

To,  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400001

07<sup>th</sup> May, 2022

Dear Sir/Madam,

**SUB: Notice and 32<sup>nd</sup> Annual Report of Avantel Limited ('Company') - Reg.  
Ref: i) Compliance with Regulation 34 (1) of SEBI (LODR) Regulations, 2015  
ii) BSE Scrip code 532406**

With reference to the above stated subject, we bring to your kind notice that pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time ('Listing Regulations'), we wish to inform that the 32<sup>nd</sup> Annual General Meeting ('AGM') of the Company will be held on Monday, the May 30<sup>th</sup>, 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 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars).

In this connection, please find attached herewith 32<sup>nd</sup> Annual Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2022, along with the Notice of AGM.

In terms of Regulation 46 of the Listing Regulations, the said Annual Report and Notice of Annual General Meeting and other relevant documents are also uploaded 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 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI LODR, the Company is providing the facility to its Members (holding shares either in physical or dematerialized form) to exercise their right to vote by electronic means through Remote e-voting on the businesses specified in the Notice convening the 32<sup>nd</sup> AGM of the Company.

This is for your information and records.

Regards,

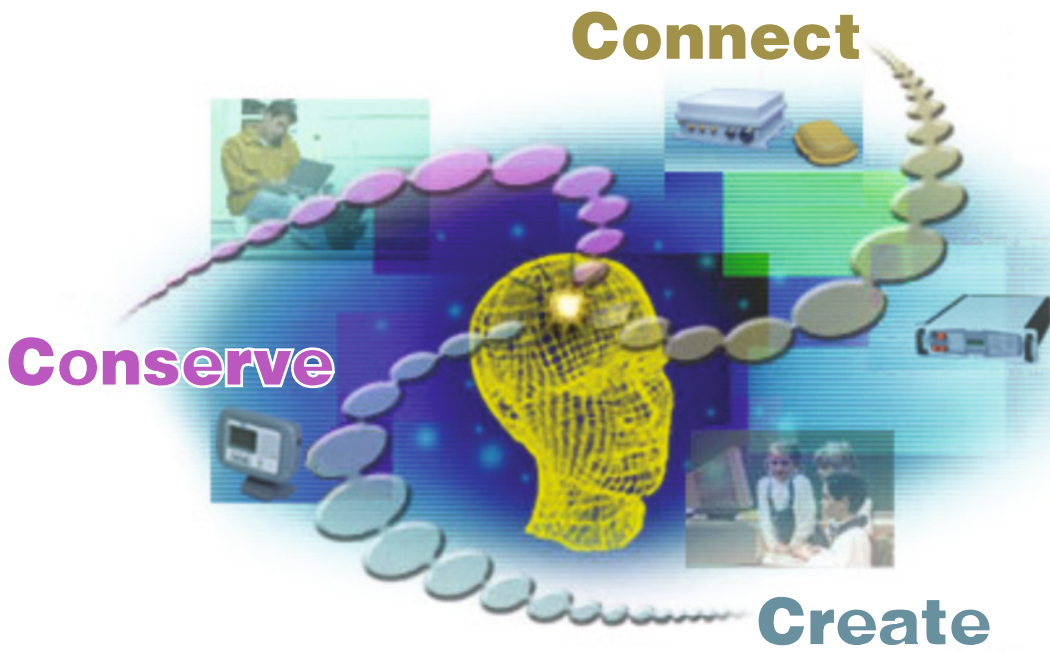
For **Avantel Limited**


**T. Venkatesh**  
Company Secretary

AS 9100D  
ISO 9001:2015  
ISO 27001:2013

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Annual Report  
2021 - 2022

## COMPANY INFORMATION

### BOARD OF DIRECTORS

|                                       |   |                              |
|---------------------------------------|---|------------------------------|
| Dr. Abburi Vidyasagar                 | - | Chairman & Managing Director |
| Smt. Abburi Sarada                    | - | Whole-Time Director          |
| Shri. Abburi Siddhartha Sagar         | - | Whole-Time Director          |
| Shri. Yalamanchili Kishore            | - | Independent Director         |
| Shri. Naveen Nandigam                 | - | Independent Director         |
| Shri. Eluru Bala Venkata Ramana Gupta | - | Independent Director         |
| Shri. Myneni Narayana Rao             | - | Independent Director         |

