of Association of the Company	
3	Ordinary Resolution	To consider the Increase in Authorized Share Capital and consequent amendment to Memorandum of Association of the Company	Postal Ballot Notice dated October 9, 2023
4	Ordinary Resolution	To consider and approve the Issue of Bonus Shares.	
5	Special Resolution	To approve Avantel Employee Stock Option Plan 2023.	
6	Special Resolution	To approve grant of Employee Stock Options (ESOPs) equivalent to or exceeding 1% of the issued share capital of the Company.	

#### **Procedure for Postal Ballot**

- 1) In compliance with Regulation 44 of the SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder and General Circulars issued by Ministry of Corporate Affairs, (a) the postal ballot notice dated June 23, 2023 was dispatched on June 30, 2023; and (b) the postal ballot notice dated October 9, 2023 was dispatched on October 12, 2023; containing resolutions together with the explanatory statement and remote e-voting instructions through electronic mode to all those Members whose e-mail address were registered with the Company/Registrar and Share Transfer Agent (“RTA”) or Depository/Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories. The Company also published a notice in the newspapers declaring details of completion of dispatch as mandated under the Act and applicable rules.
- 2) Members were requested to cast their vote only through remote e-voting facility provided by Kfin Technologies Limited (“Kfintech”) on the resolutions mentioned in the postal ballot notices.
- 3) The Scrutinizer, Mr. M B Suneel, Company Secretary in Practice (M/s. P. S. Rao & Associates) submitted his report after completion of the scrutiny.
- 4) The results of the postal ballot were announced by Mr. D Rajasekhara Reddy, Company Secretary on (1) July 31, 2023; and (2) November 11, 2023. The last date of remote e-voting i.e. July 30, 2023, and November 11, 2023, was taken as the date of passing the resolutions.
- 5) The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at <https://www.avantel.in/investors> and was also communicated to the Stock Exchanges.
- 6) The consolidated summary of the result is as under:

<b>Item</b>	<b>Net Valid Votes Cast (No. of Equity Shares)</b>	<b>Votes in favour of the Resolution (No. of Equity Shares and % of Net Valid Votes)</b>	<b>Votes against the Resolution (No. of Equity Shares and % of Net Valid Votes)</b>
Ordinary Resolution for sub-division/split of Equity Shares having the face value of Rs.10/- per share to Rs.2/- per share.	8068440 (49.75%)	8068244 (99.9976%)	196 (0.0024%)
Ordinary Resolution for alteration of Capital Clause of the Memorandum of Association of the Company.	8068425 (49.7499%)	8067925 (99.9938%)	500 (0.0062%)
Ordinary Resolution for increase in Authorized Share Capital and consequent amendment to Memorandum of Association of the Company.	38105747 (46.9920%)	38105622 (99.9997%)	125 (0.0003%)
Ordinary Resolution for Issue of Bonus Shares.	38105750 (46.9920%)	38105640 (99.9997%)	110 (0.0003%)
Special Resolution for Avantel Employee Stock Option Plan 2023.	38105589 (46.9918%)	37984264 (99.6816%)	121325 (0.3184%)
Special Resolution for grant of Employee Stock Options (ESOPs) equivalent to or exceeding 1% of the issued share capital of the Company.	38105391 (46.9916%)	37958361 (99.6141%)	147030 (0.3859%)

## **22) Means of Communication**

### **(a) Quarterly results:**

The quarterly, half-yearly and annual results of the Company were published by your Company in the newspapers within 48 hours from the conclusion of the Board meeting. Annual reports with audited financial statements are sent to the shareholders through permitted mode.

### **(b) Newspapers wherein results normally published:**

The results are normally published by your Company in the newspapers (Business Standard) in English version, circulating in the whole of India and in regional newspaper (Prajasakti) in the vernacular language in all editions.

### **(c) Any website, where displayed:**

The results are also displayed on your Company's website: <https://www.avantel.in/>

### **(d) Whether it also displays official news releases:**

Official press releases/ news is sent to the Stock Exchange i.e., BSE Limited, where the shares of your Company were listed and the same are hosted on the website of your Company.

No presentations were made to the Institutional Investors or to Analysts.

## **23) General Shareholder Information**

The 34<sup>th</sup> General Meeting of the Company will be held on Thursday, May 30, 2024, at 11.00 A.M through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), for details, please refer to the Notice of the AGM.

Financial Calendar : 1st of April 2024 to 31<sup>st</sup> of March 2025

#### **24) Results for the Quarter Ending**

30 <sup>th</sup> June 2024	: On or before 14 <sup>th</sup> August 2024.
30 <sup>th</sup> September 2024	: On or before 14 <sup>th</sup> November 2024.
31 <sup>st</sup> December 2024	: On or before 14 <sup>th</sup> February 2025.
31 <sup>st</sup> March 2025	: On or before 30 <sup>th</sup> May 2025.
Dividend Payment Date	: On or before June 28, 2024
Record Date	: May 23, 2024
Listing on Stock Exchange	: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.
Stock Code (BSE Ltd)	: 532406
ISIN	: INE005B01027

The Annual Listing fees for the year 2023-24 have been paid to the Stock Exchange.

#### **25) Dematerialization of shares and liquidity**

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. As on 31st March 2024, 99.82% of the Company's Shares are dematerialized.

#### **26) Dematerialization mandatory for effecting share transfers**

SEBI has vide proviso to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, the Company shall not process any requests for transfer of shares in physical mode. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for share transfers.

#### **27) Share Transfer System**

The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are noted at Board Meetings.

The shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, subdivision, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI(LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges..

#### **28) Remittance of Dividend through Electronic Mode**

The Company provides the facility for remittance of dividends, if any, to Shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). Shareholders, who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants where shares are held in the dematerialized form and the Registrar Transfer Agent in the physical form respectively.

## 29) Bank Details

Shareholders holding shares in the physical form are requested to advise the Registrar Transfer Agent of change in their address / mandate / bank details to facilitate better servicing. SEBI has mandated that the physical security holders, whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number, Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024.

## 30) Permanent Account Number (PAN)

Shareholders holding shares in the physical form are mandatorily required to furnish copy of PAN Card in the following transactions:

- i) Transfer of shares – Transferee and Transferor
- ii) Transmission of shares - Legal heirs' or Nominees'
- iii) Transposition of shares - Joint holders' and
- iv) In case of decease of shareholder - Surviving joint holders'

There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on March 31, 2024.

## 31) Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2023-24 at the BSE Limited (BSE) areas under:

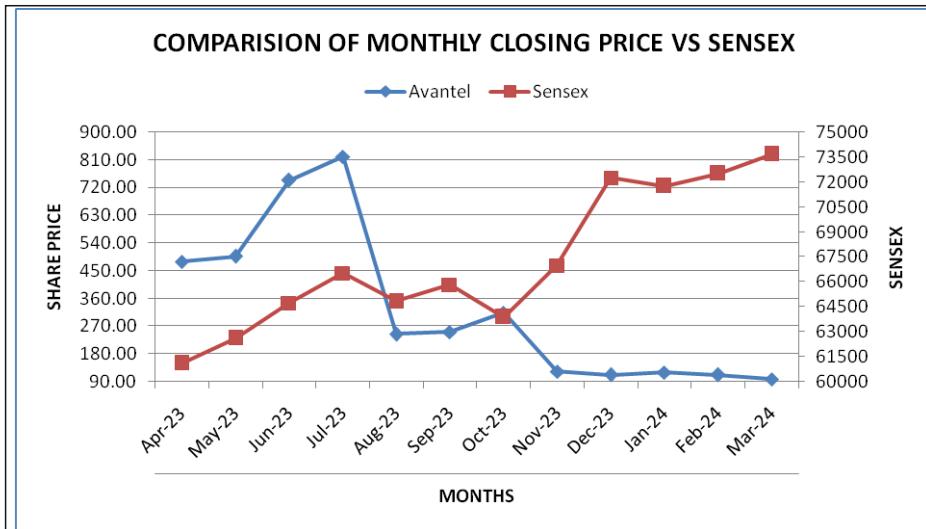
Month	BSE		
	High	Low	Traded Quantity
April, 2023	508.80	409.80	8,97,279
May, 2023	518.00	465.00	6,55,894
June, 2023	825.00	490.10	15,19,629
July, 2023	906.35	724.00	10,98,891
August, 2023	915.00	170.00	72,06,822
September, 2023	260.00	202.15	55,94,229
October, 2023	343.30	252.20	95,97,443
November, 2023	370.00	118.00	93,40,213
December, 2023	130.85	106.30	1,37,77,169
January, 2024	140.00	112.30	1,82,11,999
February, 2024	122.80	100.50	1,16,75,666
March, 2024	117.45	86.05	91,34,066

**Note:** (A) Share prices on August 14, 2023 (i.e. ex-Split date) reflects the impact of Stock Split i.e. 1 (One) equity share having face value of Rs.10/- (Rupees Ten only) each fully paid-up, was sub-divided/split into 5 (Five) equity shares having face value of Rs.2/- (Rupees Two only) each fully paid-up, on August 16, 2023; and (B) During the FY 2023-24, i.e., on November 24, 2023, the Company issued Bonus Shares in the ratio of 2:1 (2 new Equity Shares for every 1 Equity Share held).

In view of the said, the share price performance as depicted in the above table may be read and interpreted accordingly.

The securities of the Company are not suspended from trading during the financial year ended March 31, 2024.

### 32) Share Price Performance:



**Note:** (A) Share prices on August 14, 2023 (i.e. ex-Split date) reflects the impact of Stock Split i.e. 1 (One) equity share having face value of Rs.10/- (Rupees Ten only) each fully paid-up, was sub-divided/split into 5 (Five) equity shares having face value of Rs.2/- (Rupees Two only) each fully paid-up, on August 16, 2023; and (B) During the FY 2023-24, i.e., on November 24, 2023, the Company issued Bonus Shares in the ratio of 2:1 (2 new Equity Shares for every 1 Equity Share held).

In view of the said, the share price performance as depicted in the above graph may be read and interpreted accordingly.

### 33) Distribution of Shareholding

Sl. No.	Category	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1	1 - 5000	94,831	96.72	3,27,48,141	6,54,96,282	13.46
2	5001 - 10000	1,735	1.77	1,18,41,192	2,36,82,384	4.87
3	10001 - 20000	743	0.76	1,04,17,346	2,08,34,692	4.28
4	20001 - 30000	262	0.27	66,52,706	1,33,05,412	2.73
5	30001 - 40000	103	0.11	36,14,478	72,28,956	1.49
6	40001 - 50000	76	0.08	34,50,565	69,01,130	1.42
7	50001 - 100000	164	0.17	1,11,68,010	2,23,36,020	4.59
8	100001 & Above	138	0.14	16,33,77,142	32,67,54,284	67.16
	<b>Total</b>	<b>98,052</b>	<b>100.00</b>	<b>24,32,69,580</b>	<b>48,65,39,160</b>	<b>100.00</b>

**34) Categories of Shareholders as on March 31, 2024**

Sl.No.	Category of Shareholders	No. of Shares	No. of Shares	Percentage %
1	Promoter & Promoter Group	5	9,74,63,644	40.06
2	Bodies Corporate	199	76,72,934	3.15
3	Resident Individuals	95,602	12,08,61,846	49.68
4	Non-Resident Indian Non Repatriable	558	37,63,889	1.55
5	Non-Resident Individuals	834	28,17,243	1.16
6	Clearing Members	1	1	0.00
7	IEPF	1	34,04,760	1.40
8	HUF	850	72,77,682	2.99
9	Trusts	1	5,400	0.00
10	Foreign Portfolio - Corp	1	2,181	0.00
	<b>Total</b>	<b>98,052</b>	<b>24,32,69,580</b>	<b>100.00</b>

**35) Plant Locations:**

1. Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India; and
2. E-City, Raviryala Village, Maheshwaram Mandal, Ranga Reddy District, Telangana State, India (Under Construction).

Address for Correspondence :      The Company Secretary  
Avantel Limited  
Corporate Office: Sy No.66 & 67, Plot No. 68 & 69, 4th Floor, Jubilee Heights,  
Jubilee Enclave, Madhapur, Hyderabad – 500081, Telangana State, India.  
E-mail: cs@avantel.in  
Phone: +91 – 40 6630 5000  
Website: <https://www.avantel.in/>

Registrar and Transfer Agents : KFIN Technologies Limited  
Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Rangareddy, Telangana State, India.  
E-mail: einward.ris@kfintech.com  
Toll Free: 1800 309 4001  
WhatsApp Number: (91) 910 009 4099  
Website: <https://www.kfintech.com>  
Support: <https://ris.kfintech.com/clientservices/isc>

Contact Person	:	KFIN Technologies Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Rangareddy, Telangana State, India. E-mail: einward.ris@kfintech.com shyam.kumar@kfintech.com Phone: 040 – 6716 2222
Share Transfer System	:	The Share transfers are affected within one month from the date of lodgment for transfer, transmission, Sub-division, consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.
Compliance Certificate	:	Certificate from M/s. P S Rao & Associates, Company Secretaries, confirming compliance with the Conditions of Corporate Governance as stipulated Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 34th Annual Report.

### **36) Secretarial Audit**

1. M/s. P. S. Rao & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the year 2023-24. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Director's Report.
2. Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s. P. S. Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
3. M/s. P. S. Rao & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
4. Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Practicing Company Secretaries Certificate on Corporate Governance is attached herewith.

### **37) Compliance Officer**

Mr. D. Rajasekhara Reddy, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities Laws, Listing Agreements with the Stock Exchanges and SEBI Listing Regulations, 2015. He acts as the Secretary to all the mandatory sub-committees of the Board.

### **38) Commodity Price Risk or Foreign Exchange risk and hedging activities**

Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

**39) Code of Conduct**

All the Directors and senior management confirmed the compliance of the code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website <http://www.avantel.in>.

**40) Meeting of Independent Directors**

During the year, the Independent Directors met on January 19, 2024, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All of the Independent Directors were present at the Meeting.

**41) Familiarization Programme for Board Members**

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

The details of such familiarization programs for Independent Directors are posted on the website of the Company <https://www.avantel.in/>

**42) Prohibition of Insider trading**

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for regulating, monitoring and reporting of trading by insiders.

This Code also provides for periodical disclosures from the designated Persons and their immediate Relatives as well as pre-clearance of transactions by such persons as per the thresholds mentioned in the code. The code is applicable to designated persons and their immediate relatives who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

**43) Credit Rating**

Acuité Ratings & Research Limited ("Acuité") ("Credit Rating Agency") has upgraded its long-term rating to 'ACUITE A-' (read as ACUITE A minus) from 'ACUITE BBB+' (read as ACUITE triple B plus) and short-term rating to 'ACUITE A2+' (read as ACUITE A two plus) from 'ACUITE A2' (read as ACUITE A two) on Rs.69.50 Cr bank facilities of Avantel Limited. Outlook is 'Stable'.

The details of the Credit Rating are available on the website of the Company <https://www.avantel.in/investors>.

**44) Risk Management**

The Company's risk management approach comprises of the following:

- Governance of Risk

- Identification of Risk
- Assessment and control of Risk

The risks have been prioritized through a company-wide exercise. Members of senior management have undertaken ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for the lives of all employees. The risks are identified and are discussed by the representatives from various functions.

#### **45) Subsidiary Companies**

M/s. Imeds Global Private Limited, a wholly owned subsidiary of M/s. Avantel Limited. The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings and Financial Statements of subsidiaries of the Company are placed before the Audit Committee and Board of Directors of the Company for their review.

#### **46) CEO and CFO Certification**

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

#### **47) Transfer of Shares to Investor Education and Protection Fund**

As per the provisions of Section 124 of the Companies Act, 2013, shares of the shareholders, who have not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account. Accordingly, the Company has transferred 82,860 equity shares to Investor Education and Protection Fund during the Financial Year ended March 31, 2024.

#### **48) The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

<b>Regulation</b>	<b>Particulars of Regulations</b>	<b>Compliance Status (Yes/No)</b>
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

#### 49) Information of Senior Management

Details of Senior Management Personnel as on March 31, 2024, as defined under Regulation 16(1)(d) of SEBI (LODR) Regulations are as follows:

Sl. No.	Name	Designation
1.	Mr. P Bala Bhaskar Rao	Vice President – Mktg & CSD
2.	Mr. N Srinivas Rao	Vice President – Technical
3.	Wg Cdr PRL Prakash (Retd)	Vice President – S&BD
4.	Gp Capt P Srinivas (Retd)	Vice President – Q A & Projects
5.	Mr. G V Jaganmohan	GM – Design & Development
6.	Mr. Pusuluru Srinivasa Rao	GM – Production
7.	Mr. M J S Kishore	GM – Software Development
8.	Mr. Nageswara Rao Tatikonda	GM – Q A
9.	Cdr Rajendra Sudhakar Dixit (Retd)	GM – Customer Support
10.	Mr. BVS Kumar	GM – Materials
11.	Mr. Venugopal Atluri	GM – R & D
12.	Mr. P Srinivasa Rao	GM – Finance & Accounts
13.	Mr. D Rajasekhara Reddy	CS & Compliance Officer

#### 50) Equity Shares in the Unclaimed Suspense Escrow Demat Account:

In terms of Regulation 39 of the SEBI Listing Regulations, the Company does not have any share in the demat Suspense Account.

In terms of SEBI Circular dated January 25, 2022, the details of equity shares lying in the Unclaimed Suspense Escrow Demat Account are as follows:

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1	Opening Balance: Aggregate number of shareholders and the outstanding shares in the suspense escrow account lying at the beginning of the year (i.e. November 24, 2023)	212	11,63,980
2	Less: Number of shareholders who approached listed entity and their shares were transferred from suspense escrow account during the Financial Year 2023-24	7	40,000
3	Less: Number of shareholders whose shares were transferred from suspense escrow account to IEPF during the Financial Year 2023-24	-	-
4	Aggregate number of shareholders and the outstanding shares in the suspense escrow account lying at the end of the year (i.e. March 31, 2024)	205	11,23,980

Your Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### **Other Disclosures**

- a. Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arms' length and in compliance with transfer pricing regulations. Consideration is paid/received through cheque/online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on an Arms' length basis.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company <https://www.avantel.in/>

#### **Material Related Party Transactions**

During the year ended March 31, 2024, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in Note No. 37 to the Annual Accounts.