#### Chief Financial Officer

Smt. Abburi Sarada

#### Company Secretary & Compliance Officer

Shri. T Venkatesh

#### Registered Office:

**CIN: L72200AP1990PLC011334**

Sy. No. 141, Plot No 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram

(M), Visakhapatnam - 531 163, Andhra Pradesh

Phone: +91 - 891 - 2850 000

Fax: +91 - 891 - 2850 004

#### Corporate Office:

Plot No. 68 & 69, Jubilee Heights, 4<sup>th</sup> floor

Survey No's. 66 & 67, Jubilee Enclave

Madhapur, Hyderabad -500 081, Telangana

Phone: +91 - 40 - 6630 5000,

Fax: +91 - 40 - 6630 5004

#### Registrars & Share Transfer Agents:

M/s. KFIN Technologies Ltd (Formerly KFIN Technologies Pvt. Ltd)

Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500 032

Phones: 040 - 6716 1565

#### Auditors:

M/s. Grandhy & Co,

Chartered Accountants

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

#### Internal Auditors:

M/s. Ramesh & Co.,

6-3-661/B/1, Plot No: 78, Sangeeth Nagar,

Somajiguda, Hyderabad-500082, Telangana.

Tel No: 040-23311864/30686266.

#### Secretarial Auditors:

M /s. P S Rao & Associates

Practising Company Secretaries

Flat No.10, 4th Floor, D. No.6-3-347/22/2

Ishwarya Nilayam, Opp: Sai Baba Temple,

Dwarakapuri Colony, Punjagutta,

Hyderabad- 500 082, Telangana, India

#### Bankers:

Canara Bank

Mid Corporate Branch,

H. No. 3-5-874/19/1 to 3,

Beside Old MLA Quarters, Hyderguda

Hyderabad - 500 029, Telangana

Ph. No. 040 - 23436945

## Board Committees

#### Audit Committee

|                        |   |          |
|------------------------|---|----------|
| Shri. N. Naveen        | - | Chairman |
| Shri. Y. Kishore       | - | Member   |
| Shri. EBV Ramana Gupta | - | Member   |
| Shri. M Narayana Rao   | - | Member   |

#### Nomination and Remuneration Committee

|                        |   |          |
|------------------------|---|----------|
| Shri. M Narayana Rao   | - | Chairman |
| Shri. N. Naveen        | - | Member   |
| Shri. EBV Ramana Gupta | - | Member   |
| Shri. Y. Kishore       | - | Member   |

#### Stakeholders Relationship Committee:

|                        |   |          |
|------------------------|---|----------|
| Shri. M Narayana Rao   | - | Chairman |
| Shri. Y. Kishore       | - | Member   |
| Dr. Abburi Vidyasagar  | - | Member   |
| Shri. EBV Ramana Gupta | - | Member   |

#### Corporate Social Responsibility Committee:

|                 |   |          |
|-----------------|---|----------|
| Smt. A Sarada   | - | Chairman |
| Shri. N Naveen  | - | Member   |
| Shri. Y Kishore | - | Member   |

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**NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting (“AGM”) of the Members of Avantel Limited will be held on Monday, the 30<sup>th</sup> day of May, 2022 at 11:00 A.M. IST through Video Conference (“VC”)/ Other Audio-Visual Means (“OAVM”) facility without the physical presence of the Members at a common venue, in compliance with the General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 issued by the Ministry of Corporate Affairs (MCA Circulars), to transact the businesses items as mentioned below.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the Deemed Venue of the AGM.

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022, together with the Report of the Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs. 4/- per Equity Share of Rs. 10/- each to the shareholders for the Financial Year ended on March 31, 2022.
3. To appoint a director in place of Shri. Abburi Siddhartha Sagar (DIN: 02312563), who retires by rotation and being eligible, offers himself for re-appointment as Director.

**SPECIAL BUSINESS:-****4. TO CONSIDER AND APPROVE THE REAPPOINTMENT OF DR. ABBURI VIDYASAGAR AS THE MANAGING 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, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and 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, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Dr. Abburi Vidyasagar (DIN: 00026524), as the Managing Director of the Company at a remuneration of Rs. 36,00,000/- (Rupees Thirty-Six Lakhs Only) per annum and other superannuation benefits as per service rules of the Company, and a perquisite of Rent-Free Accommodation, as approved by the Remuneration Committee, for another term of Three years with effect from 01<sup>st</sup> day of April, 2022.”

“**FURTHER RESOLVED THAT** Dr. Abburi Vidyasagar in addition to the above-mentioned Salary, is also eligible for a commission of 3% 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 Dr. Abburi Vidyasagar 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 profits of the Company are 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.

**5. TO CONSIDER AND APPROVE THE REAPPOINTMENT OF SMT. ABBURI SARADA (DIN: 00026543) AS THE 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, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act, 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), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to approvals, if any required, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Smt. Abburi Sarada (DIN : 00026543), as Whole-Time Director of the Company at a remuneration of Rs. 18,00,000/- (Rupees Eighteen Lakhs Only) per annum and other superannuation benefits as per service rules of the Company as approved by the Nomination and Remuneration Committee, for a term of Three years effective from 08<sup>th</sup> day of May, 2022.”

**“FURTHER RESOLVED THAT** Smt. Abburi Sarada (DIN: 00026543) in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013.”

**“FURTHER RESOLVED THAT** the overall amount of remuneration payable to Smt. Abburi Sarada (DIN :00026543) shall not exceed 5% of net profits of the Company 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 profits of the Company are inadequate in any financial year during her 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.”

**6. TO CONSIDER THE APPOINTMENT OF SHRI. 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:**

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 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or reenactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. V Ramchander (DIN: 03400005), who was appointed as an Additional Director of the Company by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his term as an Independent Director for a period of five years, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from the ensuing Annual General Meeting.”

**7. TO CONSIDER THE INCREASE IN AUTHORIZED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to Section 13 and 61 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under, consent of the members be and is hereby accorded for the increase in the Authorised Share Capital of the Company from Rs. 7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and that these shares shall rank pari-passu in all respects with the existing equity shares.”

**“FURTHER RESOLVED THAT** the existing Clause 5 of the Memorandum of Association of the Company be and is hereby altered to read as follows:

5. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto.”

**8. TO CONSIDER THE APPROVAL OF ISSUE OF BONUS SHARES**

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

**“RESOLVED THAT** pursuant to the provisions of Section 63 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 and in accordance with Regulation 293, 294 and 295 laid down in Chapter XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015; Foreign Exchange Management Act, 1999 and the enabling provisions of Articles of Association of the Company and subject to the provisions of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (“the Scheme”) or any other provisions as may be applicable, and subject to such approvals, permissions and sanctions as may be necessary from appropriate authorities and pursuant to the recommendation of the Board of Directors of the Company, approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company ('the Board', the term which shall include any Committee authorized by the Board to exercise its powers including powers conferred on the Board by this resolution)

for capitalization of a sum not exceeding Rs. 12,16,52,790/- (Rupees Twelve Crore Sixteen Lakh Fifty Two Thousand Seven Hundred Ninty Only) or such other amount from and out of the Capital Redemption Reserve and/or General Reserve as per the Financial Statements of the Company for the period ended on March 31, 2022, for the purpose of Issue and allotment of bonus shares of Rs. 10/- each (Rupees Ten only), to the eligible Shareholders of the Company holding fully paid up equity shares of the Company whose names appear in the Register of Shareholders of the Company, as on the 'Record Date' to be determined by the Board for this purpose, in the proportion of 3 (Three) new equity shares for every 1 (one) existing fully paid-up equity share held by the Shareholders and that the new bonus shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up equity share capital of the Company held by each such Shareholders and not as the income of the Shareholders."