- b. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company <https://www.avantel.in/>

- c. The Company does not have any Material Subsidiary.
- d. The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2024.
- e. A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.
- f. During the year, there has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company.
- g. The Company and its subsidiaries have not granted loans and advances in the nature of loans to firms / companies in which directors of the Company are interested.
- h. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) of SEBI Listing Regulations which are as under:

- \* Reporting of the Internal Auditor: The Internal Auditor of the Company reports directly to the Audit Committee.
- i. There are no Shares lying in Demat Suspense Account.
- j. The Company is not carrying on any commodity price risks and commodity hedging activities.
- k. Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- l. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2024.
- m. During the year ended March 31, 2024, there were no proceeds from public issues, rights issues, preferential issues, etc.,
- n. Total fees for all services paid by the Company to the statutory auditor FY 2023-24 is set out in Note No. 34 of the Standalone Financial Statements, forming part of the Annual Report.
- o. Disclosures in relation to the Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal) Act, 2013:

Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee, to address the concerns and complaints of sexual harassment and to recommend appropriate action. Your Company has not received any complaint on sexual harassment during the year.

- p. The Company also complies with the following non-mandatory requirements Regulation 27 of the SEBI Listing Regulations, 2015.
  - There are no audit qualifications during the year under review.
  - The Internal auditors report to the Audit Committee every quarter.

The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <https://www.avantel.in/>

The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company:

By order of the Board of Directors  
For Avantel Limited

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**CODE OF CONDUCT**  
**DECLARATION**

As provided under Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2024.

By order of the Board of Directors  
For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**  
Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad  
Date: April 25, 2024

**CEO/CFO CERTIFICATION**

We hereby certify that:

- a. We have reviewed the Audited Financial Statements for the **Financial Year ended March 31, 2024** and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. The company's accounting software has audit trail functionality (edit log). This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software.
- e. We have indicated to the auditors and the Audit Committee:
  - i. significant changes in the internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Avantel Limited**

Sd/- <b>Abburi Vidyasagar</b> Chairman & Managing Director DIN: 00026524	Sd/- <b>Abburi Sarada</b> Whole-Time Director & Chief Financial Officer DIN: 00026543
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Place: Hyderabad  
Date: April 25, 2024

## CERTIFICATE

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

To

The Members of

**Avantel Limited**

Sy. No. 141, Plot No. 47/P,  
APIIC Industrial Park, Gambheeram (V),  
Anandapuram (M), Visakhapatnam - 531163,  
Andhra Pradesh, India.

**Certificate in accordance with Clause 13 of Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“hereinafter referred as “SEBI (SBEBASE) Regulations 2021”)**

We, P S Rao & Associates, Practicing Company Secretaries, Hyderabad, the Secretarial Auditors of Avantel Limited (“the Company”) appointed by Company in terms of Section 204 of the Companies Act, 2013 read with the Rule 8 of the Companies (Meeting of the Board and its Powers) Rules, 2014, hereby state that we have examined the **AVANTEL LIMITED EMPLOYEE STOCK OPTION PLAN – 2023**, hereinafter referred as “the Scheme”, other relevant records and documents and based on the information and explanations provided to us and to be of our knowledge and belief, we confirm that the Scheme is in compliance with and being implemented in accordance with the provisions SEBI (SBEBASE) Regulations 2021.

This Certificate is issued on the request of the management of the Company and is solely for the purposes as stated in SEBI (SBEBASE) Regulations 2021. This Certificate should not be used for any other purposes.

For **P S Rao & Associates**,  
Company Secretaries

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR : 710/2020

UDIN: F010322F000246085

Place: Hyderabad

Date: April 25, 2024

**CERTIFICATE**

(Pursuant to Schedule V(C)(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

**Avantel Limited**

Sy. No. 141, Plot No. 47/P,  
APIIC Industrial Park, Gambheeram (V),  
Anandapuram (M), Visakhapatnam - 531163,  
Andhra Pradesh, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Avantel Limited having CIN: L72200AP1990PLC011334 and having a registered office situated at Sy. No. 141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

<b>S.No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
1.	Dr. Abburi Vidyasagar	Chairman & Managing Director	00026524
2.	Mrs. Abburi Sarada	Whole-Time Director & Chief Financial Officer	00026543
3.	Mr. Abburi Siddhartha Sagar	Whole-Time Director	02312563
4.	Mr. Yalamanchili Kishore	Non-Executive Director (Independent Director)	01633048
5.	Mr. Naveen Nandigam	Non-Executive Director (Independent Director)	02726620
6.	Mr. Myneni Narayana Rao	Non-Executive Director (Independent Director)	00577494
7.	Mr. Vyasabhattu Ramchander	Non-Executive Director (Independent Director)	03400005
8.	Ms. Harita Vasireddi	Additional Director (Independent Director)	00242512
9.	Dr. Ajit Tavanappa Kalghatgi	Additional Director (Independent Director)	05300252

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P S Rao & Associates,**  
Company Secretaries

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR : 710/2020

UDIN: F010322F000232863

Place: Hyderabad

Date: April 25, 2024

**CERTIFICATE ON CORPORATE GOVERNANCE**

(Pursuant to Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

**Avantel Limited**

Sy. No. 141, Plot No. 47/P,  
APIIC Industrial Park, Gambheeram (V),  
Anandapuram (M), Visakhapatnam - 531163  
Andhra Pradesh, India.

We have examined the compliance of conditions of Corporate Governance by M/s. Avantel Limited ('the Company') for the year ended 31st March, 2024 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P S Rao & Associates,**  
Company Secretaries

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR : 710/2020

UDIN: F010322F000232931

Place: Hyderabad

Date: April 25, 2024

## Independent Auditor's Report

### To the Members of Avantel Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **Avantel Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>Fair value assessment of trade receivables</b> Trade receivables comprise a significant portion of the liquid assets of the Company. The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade	<u><b>Principal Audit Procedures</b></u> We assessed the validity of material long outstanding receivables which are Nil by reviewing the customer ledger during current year. We also considered payments received subsequent to year-end, and unusual patterns if any were reviewed to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Group including:

Key Audit Matter	Auditor's Response
<p>receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance;</li> <li>• Consideration and concurrence of the agreed payment terms;</li> <li>• Verification of receipts from trade receivables subsequent to year-end; and</li> <li>• Considered the completeness and accuracy of the disclosures.</li> </ul> <p>To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.</p> <p>We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.</p>
<p><b>Revenue recognition</b></p> <p>The Company applies judgement to determine whether each goods, software product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods, software product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their selling price determined in contract.</p> <p>The accuracy and of revenue amounts recorded is an inherent industry risk</p> <p>Disclosures relating revenue recognition are in Note 24.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures in respect of this area included:</p> <p>We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams</p> <p>Testing controls over software product sales including:</p> <ul style="list-style-type: none"> <li>– documentation evidencing internal and third party physical inspection and confirmation of complete status;</li> </ul> <p>We evaluated the adequacy of the disclosures included in Note 24.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report and Corporate Governance Report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone

Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **Responsibility of Management and those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A". Our report express an unmodified opinion on the adequacy and operating effectiveness

of the Company's internal financial controls with reference to Standalone Financial Statements.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 40 to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
  - v. As stated in Note 43 to the Standalone Financial Statements:
    - (a) the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
    - (b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
  - vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature

of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Grandhy & Co**  
Chartered Accountants  
Firm Registration No.S-1007

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754

UDIN: 24201754BKCNNK7000

Place : Hyderabad  
Date : April 25, 2024

## **Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Avantel Limited** ("the Company") as of 31 March, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of Internal Financial Controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal Financial Control over financial reporting 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 over financial reporting 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 over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Standalone Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls with reference to Standalone Financial Statements and such Internal Financial Controls with reference to Standalone Financial Statements were operating effectively as at 31 March, 2024, based on the internal control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Grandhy & Co**  
Chartered Accountants  
Firm Registration No.S-1007

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754

UDIN: 24201754BKCNNK7000

Place : Hyderabad  
Date : April 25, 2024

### **Annexure "B" to the Independent Auditor's Report**

(Referred to in Paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of Avantel Limited of even date)

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
    - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
    - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
  - (c) Based on our examination of registered sale deeds and other documents, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% in the aggregate for each class of inventory and have been properly dealt with in the books of account.
  - (b) The Company is sanctioned working capital limits in excess of Rs.5 Crore from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. During the year, the Company has made investments in a company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
    - (a) During the year, the Company has not provided loans or advances in the nature of loans or stood as guarantee or provided security to any other entity.
    - (b) In our opinion, the investments made during the year are, *prima facie*, not prejudicial to the Company's interest.
    - (c) The Company has not granted any loans and advances in the nature of loans. Hence reporting under clause 3(iii)(c),(d),(e) and (f) of the order is not applicable.
  - iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company as prescribed under subsection (1) of section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
  - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which the amount Relates	Amount Rs. Lakhs
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment year 2022-23 (Previous year 2021-22)	219.05

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not defaulted in repayment of loans taken from the banks. The Company has not taken loans from financial institutions and Government.  
 b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
 c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)© of the Order is not applicable.  
 d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.  
 e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.  
 f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xii. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xiii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiv. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xvi. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) There is no amount to be spent for other than ongoing projects towards Corporate Social Responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) The Company does not have ongoing projects relating to CSR. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

For **Grandhy & Co**  
Chartered Accountants  
Firm Registration No.S-1007

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754

UDIN: 24201754BKCNNK7000

Place : Hyderabad  
Date : April 25, 2024

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2024**

(In ₹ Lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	3,891.61	2,374.78
(b) Capital work-in-progress	3	1,591.67	865.59
(c) Right-to-use Asset	4	525.00	179.64
(d) Financial Assets			
(i) Investments	5	1,699.95	1,175.00
(ii) Others	6	275.49	185.85
(e) Deferred tax Assets (net)	7	17.37	-
<b>Current Assets</b>			
(a) Inventories	8	4,581.67	4,418.32
(b) Financial Assets			
(i) Trade Receivables	9	6,410.32	3,973.95
(ii) Cash & Cash Equivalents	10	10.62	0.45
(iii) Bank Balances other than (iii) above	11	1,217.55	100.60
(iv) Others (Int accrued on employee loans & term deposits)	12	60.01	14.95
(c) Current Tax Assets (Net)	13	2.31	2.25
(d) Other Current Assets	14	2,013.74	2,088.64
<b>Total Assets</b>		<b>22,297.33</b>	<b>15,380.01</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	4,865.45	1,621.86
(b) Other Equity	16	12,275.94	9,566.17
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Lease Liabilities	17	600.16	244.08
(b) Provisions	18	60.89	62.00
(c) Deferred Tax Liability (Net)	7	-	50.42
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,150.39	2,790.34
(ii) Trade payables	20	442.44	264.62
(a) Total outstanding dues of Micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises			
and small enterprises			
(iii) Other Financial Liabilities	21	141.34	34.02
(b) Current Tax Liabilities (Net)	22	1,651.38	353.54
(c) Other current liabilities	23	824.33	173.70
		285.01	219.27
<b>Total Equity and Liabilities</b>		<b>22,297.33</b>	<b>15,380.01</b>
<b>Material Accounting Policies</b>	1		

per our report of even date

for **GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

for and on behalf of **AVANTEL LIMITED**

Sd/-  
**CA NARESH CHANDRA GELLI**  
 Partner  
 ICAI Membership No. 201754

Sd/-  
**A VIDYASAGAR**  
 Chairman & Managing Director  
 DIN: 00026524

Sd/-  
**N NAVEEN**  
 Director  
 DIN: 02726620

Place: Hyderabad  
 Date: 25.04.2024

Sd/-  
**A SARADA**  
 Whole-Time Director & CFO  
 DIN: 00026543

Sd/-  
**D RAJASEKHARA REDDY**  
 Company Secretary  
 M.No. A61938

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**  
(In ₹ Lakhs)

Particulars	Note No	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Income</b>			
i) Revenue From Operations	24	22,391.75	15,426.73
ii) Other Income	25	130.10	47.41
<b>Total Income</b>		<b>22,521.85</b>	<b>15,474.15</b>
<b>Expenses</b>			
i) Cost of materials consumed	26	7,723.32	7,658.31
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(77.61)	(1,381.74)
iii) Employee benefits expense	28	3,411.05	1,665.45
iv) Manufacturing Expenses	29	1,468.27	1,186.94
v) Research and Development Expenses	30	223.17	704.51
vi) Selling and Distribution Expenses	31	368.07	226.32
vii) Depreciation and amortization expense	32	706.07	515.65
viii) Finance Cost	33	417.42	486.08
ix) Administrative & Other Expenses	34	834.79	419.65
<b>Total expenses</b>		<b>15,074.53</b>	<b>11,481.19</b>
<b>Profit/(loss) before exceptional items and tax</b>		7,447.31	3,992.96
Exceptional Items			
<b>Profit Before Tax</b>		7,447.31	3,992.96
Tax Expenses		1,902.22	989.37
- Current Tax		1,956.66	1,023.24
- Prior Period Adjustments		12.32	10.56
- Deferred Tax		(66.75)	(44.44)
<b>Profit/(loss) for the period from continuing operations</b>		<b>5,545.09</b>	<b>3,003.59</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		-	-
<b>I Profit/(loss) for the Period</b>		<b>5,545.09</b>	<b>3,003.59</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(50.51)	(40.08)
Tax on the above		13.75	14.73
ii) Items that will be reclassified to profit or loss		<b>(36.76)</b>	<b>(25.34)</b>
Other Comprehensive Income		-	-
<b>III Total Comprehensive Income for the period</b>		<b>(36.76)</b>	<b>(25.34)</b>
<b>IV Earnings per equity share :</b>			
Equity Shares of par value ₹ 2/- each			
(1) Basic (₹)		2.28	1.23
(2) Diluted (₹)		2.26	1.23

per our report of even date

for **GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

for and on behalf of **AVANTEL LIMITED**

Sd/-  
**CA NARESH CHANDRA GELLI**  
Partner  
ICAI Membership No. 201754

Sd/-  
**A VIDYASAGAR**  
Chairman & Managing Director  
DIN: 00026524

Sd/-  
**N NAVEEN**  
Director  
DIN: 02726620

Place: Hyderabad  
Date: 25.04.2024

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	7,447.31	3,992.96
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>7,447.31</b>	<b>3,992.96</b>
Adjustments for		
Depreciation and amortization expense	706.07	515.65
Gain on disposal of property, plant and equipment	-	-
Written off assets	7.18	3.29
Dividend and interest income classified as investing cash flows	(66.20)	(11.77)
Finance costs	417.42	486.08
Employee Compensation Expenses(ESOP)	607.20	-
Other Comprehensive Income	(50.51)	(40.08)
	<b>9,068.47</b>	<b>4,946.14</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase)/decrease in trade receivables	(2,436.38)	(358.28)
(Increase)/decrease in inventories	(163.35)	(2,749.85)
(Increase)/decrease in other financial assets	(45.07)	18.89
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	74.90	(516.01)
Increase / (decrease) in trade payables	285.14	229.78
Increase/(decrease) in provisions	(1.11)	39.91
Increase/(decrease) in other current liabilities	65.74	136.41
Increase/(decrease) in financial liabilities	1,297.85	(448.97)
Increase/(decrease) in other non current liabilities	-	-
<b>Cash generated from operations</b>	<b>8,146.19</b>	<b>1,298.04</b>
Income taxes paid	(1,316.45)	(853.14)
<b>Net cash inflow from operating activities</b>	<b>6,829.74</b>	<b>444.90</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(2,191.48)	(600.34)
Increase in Capital Work in Progress	(726.08)	(164.76)
Increase in Term deposits	(1,206.60)	162.53
Proceeds from sale of property, plant and equipment	33.49	-
Increase in Investments	(524.95)	(675.00)
Interest received	66.20	11.77
<b>Net cash outflow from investing activities</b>	<b>(4,549.41)</b>	<b>(1,265.80)</b>

<b>Cash flows from financing activities</b>		
Increase/(decrease) in borrowings	(1,639.95)	1,503.69
Interest paid	(371.89)	(456.05)
Payment of lease obligations	(96.14)	(64.41)
Dividends paid to Company's share holders	(162.18)	(162.18)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(2,270.16)</b>	<b>821.04</b>
Net increase/(decrease) in cash and cash equivalents	10.17	0.13
Cash and cash equivalents at the beginning of the financial year	0.45	0.32
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>10.62</b>	<b>0.45</b>

per our report of even date

**for GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

for and on behalf of **AVANTEL LIMITED**

Sd/-  
**CA NARESH CHANDRA GELLI**  
 Partner  
 ICAI Membership No. 201754

Sd/-  
**A VIDYASAGAR**  
 Chairman & Managing Director  
 DIN: 00026524

Sd/-  
**N NAVNEEN**  
 Director  
 DIN: 02726620

Place: Hyderabad  
 Date: 25.04.2024

Sd/-  
**A SARADA**  
 Whole-Time Director & CFO  
 DIN: 00026543

Sd/-  
**D RAJASEKHARA REDDY**  
 Company Secretary  
 M.No. A61938

**Standalone Statement of changes in Equity for the period ended 31.03.2024**

**A. Equity Share Capital**

Particulars	As at March 31, 2023			
	No of Shares	Amount	No of Shares	Amount
Opening Equity Shares	81,089,860	1,621.80	40,54,493	405.45
Changes in Equity Share Capital during the year	162,179,720	3,243.59	1,21,63,479	1,216.35
Add: Forfited Shares (Amount originally paid up)		0.06		0.06
<b>Closing balance</b>	<b>243,269,580</b>	<b>4,865.45</b>	<b>1,62,17,972</b>	<b>1,621.86</b>

During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was subdivided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).

**B. Other Equity as at March 31, 2024**

	Share application money pending allotment	Share Based Payment Reserve	Reserves and Surplus			Total
			General Reserve	Capital Reserve	Security Premium	
Balance at the beginning of the reporting period	-	-	-	-	0.24	9,565.93
Changes During the Year	-	607.20	-	-	-	9,566.17
Total comprehensive income for the year	-	-	-	-	-	607.20
Dividend	-	-	-	-	-	5,508.33
Unamortized premium on forward contract	-	-	-	-	-	(162.18)
Transfer to retained earnings	-	-	-	-	-	-
Any other changes : Capitalisation of Profits by giving Bonus Shares	-	-	-	-	-	(3,243.59)
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>607.20</b>	<b>-</b>	<b>0.24</b>	<b>11,668.49</b>	<b>12,275.94</b>

**B. Other Equity as at March 31, 2023**

		Reserves and Surplus				(In ₹ Lakhs)
		General Reserve	Capital Reserve	Security Premium	Retained Earnings	
Share application money pending allotment	Share Based Payment Reserve					<b>Total</b>
Balance at the beginning of the reporting period	-	345.98	109.82	79.30	7,431.35	7,966.45
Changes During the Year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	2,978.25
Dividend	-	-	-	-	-	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other changes : Capitalisation of Profits by giving Bonus Shares	-	(345.98)	(109.82)	(79.06)	(681.48)	(1,216.35)
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.24</b>	<b>9,565.93</b>	<b>9,566.17</b>

## **Note 1: NOTES TO STANDALONE FINANCIAL STATEMENTS**

### **COMPANY OVERVIEW AND MATERIAL ACCOUNTING POLICIES:**

#### **A. Company Overview**

Avantel Limited is a company engaged in manufacturing of wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development and rendering related customer support services, and having an in-house R&D facility at Visakhapatnam, Andhra Pradesh. The Company is incorporated and domiciled in India and has its registered office at 141, Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Visakhapatnam Andhra Pradesh, India. The Company has been in Bombay Stock Exchange (BSE).

The Standalone Financial Statements are approved by the Board of Directors on April 25, 2024.

#### **B. Basis of Preparation of Financial Statements:**

These Standalone Financial Statements are prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied, except in cases where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard necessitates a change in the previously used accounting policy. The material accounting policy information used in preparing the audited financial statements has been disclosed below.

#### **C. Basis of Measurement**

These Standalone Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which have been measured at fair value as per Ind AS. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the company and the normal time between acquisition of assets/liabilities and their realization/settlement in cash or cash equivalent. The company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The Standalone Financial Statements are presented in Indian Rupees (INR) being the functional currency of the Company.

#### **D. Use of Estimates**

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make estimates, judgements and assumptions (including revisions, if any). These estimates, judgements and assumptions effect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the period.

Appropriate changes in the estimates are made as management becomes aware of changes in circumstances. Changes in the estimates are reflected in the financial statements in the period in which changes are made.

### **MATERIAL ACCOUNTING POLICIES-**

#### **E. Revenue of Recognition:**

The Company earns revenue primarily from manufacturing of wireless front-end, Satellite Communication,

Embedded systems, Signal Processing, Network management and Software development and rendering related customer support services.

Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of GST, returns, rebates and discounts.

Sale of products - (own manufactured). Revenue is recognized when the significant risks and rewards of ownership of the products have passed to the buyer, which is considered to be upon delivery under the contractual terms, and when the amount of revenue can be measured reliably.

Contracts with customers includes sub contractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it obtains control of the specified goods or services before they are transferred to the customer. The Company considers whether it is primarily responsible for fulfilling the promise to provide the specified goods or services, inventory risk, pricing discretion and other factors to determine whether it controls the specified goods or services and therefore, is acting as a principal or an agent.

Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Interest income is recognized using the effective interest rate method.

#### **F. Property Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of GST, if any and subsequently at cost less depreciation and impairment losses if any.

Depreciation on all assets is provided on the "Straight Line Method" over the useful lives of the assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. Individual low-cost assets (acquired for Rs. 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase.

The Management estimates the useful lives for fixed assets as follows:

- (i) Buildings -- 20 Years
- (ii) Computers -- 3 Years
- (iii) Furniture & Fixtures -- 5 Years
- (iv) Plant & Machinery -- 4 Years
- (v) Vehicles -- 4 Years
- (vi) Leasehold improvements – amortized over the period of lease

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date

are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably

#### **G. Inventories**

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

- (i) Raw Materials, Packing materials, Stores & Spares: - On FIFO basis.
- (ii) Work-in-process: At cost of inputs plus overheads up to the stage of completion.
- (iii) Finished goods are valued at lower of cost or net realizable value.

#### **H. Impairment:**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

#### **I. Foreign Exchange Transactions/Translation**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs)

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit &Loss in the period in which they arise. The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

#### **J. Research and Development**

All expenses incurred for Research & Development are charged to revenue as incurred. Capital Expenditure incurred during the year on Research & Development is shown as additions to Fixed Assets.

#### **K. Provisions, Contingent Assets/ Contingent Liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Show-cause notices issued by Government Authorities where the probability of outflow of economic resources is remote are not considered as obligations. When the demands are raised against show-cause notices and are disputed by the company, these are treated as disputed obligations alongwith other contingent liabilities. Such contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Warranty Provisions:** Provisions for Warranty related costs are recognized when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

## L. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) 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 low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

## M. Income Tax:

Income tax expense represents the sum of current tax payable and deferred tax.

**Current Tax:** The tax currently payable is based on the current year taxable profit for the year. The current tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

**Deferred tax:** Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period. 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 utilized.

#### N. Earnings per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### O. Employee benefits:

Defined Contribution Plans: Payments made to a defined contribution plan such as provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans: Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

#### P. Financial Instruments:

##### Non-derivative financial instruments

Non-derivative financial instruments consist of:

- i) financial assets, which include cash and cash equivalents, trade receivables, other advances and eligible current and non-current assets;
- ii) Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

**a) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts, if any, that are repayable on demand and are considered part of the Company's cash management system.

**b) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost, less any impairment losses. Loans and receivables comprise trade receivables and other assets.

The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**c) Trade and payable**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

**Q. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Notes to accounts for the year ended March 31, 2024****Note: 2 Property, Plant and Equipment**

(In ₹ Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block as at April 1, 2023	573.53	1,048.50	45.74	138.76	1,023.05	241.45	216.71	157.18	712.23	4,157.16
Additions	-	-	52.98	92.87	1,619.59	121.22	183.83	105.57	15.41	2,191.48
(Deduction/ Adjustment) During the year	-	-	-	-	(16.37)	-	-	(39.16)	-	(55.53)
<b>Gross Block as at March 31, 2024</b>	<b>573.53</b>	<b>1,048.50</b>	<b>98.72</b>	<b>231.63</b>	<b>2,626.27</b>	<b>362.67</b>	<b>400.54</b>	<b>223.59</b>	<b>727.65</b>	<b>6,293.11</b>
Accumulated Depreciation as at April 1, 2023	-	284.45	45.74	78.44	547.89	155.70	141.06	90.90	438.20	1,782.38
Depreciation for the Year	-	57.35	2.67	21.07	279.54	69.33	36.55	31.63	146.61	644.74
(Deduction/ Adjustments) During the year	-	-	-	-	(0.97)	-	-	(24.64)	-	(25.62)
<b>Accumulated Depreciation as at March 31, 2024</b>	<b>-</b>	<b>341.80</b>	<b>48.41</b>	<b>99.50</b>	<b>826.45</b>	<b>225.03</b>	<b>177.61</b>	<b>97.88</b>	<b>584.81</b>	<b>2,401.50</b>
<b>Net Block as at March 31, 2024</b>	<b>573.53</b>	<b>706.71</b>	<b>50.31</b>	<b>132.13</b>	<b>1,799.82</b>	<b>137.64</b>	<b>222.93</b>	<b>125.71</b>	<b>142.84</b>	<b>3,891.61</b>

**Notes to accounts for the year ended March 31, 2023**  
**Note: 2 Property, Plant and Equipment**

(In ₹ Lakhs)

Particulars	Land	Buildings (Freehold)	Leasethold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block as at April 1, 2022	573.53	975.97	45.74	102.91	719.43	191.94	152.40	150.62	646.23	3,558.78
Additions	-	72.53	-	35.85	304.00	49.51	-	-	67.57	600.34
(Deduction/ Adjustment) During the year	-	-	-	-	(0.38)	-	-	-	(1.58)	(1.96)
<b>Gross Block as at March 31, 2023</b>	<b>573.53</b>	<b>1,048.50</b>	<b>45.74</b>	<b>138.76</b>	<b>1,023.05</b>	<b>241.45</b>	<b>216.71</b>	<b>157.18</b>	<b>712.23</b>	<b>4,157.16</b>
Accumulated Depreciation as at April 1, 2022	-	229.04	40.63	63.02	390.90	110.62	124.08	60.78	290.71	1,309.79
Depreciation for the Year	-	55.41	5.11	15.42	157.02	45.08	16.98	30.11	149.07	474.20
(Deduction/ Adjustments) During the year	-	-	-	-	(0.04)	-	-	-	(1.58)	(1.61)
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>-</b>	<b>284.45</b>	<b>45.74</b>	<b>78.44</b>	<b>547.89</b>	<b>155.70</b>	<b>141.06</b>	<b>90.90</b>	<b>438.20</b>	<b>1,782.38</b>
<b>Net Block as at March 31, 2023</b>	<b>573.53</b>	<b>764.06</b>	<b>0.00</b>	<b>60.33</b>	<b>475.16</b>	<b>85.75</b>	<b>75.65</b>	<b>66.29</b>	<b>274.03</b>	<b>2,374.78</b>

**Note: 3. Capital Work-in-Progress**

(In ₹ Lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Project 2	Project 3	Project 4	Project 2	Project 3	Project 4
<b>Capital Work-in-Progress (Construction of Buildings)</b>						
Capital Work-in-Progress at the beginning of the reporting period	700.82	56.90	107.86	700.82	-	-
Add: Additions During the year	-	629.01	97.07	-	56.90	107.86
Less: Capitalised During the year	-	-	-	-	-	-
<b>Capital Work-in-Progress (Construction of Buildings)</b>	<b>700.82</b>	<b>685.91</b>	<b>204.93</b>	<b>700.82</b>	<b>56.90</b>	<b>107.86</b>

**Capital Work-in-progress ageing Schedule for the year ending March 31, 2024 & March 31, 2023 (In ₹ Lakhs)**

CWIP	Amount in CWIP for a period of				
	Less than 1 Yr.	1-2 Years	2-3 Years	More than 3 Yr.	Total
<b>March 31, 2024</b>					
Projects in Process	-	890.85	700.82	-	1,591.67
Projects Temporarily Suspended	-	-	-	-	-
<b>March 31, 2023</b>					
Projects in Process	<b>164.76</b>	<b>700.82</b>	-	-	<b>865.59</b>
Projects Temporarily Suspended	-	-	-	-	-

**Note: 4. Right-to-use Asset**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right to Use Lease	586.34	221.10
Less: Depreciation	61.33	41.46
<b>Total</b>	<b>525.00</b>	<b>179.64</b>

**Note: 5. Investments in Equity Instruments**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in Subsidiaries at cost		
IMEDS Global Private Limited	1,699.95	1,175.00
1,69,99,499 (P.Y: 1,17,49,999) Equity Shares face value of Rs. 10/- each		
<b>Total</b>	<b>1,699.95</b>	<b>1,175.00</b>
Aggregate amount of un-quoted Investments	<b>1,699.95</b>	<b>1,175.00</b>
Aggregate amount of impairment in value of investment	-	-

**Note: 6. Other Financial Assets Non Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	275.49	185.85
Deposits	-	-
<b>Total</b>	<b>275.49</b>	<b>185.85</b>

**Note:7. Deferred tax Liabilities / (Assets)**

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax Liability</b>		
Property, plant and equipment	(24.85)	(89.76)
Lease Asset	(132.13)	(52.31)
<b>Sub Total</b>	<b>(156.99)</b>	<b>(142.07)</b>
<b>Deferred tax Assets</b>		
Lease Liability	151.05	71.08
Employee benefits	10.60	8.91
Remeasurement of defined benefit plan	12.71	11.67
<b>Sub Total</b>	<b>174.36</b>	<b>91.66</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>17.37</b>	<b>(50.42)</b>

**Movement in deferred tax balances during the year**

(In ₹ Lakhs)

Particulars	Balance As at April 01, 2023	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2024
Property, plant and equipment	(89.76)	64.91		(24.85)
Employee benefits	8.91	1.69		10.60
Lease Liability	71.08	79.97		151.05
Lease Asset	(52.31)	(79.82)		(132.13)
Remeasurement of defined benefit plan	11.67	1.04		12.71
<b>Total</b>	<b>(50.42)</b>	<b>67.79</b>	-	<b>17.37</b>

**Movement in deferred tax balances during the year**

(In ₹ Lakhs)

Particulars	Balance As at April 01, 2022	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2023
Property, plant and equipment	(135.81)	46.05		(89.76)
Employee benefits	12.58	(3.67)		8.91
Lease Liability	81.09	(10.01)		71.08
Lease Asset	(64.38)	12.07		(52.31)
Remeasurement of defined benefit plan	8.61	3.06		11.67
<b>Total</b>	<b>(97.92)</b>	<b>47.50</b>	-	<b>(50.42)</b>

**Unrecognised Deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 8. Inventories**

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials		
- Indigenous	1,051.76	1,367.83
- Imported	1,617.81	1,216.00
Work in Progress	1,912.10	1,834.49
<b>Total</b>	<b>4,581.67</b>	<b>4,418.32</b>

**Note: 9. Trade Receivables Current**

Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade Receivables Considered Good - Good	6,410.32	3,973.95
b) Trade Receivables which have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>6,410.32</b>	<b>3,973.95</b>

**Trade Receivable ageing Schedule for the year ending March 31, 2024 & March 31, 2023** (In ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Yr.	Total
<b>March 31, 2024</b>							
(i ) Undisputed Trade Receivable - Considered Good	4,903.45	1,504.81	2.07	-	-	-	6,410.32
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv)Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>4,903.45</b>	<b>1,504.81</b>	<b>2.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,410.32</b>

**March 31, 2023**

(i ) Undisputed Trade Receivable - Considered Good	3,470.88	503.07	-	-	-	-	3,973.95
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,470.88</b>	<b>503.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,973.95</b>

**Note: 10. Cash & Cash Equivalents**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.73	0.45
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	9.89	-
(b) in Cash Credit Account	-	-
<b>Total</b>	<b>10.62</b>	<b>0.45</b>

**Note: 11. Bank Balances other than above**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
For Unpaid Dividend	16.04	15.74
As Margin money/under lien	923.00	-
In term deposit with original maturity more than 3 months but less than 12 months	278.52	84.86
<b>Total</b>	<b>1,217.55</b>	<b>100.60</b>

**Note: 12. Other Financial Assets Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)	-	-
Accrued Interest	60.01	14.95
<b>Total</b>	<b>60.01</b>	<b>14.95</b>

**Note: 13. Current tax Assets**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax (Net)	2.31	2.25
TDS and TCS (Net)	-	-
<b>Total</b>	<b>2.31</b>	<b>2.25</b>

**Note: 14. Other Current Assets**

Particulars	As at March 31, 2024	As at March 31, 2023	(In ₹ Lakhs)
Unsecured (considered good)	-	-	
Prepaid Expenses	121.12	70.39	
Advance to Suppliers	696.19	441.18	
Other Advances	139.99	176.42	
Balances with GST Department	140.96	314.69	
Balance with GST credit ledger	915.48	1,085.96	
<b>Total</b>	<b>2,013.74</b>	<b>2,088.64</b>	

**Note: 15. Equity Shares**

Particulars	As at March 31, 2024	As at March 31, 2023	(In ₹ Lakhs)
<b>Authorized</b>			
Ordinary shares of par value of Rs. 2/- (Previous year Rs. 10/-) each			
Number	30,00,00,000	2,00,00,000	
Amount in ₹ Lakhs	6,000.00	2,000.00	
<b>Issued, subscribed and fully paid</b>			
Ordinary shares of par value of Rs.2/- (Previous year Rs. 10/-) each			
Number	24,32,69,580	1,62,17,972	
<b>Amount In ₹ Lakhs</b>	4,865.39	1,621.80	
Add: Forfited Shares (Amount originally paid up)	0.06	0.06	
<b>Total In ₹ Lakhs</b>	4,865.45	1,621.86	

**Reconciliation of number of shares:**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Equity Shares of par value of Rs.2/- (Previous year Rs. 10/-) each	8,10,89,860	40,54,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	16,21,79,720	1,21,63,479
Less: Deduction	-	-
<b>Closing balance</b>	<b>24,32,69,580</b>	<b>1,62,17,972</b>

**No. of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares @ Rs. 2/-	% of Total Shares	No of Shares @ Rs. 10/-	% of Total Shares
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900	18.85%
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764	7.82%
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688	6.37%
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996	6.20%
Smt K Swapna	99,65,385	4.10%	11,36,000	7.00%

**No. of Shares in the company held by Promoters**

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares @ Rs. 2/-	% of Total Shares	No of Shares @ Rs. 10/-	% of Total Shares
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900	18.85%
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764	7.82%
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688	6.37%
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996	6.20%
Sri Venkateswara Rao Abburi	21,97,200	0.90%	1,46,480	0.90%

During the year, the Company has approved to split/sub-division of equity shares of the Company by the shareholders by means of postal ballot through electronic means on July 31, 2023, such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs.2/- (Rupees Two only) each, fully paid-up. Accordingly, the authorised share capital of the Company was altered as Rs.20,00,00,000/- divided into 10,00,00,000 equity shares of Rs.2/- each and the paid-up and subscribed share capital of the Company was altered as Rs.16,21,79,720/- divided into 8,10,89,860 equity shares of Rs.2/- each.

Further, the Authorized Share Capital of the Company was increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.2/- (Rupees Two Only) each to Rs.60,00,00,000/- (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs.2/- (Rupees Two Only) each and consequential alteration in the Memorandum of Association of the Company as approved by the shareholders by means of Postal Ballot through electronic means, on November 11, 2023.