**"RESOLVED FURTHER THAT** in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board be and is hereby authorized to make suitable arrangements to deal with such fractions for the benefit of the eligible Shareholders, including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board of Directors who would hold them in trust for such Shareholders and shall, as soon as possible, sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expense in respect thereof, be distributed among such Shareholders who are entitled to such fractions in the proportion of their respective fractional entitlements."

**"RESOLVED FURTHER THAT** the bonus shares so allotted shall rank pari-passu in all respects with the fully paid-up equity shares of the Company as existing on the Record Date."

**"RESOLVED FURTHER THAT** the bonus shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company."

**"RESOLVED FURTHER THAT** no allotment letters shall be issued to the allottees of the bonus equity shares and in case of Shareholders who hold equity shares in dematerialised form, the bonus shares be credited to the respective beneficiary accounts of the Shareholders with their respective Depository Participants and in case of Shareholders who hold equity shares in physical form, the Share Certificate(s) in respect of such bonus shares shall be dispatched, within such time as prescribed by law and relevant authorities."

**"RESOLVED FURTHER THAT** the issue and allotment of the bonus shares to the extent that they relate to Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) and other Foreign Investors, shall be subject to the approval of the RBI or any other regulatory authority, if any."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of such bonus shares on the Stock Exchange, where the shares of the Company are presently listed as per the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable regulations, rules and guidelines."

**"RESOLVED FURTHER THAT** any of the directors be and is/are hereby individually or severally authorized, to do all such acts, deeds, matters as may in their absolute discretion deem necessary, desirable or expedient for giving effect to this Resolution."

By order of the Board of Directors

For **Avantel Limited**

Sd/-

**Abhuri Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

## 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. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular Nos.14/2020, 17/2020, 20/2020, 02/2021 and 21/2021 (collectively referred to as “MCA Circulars”) issued by the Ministry of Corporate Affairs (“MCA”) "and in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), 2015, the Annual General Meeting ("AGM") of the Company is being held " through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company being conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) hereinafter 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 the e-AGM
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip 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 [cssunil1427@gmail.com](mailto:cssunil1427@gmail.com) with a copy marked to <https://evoting.kfintech.com>.
5. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched within 20 days from the date of AGM to those members whose names shall appear on Company's Register of Members on the 19<sup>th</sup> day of May, 2022. 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.
6. 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.  
  
In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. Further, in case you are holding Company's shares in physical form, please inform Company's STA viz. KFin Technologies Ltd, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, by enclosing a photocopy of blank cancelled cheque of your bank account.
7. 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 Ltd in this regard.
8. In compliance with the Ministry of Corporate Affairs (“MCA”) vide its Circular dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 14th December 2021 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 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), the Annual Report for Financial year ended on March 31, 2022 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). To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Avantel Limited in case the shares are held by them in physical form.

9. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA viz. M/s. K Fin technologies Ltd., Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, by enclosing a photocopy of blank cancelled cheque of your bank account.
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 single name are advised, in their own interest to avail 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.
12. In 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.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 26<sup>th</sup> Day of May, 2022 through email on [cs@avantel.in](mailto:cs@avantel.in). The same will be replied by the Company suitably.
14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to 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 details of the unclaimed dividend are available on the Company's website at [www.avantel.in](http://www.avantel.in) and on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). 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).
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 20201-22 will also be available on the Company's website [www.avantel.in](http://www.avantel.in) websites of the BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of KFin Technologies Ltd <https://evoting.karvy.com>
16. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under the Section 103 of the Companies Act, 2013.
17. Pursuant to 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 26<sup>th</sup> Day of May, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

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 26<sup>th</sup> Day of May, 2022.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

19. Instructions for e-voting and joining the AGM are as follows:

**A. INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE / OTHER AUDIO VISUAL MODE:**

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:**

- i. Members desiring any additional information with regard to Accounts/ Annual Reports or having any question or queries are requested to write to the Company Secretary on the Company's investor email- id i.e. [cs@avantel.in](mailto:cs@avantel.in) on or before 26<sup>th</sup> May, 2022, 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.
- ii. 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 at 05:00 P.M IST on 29<sup>th</sup> May, 2022.