During the current year, the company has issued 16,21,79,720 Equity Shares of Rs. 2/- each as fully paid-up bonus shares representing a ratio of 2 (Two) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of profit and loss account pursuant to a bonus issue approved by the Shareholders by means of Postal Ballot through electronic means, on November 11, 2023. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

The Company has one class of share capital, comprising ordinary shares of Rs. 2/- (Previous year Rs. 10/-) each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

**Note: 16. Other Equity**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Capital Redemption Reserve</b>		
Opening balance	-	109.82
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	109.82
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Securities Premium Reserve</b>		
Opening balance	0.24	79.30
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	79.06
<b>Total</b>	<b>0.24</b>	<b>0.24</b>
<b>General Reserve</b>		
Opening balance	-	345.98
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	345.98
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Share Based Payment Reserve</b>		
Opening balance	-	-
Add: Current Year Transfer	607.20	-
<b>Total</b>	<b>607.20</b>	<b>-</b>
<b>Surplus in Profit and Loss account</b>		
Opening balance	9,565.93	7,431.35
Add: Current Year Transfer	-	-
Profit and loss account	5,508.33	2,978.25
Less: Dividend Paid	(162.18)	(162.18)
Less: Capitalisation of Profit	(3,243.59)	(681.48)
<b>Total</b>	<b>11,668.49</b>	<b>9,565.93</b>
<b>Total Other Equity</b>	<b>12,275.94</b>	<b>9,566.17</b>

**Note: 16(a) Nature and purpose of Reserves**

**Capital Redemption Reserve:**

A Statutory reserve created to the extent of sum equal to the nominal value of the Share Capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

**Security Premium:**

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

**Note: 17. Lease Liabilities**

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Lease Liability	600.16	244.08
<b>Total</b>	<b>600.16</b>	<b>244.08</b>

**Note: 18. Provisions Non Current**

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	60.89	62.00
<b>Total</b>	<b>60.89</b>	<b>62.00</b>

**Note: 19. Borrowings Current**

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>(i) Term Loans</b>	-	-
<b>(ii) Cash Credits</b>	-	-
(a) From Banks		
-Secured*	1,150.39	2,790.34
(b) From Other parties	-	-
<b>(iii) Deposits</b>	-	-
<b>Total</b>	<b>1,150.39</b>	<b>2,790.34</b>

- \* a) Open Cash Credit from Canara Bank is secured by way of Primary security of hypothecation of Stocks, Book debts and Collateral Security of Plant & Machinery, other fixed assets of the company and Land and Buildings situated at Plot No. 47, Survey No. 141, APIIC Industrial Park, Gambheeram (V), Visakhapatnam and personal guarantee of the Managing Director of the Company and the rate of interest @11.75% p.a.
- b) The Carrying amount of Current and Non-current assets pledged as primary and collateral security for current borrowings are disclosed in Note No.49.

**Note: 20. Trade Payable Current**

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Trade Payables Due to Micro and Small Enterprises (MSME)	442.44	264.62
Trade Payables Due to Others	141.34	34.02
<b>Total</b>	<b>583.78</b>	<b>298.64</b>

(In ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Yr.	Total
<b>March 31, 2024</b>						
(I) MSME	442.44	-	-	-	-	442.44
(ii) Others	141.34	-	-	-	-	141.34
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>583.78</b>	-	-	-	-	<b>583.78</b>
<b>March 31, 2023</b>						
(I) MSME	264.62	-	-	-	-	264.62
(ii) Others	34.02	-	-	-	-	34.02
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>298.64</b>	-	-	-	-	<b>298.64</b>

**Note: 21. Other Financial Liabilities Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Liability for Expenses	38.56	35.43
Employees salaries and other payables	497.37	272.63
Unpaid Dividend	16.04	15.74
Advance from Customers	1,099.42	29.74
<b>Total</b>	<b>1,651.38</b>	<b>353.54</b>

**Note: 22. Provisions Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (Net)	824.33	173.70
<b>Total</b>	<b>824.33</b>	<b>173.70</b>

**Note: 23. Other Liabilities Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Statutory dues Payable	285.01	219.27
<b>Total</b>	<b>285.01</b>	<b>219.27</b>

## Note: 24. Revenue From Operations

Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers"

### A. (i) Contract with Customers

(a) Company has recognized the following revenue during the year from contracts with its customers

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products		
Domestic	21,842.93	14,998.06
Export	1,953.46	630.11
Sale of Services		
Domestic	1,179.08	1,342.36
Export	64.53	252.64
Scrap Sales	21.56	5.06
Less: GST	2,669.82	1,801.50
<b>Total</b>	<b>22,391.75</b>	<b>15,426.73</b>

(b) Company has recognized the Rs Nil as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

### (ii) Contract Balances

#### (a) Receivables

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	3,973.95	3,615.67
Addition/deduction during the year	2,436.38	358.28
Closing Balance	6,410.32	3,973.95

#### (b) Contract Assets

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Such assets are Rs Nil.

During the year company has recognized revenue of Rs. Nil(P.Y. Rs Nil) from the performance obligations satisfied in earlier periods.

The company has made the adjustment of Rs Nil (P.Y.Rs.Nil) in the revenue of ₹ 22,391.75 Lakhs(P.Y. ₹15,426.73 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of ₹ 22,391.75 (P.Y. ₹15,426.73 Lakhs).

#### (c) Contract Liabilities

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities". The balances are Rs Nil

#### (d) Practical expedients

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

**B. Significant judgements in the application of this standard**

- (i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
- (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).
- (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

**C. Assets Recognised from costs to obtain or fulfill a contract with a customer**

The costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

**Note: 25. Other Income**

	(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	66.20	11.77
Miscellaneous Receipts	7.52	-
Fluctuation In Foreign Currency	56.38	35.64
<b>Total</b>	<b>130.10</b>	<b>47.41</b>

**Note: 26. Cost of Materials Consumed**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cost of materials consumed</b>		
<b>Indigenous</b>		
Indigenous(Opening Stock)	1,345.46	532.71
Purchase	3,667.44	4,186.87
<b>Sub Total</b>	<b>5,012.90</b>	<b>4,719.57</b>
Indigenous(Closing Stock)	(1,041.58)	(1,345.46)
<b>Cost of Raw Materials Consumed</b>	<b>3,971.32</b>	<b>3,374.11</b>
<b>Imported</b>		
Imported(Opening Stock)	1,192.67	415.88
Purchase	4,174.47	5,060.99
<b>Sub Total</b>	<b>5,367.14</b>	<b>5,476.86</b>
Imported(Closing Stock)	(1,615.14)	(1,192.67)
<b>Cost of Raw Materials Consumed</b>	<b>3,752.00</b>	<b>4,284.20</b>
<b>TOTAL</b>	<b>7,723.32</b>	<b>7,658.31</b>

**Note: 27. Changes in Inventory**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening Balance</b>		
Opening Balance	1,834.49	452.75
<b>Closing Balance</b>	<b>(1,912.10)</b>	<b>(1,834.49)</b>
<b>Net (Increase) /Decrease</b>	<b>(77.61)</b>	<b>(1,381.74)</b>

**Note: 28. Employees Benefit Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	1,935.01	1,141.95
Directors Remuneration	581.90	360.52
Bonus	10.08	6.37
Leave Encashment, Exgratia & Gratuity	53.10	38.77
Training & Recruitment	39.75	15.43
Contribution to P.F. and other Funds	44.75	28.26
Staff welfare Expenses	139.26	74.15
Employee Compensation Expenses (ESOP)	607.20	-
<b>TOTAL</b>	<b>3,411.05</b>	<b>1,665.45</b>

**Note: 29. Manufacturing Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Job work Charges	441.00	495.32
Power and fuel	150.39	81.62
Consumption of stores and spare parts	41.31	43.88
Freight Inwards	38.30	34.72
Repairs & Maintenance - Plant & Machinery	135.33	75.48
Testing Charges	98.22	81.64
Installation & Commissioning Charges	74.82	49.19
Man power hire charges	417.68	231.66
Travelling	47.13	42.39
Other Manufacturing Expenses	24.09	51.06
<b>TOTAL</b>	<b>1,468.27</b>	<b>1,186.94</b>

**Note: 30. Research and Development Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of materials consumed	55.12	321.90
Salaries	135.80	332.73
Repairs & Maintenance	3.47	-
Professional & Consultancy Charges	28.77	35.40
Job Work & Other Expenses	0.02	14.48
<b>TOTAL</b>	<b>223.17</b>	<b>704.51</b>

**Note: 31. Selling and Distribution Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight Outwards	48.41	33.05
Packing Materials	33.60	34.51
Business Promotion	19.42	11.14
Travelling Expenses	55.30	14.94
Warranty Expenses	0.43	14.64
Customer Support Expenses	152.49	117.90
Insurance	3.40	0.15
Marketing Support Expenses	55.01	-
<b>TOTAL</b>	<b>368.07</b>	<b>226.32</b>

**Note: 32. Depreciation And Amortization Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Depreciation / Amortization for the year</b>		
Depreciation on PPE	644.74	474.20
Depreciation on Right-to-use Assets	61.33	41.46
<b>TOTAL</b>	<b>706.07</b>	<b>515.65</b>

**Note: 33. Finance Cost**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	282.50	388.93
Bank Charges	89.39	67.12
Interest on Lease Liability	45.53	30.02
<b>TOTAL</b>	<b>417.42</b>	<b>486.08</b>

**Note: 34. Administrative & Other Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery and Others	7.22	5.80
Vehicles	27.41	19.25
Computers	7.53	5.75
Buildings	201.56	94.33
Rent, Fees, Taxes & Licenses	110.60	41.83
Insurance	7.20	9.46
Couriers, Telephones and others	19.90	16.62
Printing & Stationery	11.62	8.64
Payment to Auditors	4.00	4.10
Professional & Consultancy Charges	25.53	27.90
Travelling & Conveyance	18.42	22.49
Secretarial Expenses	79.47	27.83
Watch & Ward	35.55	24.95
Sitting Fee	9.40	5.40
Bad Debts written off	7.18	3.29
Office Maintenance	43.08	35.35
Donations	105.15	4.00
CSR Expenses	54.40	48.38
Miscellaneous Expenses	59.55	14.28
<b>TOTAL</b>	<b>834.79</b>	<b>419.65</b>

**(i)Amount paid to auditors'**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As Auditor	4.00	3.25
For Taxation Matters/Tax Audit	-	-
For Other Services	-	0.10
For Reimbursement of Expenses	-	0.75
<b>TOTAL</b>	<b>4.00</b>	<b>4.10</b>

## Note: 35. Income Tax

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:

Particulars	As at March 31, 2024	As at March 31, 2023 (In ₹ Lakhs)
Profit before tax	7,447.31	3,992.96
Enacted Tax rates for the financial year	25.17%	29.12%
Expected tax expense (A)	1,956.66	1,023.24
Tax effect on allowable items (B)	(12.71)	(11.67)
Tax effect on disallowable items (C)	-	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	-	-
Interest on income tax for the year	-	-
Current tax for the year	1,943.95	1,011.57
Tax credits allowable	-	-
Deferred tax for the year	(67.79)	(47.50)
Tax expense of earlier years adjusted	12.32	10.56
<b>Net tax expense for the year</b>	<b>1,888.47</b>	<b>974.64</b>

## Note: 36. Employee Benefits

(In ₹ Lakhs)

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of ₹ 46.53 Lakhs (Previous year ₹ 35.02 Lakhs) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.
- b) **Leave Encashment:** The company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The company recognises expenditure on payment basis.
- c) **Gratuity:** Gratuity is a funded Defined Benefit Plan payable to the qualifying employees on superannuation. It is managed by a 'Life Assurance Scheme' of the Life Insurance Corporation of India and the company makes contributions to the Life Insurance Corporation of India (LIC).

Company makes annual contribution to the Fund based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit (PUC) Actuarial Cost Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2024 are as follows:

I. Change in Defined Benefit obligation :	As at March 31, 2024	As at March 31, 2023 (In ₹ Lakhs)
Defined Benefit obligation as at the beginning	259.81	201.15
Interest Cost	19.42	14.32
Current Service Cost	29.53	21.14
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experience Assumptions	37.17	39.62
<b>Defined Benefit obligation as at the end</b>	<b>352.28</b>	<b>259.81</b>

	(In ₹ Lakhs)	
<b>II. Change in Fair value of plan assets</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Fair value of Plan Assets at the beginning	189.10	170.96
Interest Income	17.19	12.91
Employer Contributions	82.06	22.09
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - Return on Assets (Excluding Interest)	(5.12)	(3.64)
<b>Fair value of planned assets at the end</b>	<b>281.36</b>	<b>189.10</b>
<b>III. Components of Defined Benefit Cost:</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Current Service Cost	29.53	21.14
Total Net Interest cost	2.23	1.41
<b>Defined Benefit Cost Included in Profit &amp; Loss</b>	<b>31.75</b>	<b>22.54</b>
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experience Assumptions	37.17	39.62
Remeasurements - Return on Assets (Excluding Interest)	5.12	3.64
<b>Total Remeasurements in OCI</b>	<b>50.51</b>	<b>40.08</b>
<b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b>	<b>82.27</b>	<b>62.62</b>
<b>IV. Amounts recognized in the Statement of Financial Position</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Defined benefit Obligation	352.28	259.81
Fair value of Plan Assets	281.36	183.55
Funded Status	70.92	76.27
Net Defined Benefit Liability/(Asset)	70.92	76.27
Of which Short Term Liability	57.33	42.87
<b>V. Net Defined Benefit Liability /(Asset) Reconciliation</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Net Defined Benefit Liability/(Asset) at the beginning	70.71	30.18
Defined Benefit Cost Included in Profit & Loss	31.75	22.54
Total Remeasurement included in OCI	50.51	40.08
Employer Contributions	(82.06)	(22.09)
Credit to Reimbursements/Expenses Adjustment	-	-
Net Defined Benefit Liability/(Asset) at the end	70.92	70.71
<b>VI. Principal Assumptions</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Discounting Rate	7.23%	7.50%
Salary Escalation Rate	3.00%	3.00%

The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.

**Note: 37. Related Party Disclosures:**

(In ₹ Lakhs)

**List of Related Parties** In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Subsidiary company, Company's Directors, Members of the Company's Management Council and company secretary are considered as Key Management Personnel. List of Key Management personnel of the company is as follows:

**A. List of Subsidiaries:**

<b>Imeds Global Private Limited</b>	<b>Wholly owned Subsidiary</b>
-------------------------------------	--------------------------------

**B. Key Management Personnel**

i) Dr. Abburi Vidyasagar	<b>Chairman &amp; Managing Director</b>
ii) Mrs. Abburi Sarada	<b>Wholetime Director &amp; CFO</b>
iii) Mr. Abburi Siddhartha Sagar	<b>Wholetime Director</b>
iv) Mr. D Rajasekhara Reddy	<b>Company Secretary</b>

**C. Relative of Key Management Personnel**

**NIL**

**D. Entities under same Management:**

<b>Wiki Kids Private Limited</b>	<b>Same Directors</b>
<b>Lakshmee Foundation</b>	<b>Controlled Trust</b>

**E. Transaction with Related Parties**

Particulars	Nature of Transaction	2023-2024	2022-2023
<b>a) Key Managerial Personnel:</b>			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commission on Profits	239.36	129.40
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commission on Profits	239.36	129.40
Mrs. Abburi Sarada	Rent	12.41	11.72
Mr. Abburi Siddhartha Sagar	Remuneration	36.77	36.00
Mr. D Rajasekhara Reddy	Salary	11.67	5.89
Mr. T Venkatesh	Salary	-	5.39
<b>b) Non-Whole time Directors:</b>			
Mr. Yalamanchili Kishore	Sitting Fee	2.10	1.30
Mr. Naveen Nandigam	Sitting Fee	2.10	1.50
Mr. E Bala Venkata Ramana Gupta	Sitting Fee	1.40	1.30
Mr. Myneni Narayana Rao	Sitting Fee	2.00	1.00
Mr. V Ramachander	Sitting Fee	1.80	0.30
<b>c) Transactions with Subsidiaries:</b>			
<b>Imeds Global Private Limited</b>	Equity Investment	524.95	675.00
Imeds Global Private Limited	Rent Received	1.18	-
<b>d) Transactions with other Entities:</b>			
<b>Wiki Kids Private Limited</b>	Rent Received	2.36	-
<b>Lakshmee Foundation</b>	CSR Funds	54.40	46.46
<b>Lakshmee Foundation</b>	Donation	95.60	-

**Note: 38. Earnings per Share:**

Particulars		2023-2024	2022-2023	(In ₹ Lakhs)
Profit/ (Loss) after Tax		5,545.09	3,003.59	
The weighted average number of ordinary shares for				
Basic EPS	Nos	24,32,69,580	24,32,69,580	
Diluted EPS	Nos	24,51,97,557	24,32,69,580	
The nominal value per Ordinary Share	In ₹	2.00	2.00	
<b>Earnings per Share</b>				
<b>Basic</b>	<b>In ₹</b>	<b>2.28</b>	<b>1.23</b>	
<b>Diluted</b>	<b>In ₹</b>	<b>2.26</b>	<b>1.23</b>	

**Note: During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).**

**Note: 39. Employee stock option plans (ESOP)**

The Company instituted Avantel Employees Stock Option Plan-2023 (hereinafter referred to as "Avantel 2023 Plan") for all eligible employees pursuant to a resolution approved by the shareholders in the Extra-ordinary General Meeting held on November 11, 2023. The Nomination, Governance and Compensation Committee of the Board of the parent company (the "Committee") administers the Avantel 2023 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The company has established Avantel 2023 Plan with 38,95,300 equity shares.

The exercise price of the options is INR 50 per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March, 2024 was INR 607.20 lacs (31 March, 2023: INR Nil).

The expense recognised for employee services received during the year is shown in the following table:

Particulars	31-Mar-24	31-Mar-23	(In ₹ Lakhs)
Expense arising from equity-settled share-based payment transactions	607.20	-	
<b>Total expense arising from share-based payment transactions</b>	<b>607.20</b>	-	

There were no cancellations or modifications to the awards in year ending 31 March, 2024 or 31 March, 2023.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	(In ₹ Lakhs)	
	31-Mar-24	31-Mar-23
Options outstanding at the beginning of the year	-	-
Granted during the year	38,95,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Options outstanding at the end of the year	<b>38,95,300</b>	-
Exercisable at 31 March	38,95,300	-

During the year a reserve was made towards outstanding of ESOPs and Share based payment expenses for the year ended 31 March, 2024 of ₹ 607.20 lakhs (31 March, 2023 - Rs. NIL).

The Weighted average grant date fair value of the options granted during the years ended 31 March, 2024 was ₹ 127.00 per option.

The weighted average share price at the date of exercise of options exercised during the years ended 31 March, 2024 was ₹ NIL (31 March, 2023 – ₹ NIL) per share, respectively.

The aggregate intrinsic value of options exercised during the years ended 31 March, 2024 and 31 March, 2023 was ₹ NIL and ₹ NIL, respectively.

The following tables list the inputs to the models used for the three plans for the years ended 31 March, 2024 and 31 March, 2023, respectively:

Particulars	(In ₹ Lakhs)	
	31-Mar-24	31-Mar-23
Weighted average fair values at the measurement date	INR 127.00	NA
Dividend yield (%)	-	NA
Expected Annualized Volatility (%)	56.87	NA
Risk-free interest rate (%)	7.10	NA
Expected life of share options(years)	6.00	NA
Weighted average share price (INR)	50.00	NA
Model used	Black-Scholes Method	NA

#### Note: 40. Contingent liabilities and commitments

(to the extent not provided for) (In ₹ Lakhs)

Particulars	2023-2024	2022-2023
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debt		
a) Claims against the company/disputed liabilities		
Income Tax	219.05	219.05
b) Guarantees		
Bank Guarantee	3,239.43	1,197.24
<b>Total</b>	<b>3,458.48</b>	<b>1,416.29</b>

**Note: 41. Segmental Reporting :**

- \* The entire operations of the company relate to only one segment viz., Electronics & Communication and hence segmental reporting is not given.

**Note: 42. Financial Instruments- Fair Values and Risk Management****a) Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Amount in ₹ Lakhs as of March 31, 2024

<b>Particulars</b>	<b>Cost</b>	<b>Financial assets/ liabilities at FVTPL</b>	<b>Financial assets/ liabilities at fair value through OCI</b>	<b>Total carrying value</b>	<b>Total fair value</b>
<b>Assets:</b>					
Cash & Cash Equivalents	10.62	-	-	10.62	10.62
Trade Receivable	6,410.32	-	-	6,410.32	6,410.32
Deposits	1,477.00	-	-	1,477.00	1,477.00
Other Financial Assets	76.05	-	-	76.05	76.05
<b>Liabilities:</b>					
Trade Payable	583.78	-	-	583.78	583.78
Borrowings	1,150.39	-	-	1,150.39	1,150.39
Other Financial Liabilities	1,651.38	-	-	1,651.38	1,651.38

Amount in ₹ Lakhs as of March 31, 2023

<b>Particulars</b>	<b>Cost</b>	<b>Financial assets/ liabilities at FVTPL</b>	<b>Financial assets/ liabilities at fair value through OCI</b>	<b>Total carrying value</b>	<b>Total fair value</b>
<b>Assets:</b>					
Cash & Cash Equivalents	0.45	-	-	0.45	0.45
Trade Receivable	3,973.95	-	-	3,973.95	3,973.95
Deposits	270.70	-	-	270.70	270.70
Other Financial Assets	30.69	-	-	30.69	30.69
<b>Liabilities:</b>					
Trade Payable	298.64	-	-	298.64	298.64
Borrowings	2,790.34	-	-	2,790.34	2,790.34
Other Financial Liabilities	353.54	-	-	353.54	353.54

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgements and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements).

The Company does not hold any equity investment and no financial instruments hence the disclosure are nil

#### **Financial Risk Management:**

The Company's activities expose to a variety of financial risks viz.,market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by Government Orders.

#### **Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

#### **Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD), for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2024 & March 31, 2023 is as follows:

Particulars	USD	Euro	USD	Euro
<b>Financial Assets:</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	23,700.00	79,431.00	48,242.00	20,254.93
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Financial Liabilities:</b>	-	-	-	-
Trade Payable	1,66,283.00	-	34,789.31	-
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	-	-

#### **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company operations are with Government and allied companies and hence no issues credit worthiness. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

#### **Credit risk exposure**

An analysis of age-wise trade receivables at each reporting date is summarized as follows:

**For the year ended March 31, 2024**

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year	(In ₹ Lakhs)
Gross Carrying Amount	6,410.32	6,410.32	-	-	-	-
Expected Credit loss	-	-	-	-	-	-
Carrying amount (net of impairment)	6,410.32	6,410.32	-	-	-	-

**For the year ended March 31, 2023**

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year	(In ₹ Lakhs)
Gross Carrying Amount	3,973.95	3,973.95	-	-	-	-
Expected Credit loss	-	-	-	-	-	-
Carrying amount (net of impairment)	3,973.95	3,973.95	-	-	-	-

**Liquidity Risk:**

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due. Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year	(In ₹ Lakhs)
<b>As on March 31 2024</b>						
Trade Payables	583.78	583.78	-	-	-	-
Other Financial liabilities	1,651.38	1,651.38	-	-	-	-
<b>As on March 31 2023</b>						
Trade Payables	298.64	298.64	-	-	-	-
Other Financial liabilities	353.54	353.54	-	-	-	-

**Note: 43. Capital Management**

The objective of the company when managing capital are to

- to safeguard the company's ability to continue as going concern, So that they can continue to provide returns for the Share holder and benefits for other stake holders.
- maintain optimal capital structure to reduce cost of capital

Particulars	(In ₹ Lakhs)	
	2023-2024	2022-2023
(i) <b>Final Dividend on Equity Shares</b> Final Dividend for the year March 31, 2023 ₹ 1/- per share (March 31, 2022 ₹ 4/- ) per share of ₹ 10/- each	162.18	162.18
(ii) <b>Dividends not recognised at the end of the reporting period</b> The directors recommend for the payment of ₹ 0.20 per equity share of ₹ 2/- each for the year March 31, 2024 (March 31, 2023 ₹ 1/- per share of ₹ 10/- each), The proposed dividend is subject to the approval of Share holders in the general meeting.	486.54	162.18

Raw Material	2023-2024		2022-2023	
	%	(₹ in Lakhs)	%	(₹ in Lakhs)
Indigenous	51.36	3,961.36	44.06	3,374.11
Imported	48.64	3,752.00	55.94	4,284.20
<b>TOTAL</b>	<b>100.00</b>	<b>7,713.36</b>	<b>100.00</b>	<b>7,658.31</b>

Particulars	(In ₹ Lakhs)	
	2023-2024	2022-2023
Materials	4,157.84	5,117.04
Capital Equipment	170.91	90.48
<b>Total</b>	<b>4,328.75</b>	<b>5,207.53</b>

Particulars	(In ₹ Lakhs)	
	2023-2024	2022-2023
Purchases (Imports)	4,177.52	5,121.91
Foreign Travel	46.75	2.46
<b>Total</b>	<b>4,224.26</b>	<b>5,124.36</b>

**Note: 47. The disclosure relating to transactions with Micro, Small and Medium Enterprises**  
Sundry Creditors includes ₹ 442.44 Lakhs (previous year ₹ 264.62 Lakhs) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

#### **Note: 48. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare and women empowerment has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2023-24 & 2022-23 are as under:

Particulars	(In ₹ Lakhs)	
	2023-2024	2022-2023
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	8,145.11	5,470.18
Average of net profits	2,715.04	1,823.39
(i) Amount required to be spent by the Company during the year	54.30	36.47
(ii) Amount spent towards CSR Activities	54.40	48.38
(iii) Shortfall at the end of the year	-	-
(iv) Reasons for Short fall	Not Applicable	
(v) Nature of CSR Activities Eradication of hunger and malnutrition, Promoting Education, Healthcare, Women empowerment.		
(vi) Details of related party transactions	54.40	46.46

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

#### Note 49. Assets Pledged as Security:

The Carrying amount of assets pledged as security for current borrowings:

(In ₹ Lakhs)

Particulars	2023-2024	2022-2023
<b>Current:</b>		
<b>Financial Assets:</b>		
<b>First Charge (Primary Security)</b>		
Trade Receivable	6,410.32	3,973.95
<b>Non-Financial Assets:</b>		
Inventories	4,581.67	4,418.32
<b>Total Current Assets Pledged as Primary Security</b>	<b>10,991.99</b>	<b>8,392.26</b>
<b>Non-Currrent Assets (Collateral Security)</b>		
Land	105.23	105.23
Plant & Machinery	1,799.82	475.16
Other Fixed Assets	1,518.26	1,326.09
<b>Total Non-Current Assets Pledged as Collateral Security</b>	<b>3,423.31</b>	<b>1,906.48</b>
<b>Total Assets Pledged as Primary &amp; Collateral Security</b>	<b>14,415.30</b>	<b>10,298.75</b>

**Note No. 50. Analytical Ratios**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Year March 31, 2024</b>	<b>Previous Year March 31, 2023</b>	<b>Variance</b>	<b>Reasons</b>
Current ratio (in times)	Total current Assets	Total current liabilities	3.18	2.76	15%	
Debt-equity ratio (in times)	Long term liabilities +short term borrowings	Total equity	0.07	0.25	-73%	The Company utilised the internal accruals for the working capital requirements
Debt service coverage ratio (in times)	Earnings before debt service = Net profit after taxes + non cash operating expenses + Interest + Other non cash adjustments	Debt service = Interest + principle repayments	20.33	9.56	113%	The Company utilised the internal accruals for the working capital requirements
Return on equity ratio (in %)	Profit for the year	Average total equity	39.15%	30.71%	27%	-
Inventory turnover ratio (in times)	Revenue from operations	Average total inventory	4.98	5.07	-54%	Effective utilisation of Raw Material
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.31	4.07	6%	-
Trade payables turnover ratio (in times)	Raw material purchases + Fuel purchase+Other expenses	Average trade payables	17.77	50.33	-65%	Proper payment of Trade payables
Net capital turnover ratio ( in times)	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	2.28	2.28	0%	-
Net profit ratio (in %)	Profit for the year	Revenue from operations	24.76%	19.47%	27%	-
Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	36.46%	28.65%	27%	-
Return on Investment	Inome generated from invested funds	Average invested funds in treasury investmens	-	-	-	NIL returns as the subsidiary did not commence commercial Operations at its full capacity

**Note: 51.**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property becomes effective and the related rules to determine the financial impact are published.

**Note: 52.**

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**Note: 53.**

The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

**Note: 54.**

The Company does not have transactions with Companies struck off under section 248 of the Companies Act,2013 or section 560 of the Companies Act, 1956 during the year.

**Note: 55.**

During the year there are no events occurring after the balance sheet date.

**Note: 56.**

During the year there are no prior period items.

**Note: 57.**

The company's accounting software has audit trail functionality (edit log). This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software.

per our report of even date

**for GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

for and on behalf of **AVANTEL LIMITED**

Sd/-

**CA NARESH CHANDRA GELLI**

Partner

ICAI Membership No. 201754

Sd/-

**A VIDYASAGAR**

Chairman & Managing Director

DIN: 00026524

Sd/-

**N NAVEEN**

Director

DIN: 02726620

Place: Hyderabad

Date: 25.04.2024

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

## **Independent Auditor's Report**

### **To the Members of Avantel Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated Financial Statements of M/s. **Avantel Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary IMEDS Global Private Limited (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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, in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>Fair value assessment of trade receivables</b>  Trade receivables comprise a significant portion of the liquid assets of the Company.  The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired.	<u><b>Principal Audit Procedures</b></u>  We assessed the validity of material long outstanding receivables which are Nil by reviewing the customer ledger during current year. We also considered payments received subsequent to year-end, and unusual patterns if any were reviewed to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Group including:

Key Audit Matter	Auditor's Response
<p>There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance;</li> <li>• Consideration and concurrence of the agreed payment terms;</li> <li>• Verification of receipts from trade receivables subsequent to year-end; and</li> <li>• Considered the completeness and accuracy of the disclosures.</li> </ul> <p>To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.</p> <p>We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.</p>
<p><b>Revenue recognition</b></p> <p>The Company applies judgement to determine whether each goods, software product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods, software product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their selling price determined in contract.</p> <p>The accuracy and of revenue amounts recorded is an inherent industry risk</p> <p>Disclosures relating revenue recognition are in Note 23.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures in respect of this area included:</p> <p>We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams</p> <p>Testing controls over software product sales including:</p> <ul style="list-style-type: none"> <li>– documentation evidencing internal and third party physical inspection and confirmation of complete status;</li> </ul> <p>We evaluated the adequacy of the disclosures included in Note 23.</p>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information 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 have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, Consolidated Financial performance, changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities 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 Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **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 judgement and maintain professional scepticism 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 has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls refer to our separate Report in “Annexure A” which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary, which is incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 39 to the Consolidated Financial Statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.
  - iv. (a) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(b) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements
  - v. As stated in Note 42 to the Consolidated Financial Statements:
    - (a) The dividend proposed in the previous year by the Holding Company, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
    - (b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
  - vi. Based on our examination, which included test checks, performed by us on the Company and its subsidiary incorporated in India, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. With respect to the matters specified in paragraphs 3(xxi) and 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, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Grandhy & Co**  
 Chartered Accountants  
 Firm Registration No.S-1007

**Naresh Chandra Gelli**  
 Partner  
 Membership No. 201754

UDIN: 24201754BKCNNL4284

Place : Hyderabad  
 Date : April 25, 2024

**Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Controls over financial reporting of **Avantel Limited** ("the Holding Company") and its subsidiary, which is incorporated in India, as of 31st March, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Holding Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, 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 Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's Internal Financial Controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting 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, the Holding Company and its subsidiary company, incorporated in India have in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Holding Company and Subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Grandhy & Co**  
Chartered Accountants  
Firm Registration No.S-1007

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754

UDIN: 24201754BKCNNL4284

Place : Hyderabad  
Date : April 25, 2024

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024**

(In ₹ Lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	4,325.32	2,935.52
(b) Capital work-in-progress	3	1,800.43	865.59
(c) Right-to-use Asset	4	525.00	179.64
(d) Financial Assets			
(i) Investments	5	-	189.69
(ii) Others	6	278.34 24.47	-
(e) Deferred tax Assets (net)			
<b>Current Assets</b>			
(a) Inventories	7	4,603.92	4,459.87
(b) Financial Assets			
(i) Trade Receivables	8	6,417.59	3,983.83
(ii) Cash & Cash Equivalents	9	111.04	24.57
(iii) Bank Balances other than (iii) above	10	1,217.55	100.60
(iv) Others (Int accrued on employee loans & term deposits)	11	60.01	14.95
(c) Current Tax Assets (Net)	12	2.47	2.28
(d) Other Current Assets	13	2,218.39	2,190.61
<b>Total Assets</b>		<b>21,584.54</b>	<b>14,947.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	4,865.45	1,621.86
(b) Other Equity	15	11,546.47	9,126.32
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	-	-
(ii) Lease Liabilities	17	600.16	244.08
(b) Provisions	17	60.89	62.00
(c) Deferred Tax Liability (Net)	6	-	46.81
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	1,150.39	2,790.34
(ii) Trade payables	19	442.44	270.53
(a) Total outstanding dues of Micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises			
and small enterprises			
(iii) Other Financial Liabilities	20	141.41	34.84
(b) Current Tax Liabilities (Net)	21	1,663.79	354.63
(c) Other current liabilities	22	824.33	173.70
<b>Total Equity and Liabilities</b>		<b>21,584.54</b>	<b>14,947.14</b>
<b>Material Accounting Policies</b>	1		

per our report of even date

for **GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

for and on behalf of **AVANTEL LIMITED**

Sd/-  
**CA NARESH CHANDRA GELLI**  
 Partner  
 ICAI Membership No. 201754

Sd/-  
**A VIDYASAGAR**  
 Chairman & Managing Director  
 DIN: 00026524

Sd/-  
**N NAVEEN**  
 Director  
 DIN: 02726620

Place: Hyderabad  
 Date: 25.04.2024

Sd/-  
**A SARADA**  
 Whole-Time Director & CFO  
 DIN: 00026543

Sd/-  
**D RAJASEKHARA REDDY**  
 Company Secretary  
 M.No. A61938

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024** (In ₹ Lakhs)