**8. Speaker Registration before e-AGM :** shareholders who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> the shareholders are requested to get registered on or before 26<sup>th</sup> May, 2022, 5.00 P.M. (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 1000 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/>

**B. 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 24<sup>th</sup> May, 2022 (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.

**Instructions for remote e-voting are as under- For Physical cases (Shares held in Physical Mode)**

- I. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- II. Enter the login credentials provided in the email and click on Login.
- III. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
- IV. 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.,).
- V. 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.
- VI. Login again with the new credentials.
- VII. On successful login, the system will prompt you to select the "EVENT" i.e. "Avantel Ltd."
- VIII. 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.
- IX. Members holding multiple folios may choose to vote differently for each folio / demat account.
- X. 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".
- XI. 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 authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser 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'
- XII. 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 1-800-309-4001 (toll free).

**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:**

Visit the link: AGM/EGM – Mobile & Email Registration

<https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>

- I. Select the company name i.e. AVANTEL LIMITED
- II. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical

- III. Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
- IV. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
- V. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
- VI. Enter the email address and mobile number.
- VII. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
- VIII. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
- IX. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
- X. Alternatively, members may send an email request addressed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
- XI. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- XII. 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

**Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> <li>I. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <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 “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

|   |  |
|---|--|
|   | <ol style="list-style-type: none"> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>  |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p>                                     | <ol style="list-style-type: none"> <li>1. Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4. Alternatively, 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> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the EVoting is in progress.</li> </ol> |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>  |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30             |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43. |

**C. General Instructions:**

1. The Board of Directors has appointed M B Suneel (Membership No. ACS 31197) of P S Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner
2. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 32<sup>nd</sup> e-AGM and announce the start of the casting of vote through the e-voting system of KFin Technologies Ltd.
3. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
4. The Scrutinizer shall submit his report to the Chairman or in his absence Managing Director & CEO of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website [www.avantel.in](http://www.avantel.in) and on the website of KFin <https://evoting.karvy.com> and shall also be communicated to the BSE Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company.

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

Sd/-

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

Place: Hyderabad  
Date: 06<sup>th</sup> May, 2022

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO: 4

The tenure of Dr. A.Vidyasagar, Managing Director of the Company, expired on 31<sup>st</sup> March 2022. Taking into consideration his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, had passed a resolution on 27<sup>th</sup> January, 2022, approving the re-appointment of Dr. A.Vidyasagar as the Managing Director of the Company for a further period of three years with effect from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2025, at a remuneration of Rs. 36,00,000/- (Rupees Thirty-Six Lakhs only) per annum and along with a perquisite of rent-free accommodation, as approved by the Nomination and Remuneration Committee w.e.f. 01.04.2022. In addition to the above-mentioned salary and perquisites, Dr. A.Vidyasagar is also eligible for commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013.

Keeping in view of his rich experience in the industry and having been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Dr. A.Vidyasagar as Managing Director.

Dr. A.Vidyasagar 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. Sagar received Doctorate from JNTU, Hyderabad for his outstanding work on E- Learning Methodologies.

Dr. Sagar is the founder Director of Avantel Ltd.

#### 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

Avantel has won the following accolades under his leadership:

- ❖ Avantel has been awarded "IEI Industry Excellence Awards" for the Year 2018
- ❖ Avantel has been awarded with "India SME 100 Awards" for the year 2018 by India SME forum.
- ❖ Avantel has been awarded "SME Empowering India Awards 2018" under the category of "Electronic Goods & Services 2018" by Arrucus Media Private Limited in coordination with National Productivity Council in May 2018.
- ❖ Avantel has been awarded with "ELCINA Defenovation Awards 2018" in Excellence in R&D - MSME Category

Dr. A.Vidyasagar is spouse of Mrs. A. Sarada, Whole Time Director of the Company. Dr. A.Vidyasagar holds 7,64,225 (Seven Lakhs Sixty Four Thousand Two Hundred Twenty Five) equity shares constituting 18.85% of total equity share capital of the Company. Dr. A.Vidyasagar does not have directorship or membership of committee of Board in any other listed Company.