Particulars	Note No	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Income</b>			
i) Revenue From Operations	23	22,436.70	15,445.11
ii) Other Income	24	142.16	47.86
<b>Total Income</b>		<b>22,578.86</b>	<b>15,492.97</b>
<b>Expenses</b>			
i) Cost of materials consumed	25	7,784.98	7,699.76
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(77.61)	(1,381.74)
iii) Employee benefits expense	27	3,562.57	1,777.23
iv) Manufacturing Expenses	28	1,495.53	1,216.91
v) Research and Development Expenses	29	223.17	704.51
vi) Selling and Distribution Expenses	30	389.07	234.81
vii) Depreciation and amortization expense	31	749.80	576.76
viii) Finance Cost	32	417.82	486.29
ix) Administrative & Other Expenses	33	879.32	511.61
<b>Total expenses</b>		<b>15,424.65</b>	<b>11,826.14</b>
<b>Profit/(loss) before exceptional items and tax</b>		7,154.21	3,666.83
Exceptional Items			
<b>Profit Before Tax</b>		7,154.21	3,666.83
Tax Expenses		1,898.74	983.04
- Current Tax		1,956.66	1,023.24
- Prior Period Adjustments		12.32	10.56
- Deferred Tax		(70.24)	(50.76)
<b>Profit/(loss) for the period from continuing operations</b>		5,255.48	2,683.79
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		-	-
<b>I Profit/(loss) for the Period</b>		<b>5,255.48</b>	<b>2,683.79</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss		(50.51)	(40.08)
Remeasurement of defined benefit plan		13.76	14.73
Tax on the above			
ii) Items that will be reclassified to profit or loss		(36.76)	(25.34)
Other Comprehensive Income		-	-
iii) Total Comprehensive Income for the period		(36.76)	(25.34)
<b>III Total Comprehensive Income for the period</b>		<b>5,218.72</b>	<b>2,658.45</b>
<b>IV Earnings per equity share :</b>			
Equity Shares of par value ₹ 2/- each			
(1) Basic (₹)		2.16	1.10
(2) Diluted (₹)		2.14	1.10

per our report of even date

for **GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

for and on behalf of **AVANTEL LIMITED**

Sd/-  
**CA NARESH CHANDRA GELLI**  
 Partner  
 ICAI Membership No. 201754

Sd/-  
**A VIDYASAGAR**  
 Chairman & Managing Director  
 DIN: 00026524

Sd/-  
**N NAVEEN**  
 Director  
 DIN: 02726620

Place: Hyderabad  
 Date: 25.04.2024

Sd/-  
**A SARADA**  
 Whole-Time Director & CFO  
 DIN: 00026543

Sd/-  
**D RAJASEKHARA REDDY**  
 Company Secretary  
 M.No. A61938

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	7,154.21	3,666.83
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>7,154.21</b>	<b>3,666.83</b>
<b>Adjustments for</b>		
Depreciation and amortisation expense	749.80	576.76
Gain on disposal of property, plant and equipment	15.91	-
Written off assets	7.18	3.29
Dividend and interest income classified as investing cash flows	(66.20)	(11.77)
Finance costs	417.82	486.29
Employee Compensation Expenses(ESOP)	607.20	-
Other Comprehensive Income	(50.51)	(40.08)
	<b>8,835.41</b>	<b>4,681.12</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase)/decrease in trade receivables	(2,433.76)	(368.16)
(Increase)/decrease in inventories	(144.05)	(2,782.86)
(Increase)/decrease in other financial assets	(45.07)	18.89
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	(27.91)	(492.49)
Increase /(decrease) in trade payables	278.47	234.77
Increase/(decrease) in provisions	(1.11)	39.91
Increase/(decrease) in other current liabilities	67.19	138.22
Increase/(decrease) in financial liabilities	1,309.16	(449.11)
Increase/(decrease) in other non current liabilities	-	-
<b>Cash generated from operations</b>	<b>7,838.32</b>	<b>1,020.50</b>
Income taxes paid	(1,320.42)	(853.14)
<b>Net cash inflow from operating activities</b>	<b>6,517.90</b>	<b>167.36</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(2,227.49)	(1,025.17)
Increase in Capital Work in Progress	(934.84)	(164.76)
Increase in Term deposits	(1,205.61)	162.53
Proceeds from sale of property, plant and equipment	140.86	-
Increase in Investments	-	-
Interest received	66.20	11.77
<b>Net cash outflow from investing activities</b>	<b>(4,160.87)</b>	<b>(1,015.63)</b>

<b>Cash flows from financing activities</b>		
Increase/(decrease) in borrowings	(1,639.95)	1,503.69
Interest paid	(372.29)	(456.26)
Payment of lease obligations	(96.14)	(64.41)
Dividends paid to Company's share holders	(162.18)	(162.18)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(2,270.56)</b>	<b>820.83</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>86.47</b>	<b>(27.44)</b>
Cash and cash equivalents at the beginning of the financial year	24.57	52.01
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>111.04</b>	<b>24.57</b>

per our report of even date

for **GRANDHY & CO**

Chartered Accountants

Firm Registration No. 001007S

Sd/-

**CA NARESH CHANDRA GELLI**

Partner

ICAI Membership No. 201754

Place: Hyderabad

Date: 25.04.2024

Sd/-

**A VIDYASAGAR**

Chairman & Managing Director

DIN: 00026524

Sd/-

**A SARADA**

Whole-Time Director & CFO

DIN: 00026543

Sd/-

**N NAVEEN**

Director

DIN: 02726620

Sd/-

**D RAJASEKHARA REDDY**

Company Secretary

M.No. A61938

**Consolidated Statement of changes in Equity for the period ended 31.03.2024**

**A. Equity Share Capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Equity Shares	8,10,89,860	16,21,79,720	2,02,72,465	4,05,44,930
Changes in Equity Share Capital during the year	16,21,79,720	32,43,59,440	6,08,17,395	12,16,34,790
Add: Forfited Shares (Amount originally paid up)		6000		6000
<b>Closing balance</b>	<b>24,32,69,580</b>	<b>48,65,45,160</b>	<b>8,10,89,860</b>	<b>16,21,85,720</b>

During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).

**B. Other Equity as at March 31, 2024**

	Share application money pending allotment	Share Based Payment Reserve	Reserves and Surplus			<b>Total</b>
			General Reserve	Capital Reserve	Security Premium	
Balance at the beginning of the reporting period	-	-	-	-	0.24	9,126.08
Changes During the Year	-	607.20	-	-	-	9,126.32
Total comprehensive income for the year	-	-	-	-	-	607.20
Dividend	-	-	-	-	-	5,218.72
Unamortized premium on forward contract	-	-	-	-	-	(162.18)
Transfer to retained earnings	-	-	-	-	-	(162.18)
Any other changes : Capitalisation of Profits by giving Bonus Shares	-	-	-	-	-	-
Balance at the end of the reporting period	-	607.20	-	-	(3,243.59)	(3,243.59)
			0.24	10,939.02	11,546.47	

**B. Other Equity as at March 31, 2023**

	Share application money pending allotment	Share Based Payment Reserve	Share Based Payment Reserve	Reserves and Surplus			<b>Total</b>
				General Reserve	Capital Reserve	Security Premium	
Balance at the beginning of the reporting period	-	-	345.98	109.82	79.30	7,311.29	7,846.39
Changes During the Year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	2,658.45	2,658.45
Dividend	-	-	-	-	-	(162.18)	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes: Capitalisation of Profits by giving Bonus Shares	-	-	(345.98)	(109.82)	(79.06)	(681.48)	(1,216.35)
Balance at the end of the reporting period	-	-	-	-	0.24	9,126.08	9,126.32

**Note 1: NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****COMPANY OVERVIEW AND MATERIAL ACCOUNTING POLICIES:****A. Company Overview**

Avantel Limited (“the Holding Company) is a company engaged in manufacturing of wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development and rendering related customer support services, and having an in-house R&D facility at Visakhapatnam, Andhra Pradesh. The Company is incorporated and domiciled in India and has its registered office at 141, Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Visakhapatnam Andhra Pradesh, India. The Company has been in Bombay Stock Exchange (BSE).

Imeds Global Private Limited (“the Subsidiary Company”) is a wholly owned subsidiary of Avantel Limited was incorporated during the year 2021-22 and engaged in manufacturing of health care products at Sy No. 480/2, Ground Floor I, Hub (B1) Building, MedTech Zone Ltd, AMTZ Campus, Nadupuru Village, Pedagantyada Mandal, Visakapatnam.

The Consolidated Financial Statements are approved by the Board of Directors on April 25, 2024.

**B. Basis of Preparation of Financial Statements:**

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (“the Companies Act”), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The accounting policies have been applied consistently to all periods presented in these financial statements. The material accounting policy information used in preparation of the audited consolidated financial statements have been disclosed below.

**C. Basis of consolidation**

The consolidated financial statements have been prepared on the following basis:

Avantel consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of group companies are consolidated on line by line basis and Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Subsidiary included in consolidation:

Name of Enterprise	Country of Incorporation	Nature of Business	Shareholding/Controlling interest
Imeds Global Private Limited	India	Manufacture of Healthcare Products	100%

#### **D. Basis of Measurement**

These Consolidated Financial Statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which have been measured at fair value as per Ind AS. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the company and the normal time between acquisition of assets/liabilities and their realization/settlement in cash or cash equivalent. The company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The Consolidated Financial Statements are presented in Indian Rupees (INR) being the functional currency of the Company. These financial statements are presented in Indian rupees (rounded off to lakhs)

#### **E. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in the foregoing notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgments are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make estimates, judgements and assumptions (including revisions, if any). These estimates, judgements and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the period.

#### **F. Revenue of Recognition:**

Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of GST, returns, rebates and discounts.

Sale of products - (own manufactured). Revenue is recognized when the significant risks and rewards of ownership of the products have passed to the buyer, which is considered to be upon delivery under the contractual terms, and when the amount of revenue can be measured reliably.

Contracts with customers includes sub contractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it obtains control of the specified goods or services before they are transferred to the customer. The Group considers whether it is primarily responsible for fulfilling the promise to provide the

specified goods or services, inventory risk, pricing discretion and other factors to determine whether it controls the specified goods or services and therefore, is acting as a principal or an agent.

Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Interest income is recognized using the effective interest rate method.

#### **G. Property Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of GST, if any and subsequently at cost less depreciation and impairment losses if any.

Depreciation on all assets is provided on the “Straight Line Method” over the useful lives of the assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. Individual low-cost assets (acquired for Rs. 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase.

The Management estimates the useful lives for fixed assets as follows:

- (i) Buildings -- 20 Years
- (ii) Computers -- 3 Years
- (iii) Furniture & Fixtures -- 5 Years
- (iv) Plant & Machinery -- 4 Years
- (v) Vehicles -- 4 Years
- (vi) Leasehold improvements – amortized over the period of lease

#### **H. Inventories**

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

- (i) Raw Materials, Packing materials, Stores & Spares: - On FIFO basis.
- (ii) Work-in-process: At cost of inputs plus overheads up to the stage of completion.
- (iii) Finished goods are valued at lower of cost or net realizable value.

#### **I. Impairment:**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

#### **J. Foreign Exchange Transactions/Translation**

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit &Loss in the period in which they arise. The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

#### **K. Research and Development**

All expenses incurred for Research & Development are charged to revenue as incurred. Capital Expenditure incurred during the year on Research & Development is shown as additions to Fixed Assets.

#### **L. Provisions, Contingent Assets/ Contingent Liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Show-cause notices issued by Government Authorities where the probability of outflow of economic resources is remote are not considered as obligations. When the demands are raised against show-cause notices and are disputed by the company, these are treated as disputed obligations alongwith other contingent liabilities. Such contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Warranty Provisions:** Provisions for Warranty related costs are recognized when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

#### **M. Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) 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 low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and

impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

## N. Income Tax:

Income tax expense represents the sum of current tax payable and deferred tax.

**Current Tax:** The tax currently payable is based on the current year taxable profit for the year. The current tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

**Deferred tax:** Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period. 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 utilized.

## O. Earnings per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

## P. Employee benefits:

Defined Contribution Plans: Payments made to a defined contribution plan such as provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans: Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are

recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

#### **Q. Financial Instruments:**

##### Non-derivative financial instruments

Non-derivative financial instruments consist of:

- i) financial assets, which include cash and cash equivalents, trade receivables, other advances and eligible current and non-current assets;
- ii) Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

##### **a) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts, if any, that are repayable on demand and are considered part of the Company's cash management system.

##### **b) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost, less any impairment losses. Loans and receivables comprise trade receivables and other assets.

The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

##### **c) Trade and payable**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

#### **R. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Notes to accounts for the year ended March 31, 2024**

**Note: 2 Property, Plant and Equipment**

(In ₹ Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
<b>Gross Block</b>										
As at April 1, 2023	922.01	1,048.50	45.74	157.74	1,257.18	246.91	237.09	157.18	712.23	4,784.60
Additions	-	-	52.98	92.87	1,647.51	128.62	184.54	105.57	15.41	2,227.49
(Deduction/ Adjustment) During the year	-	-	-	-	(183.73)	-	(6.06)	(39.16)	-	(228.94)
<b>Gross Block</b>										
As at March 31, 2024	922.01	1,048.50	98.72	250.62	2,720.96	375.52	415.57	223.59	727.65	6,783.15
Accumulated Depreciation										
As at April 1, 2023	-	284.45	45.74	82.69	605.38	156.84	144.89	90.90	438.20	1,849.08
Depreciation for the Year	-	57.35	2.67	24.87	312.90	71.68	40.76	31.63	146.61	688.47
(Deduction/ Adjustments) During the year	-	-	-	-	(53.78)	-	(1.30)	(24.64)	-	(79.72)
Accumulated Depreciation										
As at March 31, 2024	-	341.80	48.41	107.56	864.49	228.52	184.35	97.88	584.81	2,457.83
<b>Net Block</b>										
As at March 31, 2024	<b>922.01</b>	<b>706.71</b>	<b>50.31</b>	<b>143.05</b>	<b>1,856.47</b>	<b>147.01</b>	<b>231.22</b>	<b>125.71</b>	<b>142.84</b>	<b>4,325.32</b>

**Notes to accounts for the year ended March 31, 2023****Note: 2 Property, Plant and Equipment**

(In ₹ Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
<b>Gross Block</b>										
As at April 1, 2022	573.53	975.97	45.74	120.12	889.76	193.31	163.78	150.62	648.57	3,761.39
Additions	348.48	72.53	-	37.18	365.92	53.60	73.31	6.56	67.57	1,025.17
(Deduction/ Retirement) During the year	-	-	-	0.44	1.51	-	-	-	(3.91)	(1.96)
<b>Gross Block</b>										
As at March 31, 2023	922.01	1,048.50	45.74	157.74	1,257.18	246.91	237.09	157.18	712.23	4,784.60
Depreciation/ Amortization										
As at April 1, 2022	-	229.04	40.63	63.54	395.67	110.69	124.29	60.78	290.75	1,315.39
Depreciation for the Year	-	55.41	5.11	19.16	209.70	46.15	20.60	30.11	149.07	535.31
(Deduction/ Adjustments) During the year	-	-	-	-	-	-	-	-	(1.61)	(1.61)
Accumulated Depreciation As at March 31, 2023	-	284.45	45.74	82.69	605.38	156.84	144.89	90.90	438.20	1,849.08
<b>Net Block</b>										
As at March 31, 2023	<b>922.01</b>	<b>764.06</b>	<b>0.00</b>	<b>75.05</b>	<b>651.81</b>	<b>90.07</b>	<b>92.20</b>	<b>66.29</b>	<b>274.03</b>	<b>2,935.52</b>

**Note: 3. Capital Work-in-Progress**

(In ₹ Lakhs)

Particulars	As at March 31, 2024				As at March 31, 2023		
	Project 2	Project 3	Project 4	Project 5	Project 2	Project 3	Project 4
<b>Capital Work-in-Progress (Construction of Buildings)</b>							
Capital Work-in-Progress at the beginning of the reporting period	700.82	56.90	107.86	-	700.82	-	-
Add: Additions During the year	-	629.01	97.07	208.76	-	56.90	107.86
Less: Capitalised During the year	-	-	-	-	-	-	-
<b>Capital Work-in-Progress (Construction of Buildings)</b>	<b>700.82</b>	<b>685.91</b>	<b>204.93</b>	<b>208.76</b>	<b>700.82</b>	<b>56.90</b>	<b>107.86</b>

**Capital Work-in-progress ageing Schedule for the year ending March 31, 2024 & March 31, 2023** (In ₹ Lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 Yr.	1-2 Years	2-3 Years	More than 3 Yr.	Total
<b>March 31, 2024</b>					
Projects in Process	208.76	890.85	700.82	-	1,800.43
Projects Temporarily Suspended	-	-	-	-	-
<b>March 31, 2023</b>					
Projects in Process	164.76	700.82	-	-	865.59
Projects Temporarily Suspended	-	-	-	-	-

**Note: 4. Right-to-use Asset**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right to Use Lease	586.34	221.10
Less: Depreciation	61.33	41.46
<b>Total</b>	<b>525.00</b>	<b>179.64</b>

**Note: 5. Other Financial Assets Non Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	278.34	189.69
Deposits	-	-
<b>Total</b>	<b>278.34</b>	<b>189.69</b>

**Note:6. Deferred tax Liabilities / (Assets)**

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax Liability</b>		
Property, plant and equipment	(17.76)	(86.15)
Lease Asset	(132.13)	(52.31)
<b>Sub Total</b>	<b>(149.90)</b>	<b>(138.46)</b>
<b>Deferred tax Assets</b>		
Lease Liability	151.05	71.08
Employee benefits	10.60	8.91
Remeasurement of defined benefit plan	12.71	11.67
<b>Sub Total</b>	<b>174.37</b>	<b>91.66</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>24.47</b>	<b>(46.81)</b>

**Movement in deferred tax balances during the year**

Particulars	(In ₹ Lakhs)		
	Balance As at April 01, 2023	Recognised in profit & loss	Recognised in OCI
Property, plant and equipment	(86.15)	68.39	(17.76)
Employee benefits	8.91	1.70	10.60
Lease Liability	71.08	79.97	151.05
Lease Asset	(52.31)	(79.82)	(132.13)
Remeasurement of defined benefit plan	11.67	1.04	12.71
<b>Total</b>	<b>(46.81)</b>	<b>71.28</b>	<b>-</b>
			<b>24.47</b>

**Movement in deferred tax balances during the year**

Particulars	(In ₹ Lakhs)		
	Balance As at April 01, 2022	Recognised in profit & loss	Recognised in OCI
Property, plant and equipment	(138.53)	52.38	(86.15)
Employee benefits	12.58	(3.67)	8.91
Lease Liability	81.09	(10.01)	71.08
Lease Asset	(64.38)	12.07	(52.31)
Remeasurement of defined benefit plan	8.61	3.06	11.67
<b>Total</b>	<b>(100.64)</b>	<b>53.83</b>	<b>-</b>
			<b>(46.81)</b>

**Unrecognised Deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items

Particulars	(In ₹ Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 8. Inventories**

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials		
- Indigenous	1,071.30	1,397.82
- Imported	1,620.53	1,227.56
Work in Progress	1,912.10	1,834.49
<b>Total</b>	<b>4,603.92</b>	<b>4,459.87</b>

**Note: 9. Trade Receivables Current**

Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade Receivables Considered Good - Good	6,417.59	3,983.83
b) Trade Receivables which have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>6,417.59</b>	<b>3,983.83</b>

**Trade Receivable ageing Schedule for the year ending March 31, 2024 & March 31, 2023** (In ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Yr.	
<b>March 31, 2024</b>							
(i ) Undisputed Trade Receivable - Considered Good	4,903.45	1,512.08	2.07	-	-	-	6,417.59
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv)Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>4,903.45</b>	<b>1,512.08</b>	<b>2.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,417.59</b>

**March 31, 2023**

(i ) Undisputed Trade Receivable - Considered Good	3,470.88	512.96	-	-	-	-	3,983.83
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,470.88</b>	<b>512.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,983.83</b>

**Note: 9. Cash & Cash Equivalents**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.80	0.52
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	110.24	24.06
(b) in Cash Credit Account	-	-
<b>Total</b>	<b>111.04</b>	<b>24.57</b>

**Note: 10. Bank Balances other than above**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
For Unpaid Dividend	16.04	15.74
As Margin money/under lien	923.00	-
In term deposit with original maturity more than 3 months but less than 12 months	278.52	84.86
<b>Total (A)</b>	<b>1,217.55</b>	<b>100.60</b>

**Note: 11. Other Financial Assets Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)	-	-
Accrued Interest	60.01	14.95
<b>Total</b>	<b>60.01</b>	<b>14.95</b>

**Note: 12. Current tax Assets**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax (Net)	2.47	2.28
TDS and TCS (Net)	-	-
<b>Total</b>	<b>2.47</b>	<b>2.28</b>

**Note: 13. Other Current Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)	-	-
Prepaid Expenses	121.12	70.39
Advance to Suppliers	818.91	456.02
Other Advances	140.83	177.72
Balances with GST Department	140.96	314.69
Balance with GST credit ledger	996.56	1,171.80
<b>Total</b>	<b>2,218.39</b>	<b>2,190.61</b>

**Note: 14. Equity Shares**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorized</b>		
Ordinary shares of par value of Rs. 2/- (Previous year Rs. 10/-) each		
Number	30,00,00,000	2,00,00,000
Amount in ₹ Lakhs	6,000.00	2,000.00
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.2/- (Previous year Rs. 10/-) each		
Number	24,32,69,580	1,62,17,972
<b>Amount In ₹ Lakhs</b>	<b>4,865.39</b>	<b>1,621.80</b>
Add Forfited Shares (Amount originally paid up)	0.06	0.06
<b>Total In ₹ Lakhs</b>	<b>4,865.45</b>	<b>1,621.86</b>

**Reconciliation of number of shares:**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Equity Shares	8,10,89,860	40,54,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	16,21,79,720	1,21,63,479
Less: Deduction	-	-
<b>Closing balance</b>	<b>24,32,69,580</b>	<b>1,62,17,972</b>

**No. of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares @ Rs. 2/-	% of Total Shares	No of Shares @ Rs. 10/-	% of Total Shares
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900	18.85%
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764	7.82%
Smt K Swapna	99,65,385	4.10%	11,36,000	7.00%
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688	6.37%
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996	6.20%

**No. of Shares in the company held by Promoters**

(In ₹ Lakhs)

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares @ Rs. 2/-	% of Total Shares	No of Shares @ Rs. 10/-	% of Total Shares
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900	18.85%
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764	7.82%
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688	6.37%
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996	6.20%
Sri Venkateswara Rao Abburi	21,97,200	0.90%	1,46,480	0.90%

During the year, the Company has approved to split/sub-division of equity shares of the Company by the shareholders by means of postal ballot through electronic means on July 31, 2023, such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs.2/- (Rupees Two only) each, fully paid-up. Accordingly, the authorised share capital of the Company was altered as Rs.20,00,00,000/- divided into 10,00,00,000 equity shares of Rs.2/- each and the paid-up and subscribed share capital of the Company was altered as Rs.16,21,79,720/- divided into 8,10,89,860 equity shares of Rs.2/- each.

Further, the Authorized Share Capital of the Company was increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.2/- (Rupees Two Only) each to Rs.60,00,00,000/- (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs.2/- (Rupees Two Only) each and consequential alteration in the Memorandum of Association of the Company as approved by the shareholders by means of Postal Ballot through electronic means, on November 11, 2023.

During the current year, the company has issued 16,21,79,720 Equity Shares of Rs. 2/- each as fully paid-up bonus shares representing a ratio of 2 (two) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of profit and loss account pursuant to a bonus issue approved by the Shareholders by means of Postal Ballot through electronic means, on November 11, 2023. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

The Company has one class of share capital, comprising ordinary shares of Rs. 2/- (previous year Rs. 10/-) each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

<b>Note: 15. Other Equity</b>		(In ₹ Lakhs)	
<b>Particulars</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Capital Redemption Reserve</b>			
Opening balance		-	109.82
Add: Current Year Transfer		-	-
Less: Written Back in Current Year		-	109.82
<b>Total</b>		-	-
<b>Securities Premium Reserve</b>			
Opening balance	0.24	79.30	
Add: Current Year Transfer		-	-
Less: Written Back in Current Year		-	79.06
<b>Total</b>	<b>0.24</b>	<b>0.24</b>	
<b>General Reserve</b>			
Opening balance	-	345.98	
Add: Current Year Transfer	-	-	-
Less: Written Back in Current Year	-	-	345.98
<b>Total</b>	-	-	-
<b>Share Based Payment Reserve</b>			
Opening balance	-	-	-
Add: Current Year Transfer	607.20	-	-
<b>Total</b>	<b>607.20</b>	-	-
<b>Surplus in Profit and Loss account</b>			
Opening balance	9,126.08	7,311.29	
Add: Current Year Transfer	-	-	-
Profit and loss account	5,218.72	2,658.45	
Less: Dividend Paid	(162.18)	(162.18)	
Less: Capitalisation of Profit	(3,243.59)	(681.48)	
<b>Total</b>	<b>10,939.02</b>	<b>9,126.08</b>	
<b>Total Other Equity</b>	<b>11,546.47</b>	<b>9,126.32</b>	

**Note: 15(a) Nature and purpose of Reserves****Capital Redemption Reserve:**

A Statutory reserve created to the extent of sum equal to the nominal value of the Share Capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

**Security Premium:**

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

**Note: 16. Lease Liabilities**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability	600.16	244.08
<b>Total</b>	<b>600.16</b>	<b>244.08</b>

**Note: 17. Provisions Non Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	60.89	62.00
<b>Total</b>	<b>60.89</b>	<b>62.00</b>

**Note: 18. Borrowings Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) <b>Term Loans</b>	-	-
(ii) <b>Cash Credits</b>		
(a) From Banks		
-Secured*	1,150.39	2,790.34
(b) From Other parties	-	-
(iii) <b>Deposits</b>	-	-
<b>Total</b>	<b>1,150.39</b>	<b>2,790.34</b>

- \* a) Open Cash Credit from Canara Bank is secured by way of Primary security of hypothecation of Stocks, Book debts and Collateral Security of Plant & Machinery, other fixed assets of the company and Land and Buildings situated at Plot No. 47, Survey No. 141, APIIC Industrial Park, Gambheeram (V), Visakhapatnam and personal guarantee of the Managing Director of the Company and the rate of interest @11.75% p.a.
- b) The Carrying amount of Current and Non-current assets pledged as primary and collateral security for current borrowings are disclosed in Note No.48.

**Note: 19. Trade Payable Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables Due to Micro and Small Enterprises (MSME)	442.44	270.53
Trade Payables Due to Others	141.41	34.84
<b>Total</b>	<b>583.84</b>	<b>305.38</b>

(In ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Yr.	Total
<b>March 31, 2024</b>						
(i) MSME	442.44	-	-	-	-	442.44
(ii) Others	141.41	-	-	-	-	141.41
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>583.84</b>	-	-	-	-	<b>583.84</b>

<b>March 31, 2023</b>						
(i) MSME	270.53	-	-	-	-	270.53
(ii) Others	34.84	-	-	-	-	34.84
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>305.38</b>	-	-	-	-	<b>305.38</b>

<b>Note: 20. Other Financial Liabilities Current</b>					
			<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>
Liability for Expenses			38.90		35.79
Retention Money			10.96		-
Employees salaries and other payables			498.46		273.33
Unpaid Dividend			16.04		15.74
Advance from Customers			1,099.42		29.77
<b>Total</b>			<b>1,663.79</b>		<b>354.63</b>

<b>Note: 21. Provisions Current</b>					
			<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>
Provision for Taxation (Net)			824.33		173.70
<b>Total</b>			<b>824.33</b>		<b>173.70</b>

<b>Note: 22. Other Liabilities Current</b>					
			<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>
<b>Current</b>					
Statutory dues Payable			289.22		222.03
<b>Total</b>			<b>289.22</b>		<b>222.03</b>

**Note: 23. Revenue From Operations**

Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers"

**A. (i) Contract with Customers**

(a) Company has recognized the following revenue during the year from contracts with its customers

Particulars	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Sale of Products		
Domestic	21,893.96	15,018.65
Export	1,953.46	630.11
Sale of Services		
Domestic	1,179.08	1,342.36
Export	64.53	252.64
Scrap Sales	21.56	5.06
Less: GST	2,675.89	1,803.70
<b>Total</b>	<b>22,436.70</b>	<b>15,445.11</b>

(b) Company has recognized the Rs Nil as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

**(ii) Contract Balances****(a) Receivables**

Particulars	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Opening Balance	3,983.83	3,615.67
Addition/deduction during the year	2,433.76	368.16
Closing Balance	6,417.59	3,983.83

**(b) Contract Assets**

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Such assets are Rs Nil.

During the year company has recognized revenue of Rs. Nil(P.Y. Rs Nil) from the performance obligations satisfied in earlier periods.

The company has made the adjustment of Rs Nil (P.Y.Rs.Nil) in the revenue of ₹ 22,436.70 Lakhs (P.Y. ₹ 15,445.11 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of ₹ 22,436.70 Lakhs (P.Y. ₹ 15,445.11 Lakhs).

**(c) Contract Liabilities**

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities". The balances are Rs Nil

**(d) Practical expedients**

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

## B. Significant judgements in the application of this standard

- (i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
- (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).
- (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

## C. Assets Recognised from costs to obtain or fulfill a contract with a customer

The costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

### Note: 24. Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	66.20	11.77
Miscellaneous Receipts	19.45	-
Fluctuation In Foreign Currency	56.50	36.09
<b>Total</b>	<b>142.16</b>	<b>47.86</b>

### Note: 25. Cost of Materials Consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cost of materials consumed</b>		
<b>Indigenous</b>		
Indigenous(Opening Stock)	1,375.46	540.67
Purchase	3,705.66	4,245.86
<b>Sub Total</b>	<b>5,081.12</b>	<b>4,786.54</b>
Indigenous(Closing Stock)	(1,061.12)	(1,375.46)
<b>Cost of Raw Materials Consumed</b>	<b>4,020.01</b>	<b>3,411.08</b>
<b>Imported</b>		
Imported(Opening Stock)	1,204.22	415.88
Purchase	4,178.61	5,077.03
<b>Sub Total</b>	<b>5,382.84</b>	<b>5,492.91</b>
Imported(Closing Stock)	(1,617.86)	(1,204.22)
<b>Cost of Raw Materials Consumed</b>	<b>3,764.98</b>	<b>4,288.68</b>
<b>TOTAL</b>	<b>7,784.98</b>	<b>7,699.76</b>

**Note: 26. Changes in Inventory**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	(In ₹ Lakhs)
<b>Changes in inventories of finished goods and work-in-progress</b>			
Opening Balance	1,834.49	452.75	
Closing Balance	(1,912.10)	(1,834.49)	
Net (Increase) /Decrease	<b>(77.61)</b>	<b>(1,381.74)</b>	

**Note: 27. Employees Benefit Expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	(In ₹ Lakhs)
Salaries and wages	2,064.76	1,240.21	
Directors Remuneration	581.90	360.52	
Bonus	10.08	6.37	
Leave Encashment, Exgratia & Gratuity	55.00	38.77	
Training & Recruitment	39.75	15.43	
Contribution to P.F. and other Funds	50.40	32.75	
Staff welfare Expenses	144.31	77.96	
Employee Compensation Expenses (ESOP)	607.20	-	
Internship	9.16	5.21	
<b>TOTAL</b>	<b>3,562.57</b>	<b>1,777.23</b>	

**Note: 28. Manufacturing Expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	(In ₹ Lakhs)
Job work Charges	443.10	498.50	
Power and fuel	160.04	90.96	
Consumption of stores and spare parts	45.10	48.72	
Freight Inwards	39.76	35.89	
Repairs & Maintenance - Plant & Machinery	137.55	76.54	
Testing Charges	105.84	84.84	
Installation & Commissioning Charges	74.82	49.19	
Man power hire charges	417.68	231.66	
Travelling	47.54	49.55	
Other Manufacturing Expenses	24.09	51.06	
<b>TOTAL</b>	<b>1,495.53</b>	<b>1,216.91</b>	

**Note: 29. Research and Development Expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	(In ₹ Lakhs)
Cost of materials consumed	55.12	321.90	
Salaries	135.80	332.73	
Design	3.47	-	
Repairs & Maintenance	28.77	35.40	
Professional & Consultancy Charges	0.02	14.48	
<b>TOTAL</b>	<b>223.17</b>	<b>704.51</b>	

**Note: 30. Selling and Distribution Expenses**

Particulars	(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight Outwards	48.90	33.05
Packing Materials	35.48	37.16
Business Promotion	33.73	13.48
Travelling Expenses	59.64	18.44
Warranty Expenses	0.43	14.64
Customer Support Expenses	152.49	117.90
Insurance	3.40	0.15
Marketing Support Expenses	55.01	-
<b>TOTAL</b>	<b>389.07</b>	<b>234.81</b>

**Note: 31. Depreciation And Amortization Expenses**

Particulars	(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Depreciation / Amortization for the year</b>		
Depreciation on PPE	688.47	535.31
Depreciation on Right-to-use Assets	61.33	41.46
<b>TOTAL</b>	<b>749.80</b>	<b>576.76</b>

**Note: 32. Finance Cost**

Particulars	(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	282.50	388.93
Bank Charges	89.79	67.33
Interest on Lease Liability	45.53	30.02
<b>TOTAL</b>	<b>417.82</b>	<b>486.29</b>

**Note: 33. Administrative & Other Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery and Others	7.32	6.87
Vehicles	27.41	19.25
Computers	7.53	6.05
Buildings	208.44	108.65
Rent, Fees, Taxes & Licenses	133.74	64.85
Insurance	7.39	9.65
Couriers, Telephones and others	21.77	17.83
Printing & Stationery	12.25	9.51
Payment to Auditors	4.30	4.43
Professional & Consultancy Charges	28.94	37.03
Travelling & Conveyance	22.04	26.48
Secretarial Expenses	79.48	42.39
Watch & Ward	39.80	26.41
Sitting Fee	9.40	5.40
Bad Debts written off	7.20	22.57
Office Maintenance	43.16	37.58
Donations	105.15	4.00
CSR Expenses	54.40	48.38
Miscellaneous Expenses	59.59	14.28
<b>TOTAL</b>	<b>879.32</b>	<b>511.61</b>

**(i) Amount paid to auditors'**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As Auditor	4.30	3.55
For Taxation Matters/Tax Audit	-	-
For Other Services	-	0.13
For Reimbursement of Expenses	-	0.75
<b>TOTAL</b>	<b>4.30</b>	<b>4.43</b>

## Note: 34. Income Tax

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:

(In ₹ Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	7,154.21	3,666.83
Enacted Tax rates for the financial year	29.12%	29.12%
Expected tax expense (A)	1,956.66	1,023.24
Tax effect on allowable items (B)	(12.71)	(11.67)
Tax effect on disallowable items (C)	-	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	-	-
Interest on income tax for the year	-	-
Current tax for the year	1,943.95	1,011.57
Tax credits allowable	-	-
Deferred tax for the year	(71.28)	(53.83)
Tax expense of earlier years adjusted	12.32	10.55
Net tax expense for the year	1,884.98	968.30

## Note: 35. Employee Benefits

(In ₹ Lakhs)

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of ₹ 51.64 Lakhs (Previous year ₹ 38.82 Lakhs) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.
- b) **Leave Encashment:** The company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The company recognises expenditure on payment basis.
- c) **Gratuity:** Gratuity is a funded Defined Benefit Plan payable to the qualifying employees on superannuation. It is managed by a 'Life Assurance Scheme' of the Life Insurance Corporation of India and the company makes contributions to the Life Insurance Corporation of India (LIC).

Company makes annual contribution to the Fund based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit (PUC) Actuarial Cost Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2024 are as follows:

(In ₹ Lakhs)

I. Change in Defined Benefit obligation :	As at March 31, 2024	As at March 31, 2023
Defined Benefit obligation as at the beginning	259.81	201.15
Interest Cost	19.42	14.32
Current Service Cost	29.53	21.14
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experience Assumptions	37.17	39.62
<b>Defined Benefit obligation as at the end</b>	<b>352.28</b>	<b>259.81</b>

	(In ₹ Lakhs)	
<b>II. Change in Fair value of plan assets</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Fair value of Plan Assets at the beginning	189.10	170.96
Interest Income	17.19	12.91
Employer Contributions	82.06	22.09
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - Return on Assets (Excluding Interest)	(5.12)	(3.64)
<b>Fair value of planned assets at the end</b>	<b>281.36</b>	<b>189.10</b>
<b>III. Components of Defined Benefit Cost:</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Current Service Cost	29.53	21.14
Total Net Interest cost	2.23	1.41
<b>Defined Benefit Cost Included in Profit &amp; Loss</b>	<b>31.75</b>	<b>22.54</b>
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experience Assumptions	37.17	39.62
Remeasurements - Return on Assets (Excluding Interest)	5.12	3.64
<b>Total Remeasurements in OCI</b>	<b>50.51</b>	<b>40.08</b>
<b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b>	<b>82.27</b>	<b>62.62</b>
<b>IV. Amounts recognized in the Statement of Financial Position</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Defined benefit Obligation	352.28	259.81
Fair value of Plan Assets	281.36	183.55
Funded Status	70.92	76.27
Net Defined Benefit Liability/(Asset)	70.92	76.27
Of which Short Term Liability	57.33	42.87
<b>V. Net Defined Benefit Liability /(Asset) Reconciliation</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Net Defined Benefit Liability/(Asset) at the beginning	70.71	30.18
Defined Benefit Cost Included in Profit & Loss	31.75	22.54
Total Remeasurement included in OCI	50.51	40.08
Employer Contributions	(82.06)	(22.09)
Credit to Reimbursements/Expenses Adjustment	-	-
Net Defined Benefit Liability/(Asset) at the end	70.92	70.71
<b>VI. Principal Assumptions</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Discounting Rate	7.23%	7.50%
Salary Escalation Rate	3.00%	3.00%

The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.

**Note: 36. Related Party Disclosures:**

(In ₹ Lakhs)

**List of Related Parties:** In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Subsidiary company, Company's Directors, Members of the Company's Management Council and company secretary are considered as Key Management Personnel. List of Key Management personnel of the company is as follows:

**A. List of Subsidiaries:**

**Imeds Global Private Limited**

**Wholly owned Subsidiary**

**B. Key Management Personnel**

- i) Dr. Abburi Vidyasagar
- ii) Mrs. Abburi Sarada
- iii) Mr. Abburi Siddhartha Sagar
- iv) Mr. D Rajasekhara Reddy

**Chairman & Managing Director**

**Wholetime Director & CFO**

**Wholetime Director**

**Company Secretary**

**C. Relative of Key Management Personnel**

**NIL**

**D. Entities under same Management:**

**Wiki Kids Private Limited**

**Same Directors**

**Lakshmee Foundation**

**Controlled Trust**

**E. Transaction with Related Parties**

Particulars	Nature of Transaction	2023-2024	2022-2023
<b>a) Key Managerial Personnel:</b>			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commission on Profits	239.36	129.40
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commission on Profits	239.36	129.40
Mrs. Abburi Sarada	Rent	12.41	11.72
Mr. Abburi Siddhartha Sagar	Remuneration	36.77	36.00
Mr. D Rajasekhara Reddy	Salary	11.67	5.89
Mr. T Venkatesh	Salary	-	5.39
<b>b) Non-Whole time Directors:</b>			
Mr. Yalamanchili Kishore	Sitting Fee	2.10	1.30
Mr. Naveen Nandigam	Sitting Fee	2.10	1.50
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	1.40	1.30
Mr. Myneni Narayana Rao	Sitting Fee	2.00	1.00
Mr. V Ramachander	Sitting Fee	1.80	0.30
<b>c) Transactions with Subsidiaries:</b>			
<b>Imeds Global Private Limited</b>	Equity Investment	524.95	675.00
<b>Imeds Global Private Limited</b>	Rent Received	1.18	-
<b>d) Transactions with other Entities:</b>			
<b>Wiki Kids Private Limited</b>	Rent Received	2.36	-
<b>Lakshmee Foundation</b>	CSR Funds	54.40	46.46
<b>Lakshmee Foundation</b>	Donation	95.60	-

**Note: 37. Earnings per Share:**

<b>Particulars</b>	<b>(In ₹ Lakhs)</b>	<b>2023-2024</b>	<b>2022-2023</b>
Profit/ (Loss) after Tax	In ₹ Lakhs	5,255.48	2,683.79
The weighted average number of ordinary shares for			
Basic EPS	Nos	24,32,69,580	24,32,69,580
Diluted EPS	Nos	24,51,97,557	24,32,69,580
The nominal value per Ordinary Share	In ₹	2.00	2.00
<b>Earnings per Share</b>			
<b>Basic</b>	<b>In ₹</b>	<b>2.16</b>	<b>1.10</b>
<b>Diluted</b>	<b>In ₹</b>	<b>2.14</b>	<b>1.10</b>

**Note: During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).**

**Note: 38. Employee stock option plans (ESOP)**

The Company instituted Avantel Employees Stock Option Plan-2023 (hereinafter referred to as "Avantel 2023 Plan") for all eligible employees pursuant to a resolution approved by the shareholders in the Extra-ordinary General Meeting held on November 11, 2023. The Nomination, Governance and Compensation Committee of the Board of the parent company (the "Committee") administers the Avantel 2023 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The company has established Avantel 2023 Plan with 38,95,300 equity shares.

The exercise price of the options is INR 50 per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March, 2024 was INR 607.20 lacs (31 March, 2023: INR Nil).

The expense recognised for employee services received during the year is shown in the following table:

<b>Particulars</b>	<b>(In ₹ Lakhs)</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Expense arising from equity-settled share-based payment transactions	607.20	-	-
<b>Total expense arising from share-based payment transactions</b>	<b>607.20</b>	<b>-</b>	<b>-</b>

There were no cancellations or modifications to the awards in year ending 31 March, 2024 or 31 March, 2023.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	31-Mar-24	31-Mar-23
Options outstanding at the beginning of the year	-	-
Granted during the year	38,95,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Options outstanding at the end of the year	<b>38,95,300</b>	-
Exercisable at 31 March	38,95,300	-

During the year a reserve was made towards outstanding of ESOPs and Share based payment expenses for the year ended 31 March, 2024 of ₹ 607.20 lakhs (31 March, 2023 - Rs. NIL).

The Weighted average grant date fair value of the options granted during the years ended 31 March, 2024 was ₹ 127.00 per option.

The weighted average share price at the date of exercise of options exercised during the years ended 31 March, 2024 was ₹ NIL (31 March, 2023 – ₹ NIL) per share, respectively.

The aggregate intrinsic value of options exercised during the years ended 31 March, 2024 and 31 March, 2023 was ₹ NIL and ₹ NIL, respectively.

The following tables list the inputs to the models used for the three plans for the years ended 31 March, 2024 and 31 March, 2023, respectively:

Particulars	31-Mar-24	31-Mar-23
Weighted average fair values at the measurement date	INR 127.00	NA
Dividend yield (%)	0.00	NA
Expected Annualized Volatility (%)	56.87	NA
Risk-free interest rate (%)	7.10	NA
Expected life of share options(years)	6.00	NA
Weighted average share price (INR)	50.00	NA
Model used	Black-Scholes Method	NA

#### Note: 39. Contingent liabilities and commitments

(to the extent not provided for) (In ₹ Lakhs)

Particulars	2023-2024	2022-2023
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debt		
a) Claims against the company/disputed liabilities		
Income Tax	219.05	219.05
b) Guarantees		
Bank Guarantee	3,239.43	1,197.24
<b>Total</b>	<b>3,458.48</b>	<b>1,416.29</b>

**Note: 40. Segmental Reporting :**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products, services, geographic areas and major customers. The company's corporate strategy aims at creating multiple drivers of growth anchored on its core competence. The company is currently focused on two segments.

The business segments comprise the following:

- Communications and Signal Processing Products: Manufacturing of Wireless front end, Satellite Communication, Embedded Systems, Signal Processing, Network Management and Software development and rendering related customer support services and having in-house R & D facility.
- Health Care Services: The segment wise Revenue, Results, Assets and Liabilities figures related to the respective amounts directly identifiable to each of the segments. Unallocable expenditure include expenses incurred on common services at the corporate level.

<b>Particulars</b>	<b>2023-2024</b>	<b>2022-2023</b>
<b>1. Segment Revenue</b>		
(a) Communications and signal processing Products	22,521.85	15,474.15
(b) Health Care	57.01	18.82
<b>Gross Revenue from sale of Products and services</b>	<b>22,578.86</b>	<b>15,492.97</b>
<b>2. Segment Results</b>		
(a) Communications and signal processing Products	7,447.31	3,992.96
(b) Health Care	(293.10)	(326.13)
<b>Profit before tax</b>	<b>7,154.21</b>	<b>3,666.83</b>
<b>3. Segment Assets</b>		
(a) Communications and signal processing Products	20,597.38	14,560.53
(b) Health Care	987.16	386.61
<b>Total Assets</b>	<b>21,584.54</b>	<b>14,947.14</b>
<b>4. Segment Liabilities</b>		
(a) Communications and signal processing Products	5,155.94	4,192.00
(b) Health Care	16.68	6.97
<b>Total Liabilities</b>	<b>5,172.62</b>	<b>4,198.97</b>

**Note: 41. Financial Instruments- Fair Values and Risk Management****a) Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Amount in ₹ Lakhs as of March 31, 2024

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	111.04	-	-	111.04	111.04
Trade Receivable	6,417.59	-	-	6,410.32	6,410.32
Deposits	1,479.85	-	-	1,479.85	1,479.85
Other Financial Assets	76.05	-	-	76.05	76.05
<b>Liabilities:</b>					
Trade Payable	583.84	-	-	583.84	583.84
Borrowings	1,150.39	-	-	1,150.39	1,150.39
Other Financial Liabilities	1,663.79	-	-	1,663.79	1,663.79

Amount in ₹ Lakhs as of March 31, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	24.57	-	-	24.57	24.57
Trade Receivable	3,983.83	-	-	3,983.83	3,983.83
Deposits	274.54	-	-	274.54	274.54
Other Financial Assets	30.69	-	-	30.69	30.69
<b>Liabilities:</b>					
Trade Payable	305.38	-	-	305.38	305.38
Borrowings	2,790.34	-	-	2,790.34	2,790.34
Other Financial Liabilities	354.63	-	-	354.63	354.63

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgements and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements).

The Company does not hold any equity investment and no financial instruments hence the disclosure are nil

#### **Financial Risk Management:**

The Company's activities expose to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by Government Orders.

#### **Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial

assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

#### **Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD), for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2024 & March 31, 2023 is as follows:

Particulars	USD	EURO	USD	EURO
<b>Financial Assets:</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	23,700.00	79,431.00	48,242.00	20,254.93
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Financial Liabilities:</b>	-	-	-	-
Trade Payable	1,66,361.00	-	35,791.31	-
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	-	-

#### **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company operations are with Government and allied companies and hence no issues credit worthiness. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

#### **Credit risk exposure**

An analysis of age-wise trade receivables at each reporting date is summarized as follows:

For the year ended March 31, 2024						(In ₹ Lakhs)
Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year	
Gross Carrying Amount	6,417.59	6,417.59	-	-	-	-
Expected Credit loss	-	-	-	-	-	-
Carrying amount (net of impairment)	<b>6,417.59</b>	<b>6,417.59</b>	-	-	-	-

For the year ended March 31, 2023						(In ₹ Lakhs)
Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year	
Gross Carrying Amount	3,983.83	3,983.83	-	-	-	-
Expected Credit loss	-	-	-	-	-	-
Carrying amount (net of impairment)	<b>3,983.83</b>	<b>3,983.83</b>	-	-	-	-

#### **Liquidity Risk:**

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities

to meet the obligations as and when due. Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
<b>As on March 31, 2024</b>					
Trade Payables	583.84	583.84	-	-	-
Other Financial liabilities	1,663.79	1,663.79	-	-	-
<b>As on March 31, 2023</b>					
Trade Payables	305.38	305.38	-	-	-
Other Financial liabilities	354.63	354.63	-	-	-

#### Note: 42. Capital Management

The objective of the company when managing capital are to

- to safeguard the company's ability to continue as going concern, So that they can continue to provide returns for the Share holder and benefits for other stake holders.
- maintain optimal capital structure to reduce cost of capital

Dividends	(In ₹ Lakhs)	
Particulars	2023-2024	2022-2023
(i) Final Dividend on Equity Shares		
Final Dividend for the year March 31, 2023 ₹ 1/- per share (March 31, 2022 ₹ 4/- ) per share of ₹ 10/- each	162.18	162.18
(ii) Dividends not recognised at the end of the reporting period		
The directors recommend for the payment of ₹ 0.20 per equity share of ₹ 2/- each for the year March 31, 2024 (March 31, 2023 ₹ 1/- per share of ₹ 10/- each), The proposed dividend is subject to the approval of Share holders in the general meeting.	486.54	162.18

#### Note: 43. Consumption Of Raw Materials:

(In ₹ Lakhs)

Raw Material	2023-2024		2022-2023	
	%	(₹ in Lakhs)	%	(₹ in Lakhs)
Indigenous	51.58	4,010.05	44.30	3,411.08
Imported	48.42	3,764.98	55.70	4,288.68
<b>TOTAL</b>	<b>100.00</b>	<b>7,775.02</b>	<b>100.00</b>	<b>7,699.76</b>

#### Note: 44. Value of Imports (Calculated in CIF Value):

(In ₹ Lakhs)

Particulars	2023-2024	2022-2023
Materials	4,161.88	5,133.05
Capital Equipment	170.91	96.34
<b>Total</b>	<b>4,332.79</b>	<b>5,229.39</b>

**Note: 45. Expenditure in Foreign Currency:**

Particulars	(In ₹ Lakhs)	
Particulars	2023-2024	2022-2023
Purchases (Imports)	4,181.65	5,137.95
Foreign Travel	47.49	3.41
<b>Total</b>	<b>4,229.14</b>	<b>5,141.36</b>

**Note: 46. The disclosure relating to transactions with Micro, Small and Medium Enterprises**

Sundry Creditors includes ₹ 442.44 lakhs (previous year ₹ 270.53 lakhs) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note: 47. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare and women empowerment has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2023-24 & 2022-23 are as under:

Particulars	(In ₹ Lakhs)	
Particulars	2023-2024	2022-2023
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	8,145.11	5,470.18
Average of net profits	2,715.04	1,823.39
(i) Amount required to be spent by the Company during the year	54.30	36.47
(ii) Amount spent towards CSR Activities	54.40	48.38
(iii) Shortfall at the end of the year	-	-
(iv) Reasons for Short fall	Not Applicable	
(v) Nature of CSR Activities Eradication of hunger and malnutrition, Promoting Education, Healthcare, Women empowerment.		
(vi) Details of related party transactions	54.40	46.46

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

**Note 48. Assets Pledged as Security:**

The Carrying amount of assets pledged as security for current borrowings:

(In ₹ Lakhs)

Particulars	2023-2024	2022-2023
<b>Current:</b>		
<b>Financial Assets:</b>		
<b>First Charge (Primary Security)</b>		
Trade Receivable	6,410.32	3,973.95
<b>Non-Financial Assets:</b>		
Inventories	4,581.67	4,418.32
<b>Total Current Assets Pledged as Primary Security</b>	<b>10,991.99</b>	<b>8,392.26</b>
<b>Non-Currrent Assets (Collateral Security)</b>		
Land	105.23	105.23
Plant & Machinery	1,799.82	475.16
Other Fixed Assets	1,518.26	1,326.09
<b>Total Non-Current Assets Pledged as Collateral Security</b>	<b>3,423.31</b>	<b>1,906.48</b>
<b>Total Assets Pledged as Primary &amp; Collateral Security</b>	<b>14,415.30</b>	<b>10,298.75</b>

**Note No. 49. Analytical Ratios**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Year March 31, 2024</b>	<b>Previous Year March 31, 2023</b>	<b>Variance</b>	<b>Reasons</b>
Current ratio (in times)	Total current Assets	Total current liabilities	3.24	2.80	16%	
Debt-equity ratio (in times)	Long term liabilities +short term borrowings	Total equity	0.07	0.26	-73%	The Company utilised the internal accruals for the working capital requirements
Debt service coverage ratio (in times)	Earnings before debt service = Net profit after taxes + non cash operating expenses + Interest + Other non cash adjustments	Debt service = Interest + principle repayments	19.58	8.94	119%	The Company utilised the internal accruals for the working capital requirements
Return on equity ratio (in %)	Profit for the year	Average total equity	18.80%	13.50%	39%	-
Inventory turnover ratio (in times)	Revenue from operations	Average total inventory	4.95	5.03	-2%	Effective utilisation of Raw Material
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.31	4.06	-5%	-
Trade payables turnover ratio (in times)	Raw material purchases + Fuel purchase+Other expenses	Average trade payables	18	50	-64%	Proper payment of Trade payables
Net capital turnover ratio ( in times)	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	2.22	2.23	-1%	-
Net profit ratio (in %)	Profit for the year	Revenue from operations	19.47%	17.38%	35%	-
Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	36.57%	27.68%	32%	-
Return on Investment	Inome generated from invested funds	Average invested funds in treasury investmens	-	-	-	NIL

**Note: 50.**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**Note: 51.**

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**Note: 52.**

The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

**Note: 53.**

The Company does not have transactions with Companies struck off under section 248 of the Companies Act,2013 or section 560 of the Companies Act, 1956 during the year.

**Note: 54.**

During the year there are no events occurring after the balance sheet date.

**Note: 55.**

During the year there are no prior period items.

**Note: 56.**

The company's accounting software has audit trail functionality (edit log). This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software.

per our report of even date  
**for GRANDHY & CO**  
Chartered Accountants  
Firm Registration No. 001007S

Sd/-  
**CA NARESH CHANDRA GELLI**  
Partner  
ICAI Membership No. 201754

Place: Hyderabad  
Date: 25.04.2024

for and on behalf of **AVANTEL LIMITED**  
Sd/-  
**A VIDYASAGAR**  
Chairman & Managing Director  
DIN: 00026524

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**N NAVEEN**  
Director  
DIN: 02726620

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

# avantel

## Corporate Office

Plot No: 68 & 69, Survey No: 66 & 67,  
4<sup>th</sup> Floor, Jubilee Heights,  
Jubilee Enclave,  
Madhapur, Hyderabad - 500081,  
Telangana, India.  
Tel: +91-40-6630 5000  
Fax: +91-40-6630 5004

## Regd. Office

Plot No. 47/P,  
Sy. No. 141, APIIC Indl Park,  
Gambheeram Village,  
Anandapuram Mandal,  
Visakhapatnam - 531163,  
Andhra Pradesh, India.  
Tel: +91-0891-2850 000  
Fax: +91-0891-2850 004

E-mail: [marketing@avantel.in](mailto:marketing@avantel.in)  
[www.avantel.in](http://www.avantel.in)