The Board of Directors recommend the resolution in relation to the re-appointment of Managing Director, for the approval of the shareholders of the Company.

Except Dr. A.Vidyasagar and Mrs. A. Sarada 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.5.

#### The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

##### I. General Information

- (1) Nature of industry:

The company is specialized in integrating technologies related to wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development.

(2) Date or expected date of commercial production:

The company was incorporated in the year 1990 and the commercial production commenced simultaneously.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial performance based on given indicators:

(Rs. In Lakhs)

| PARTICULARS                        | Financial Year<br>2021-22 | Financial Year<br>2021-22 |
|------------------------------------|---------------------------|---------------------------|
| Total Revenue                      | 10,494.37                 | 7769.60                   |
| Net Profit / Loss Before Tax (PBT) | 2,364.17                  | 1850.34                   |
| Net Profit (PAT)                   | 1,917.79                  | 1533.37                   |

(5) Foreign investments or collaborations, if any: Nil

**(II) Information about the appointee**

(1) Back ground details:

Dr. Abburi Vidyasagar did his Bachelors in Technology from Jawaharlal Nehru Technological University, Kakinada also did his Masters in Engineering from IIT, Kharagpur and He also did Master of Business Administration from Osmania University, Hyderabad in the year 1989-1991. Dr. Abburi Vidyasagar received Doctorate from JNTU, Hyderabad for his outstanding work on E- Learning.

(2) Past remuneration:

Dr. Abburi Vidyasagar was drawing a remuneration of Rs. 36,00,000 Lakhs per annum in the previous financial year.

(3) Recognition or awards:

During his tenure as the Managing Director, the company had bagged many prestigious awards like (a) "Excellence in Indigenous Development" by Society of Indian Aerospace Technologies & Industries (SIATI), Bangalore in September 2014 (b) "SME Excellence Award in innovation - for Electronic Goods & Component Sector" by Karnataka Small & Medium Business Owner's Association (KSMBOA) in July 2015 (c) "IEI Industry Excellence Award 2015" by the Institute of Engineers (India) in the 30th Indian Engineering Congress held at Guwahati in Dec 2015 (d) "India SME 100 Awards" for the year 2016 by India SME forum (e) patent for "Integrated UHF (Satcom & LOS) for Voice and Data Communication to work with Indian Satellite" in December 2016. Avantel has been awarded "IEI Industry Excellence Awards" for the Year 2018. (f) Avantel has been awarded with "India SME 100 Awards" for the year 2018 by India SME forum. (g) Avantel has been awarded "SME Empowering India Awards 2018" under the category of "Electronic Goods & Services 2018" by Arrucus Media Private Limited in coordination with National Productivity Council in May 2018. (h) Avantel has been awarded with "ELCINA Defennovation Awards 2018" in Excellence in R&D - MSME Category

(4) Job profile and his suitability:

Dr. Abburi Vidyasagar is a dedicated and committed personality with rich experience of more than two and half decades in telecommunications, software and satellite communication sectors. During his tenure as the Managing director, he made significant contributions to the company.

Keeping in view that Dr. Abburi Vidyasagar has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time it would be in the interest of the Company, the resolution is commended for your approval.

(5) Remuneration proposed:

The board has recommended for a remuneration of Rs. 36,00,000 per annum (Rupees Thirty-Six Lakhs Only) along with the superannuation benefits as per the service rules of the company and a prerequisite of Rent-Free Accommodation with effect from 1<sup>st</sup> April, 2022.



- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration of Dr. Abburi Vidyasagar is in line with the remuneration being paid to Managing Director in the relevant industry.

Considering the background, competence and experience of Dr. Abburi Vidyasagar the proposed remuneration as set out in the resolution is considered to be fair, just and reasonable.

- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.

Besides the proposed remuneration, Dr. Abburi Vidyasagar is spouse of Smt. Abburi Sarada, Whole Time Director & CFO of the Company. As on 31.03.2022 Dr. Abburi Vidyasagar holds 7,64,225 (Seven Lakhs Sixty Four Thousand Two Hundred Twenty Five) equity shares constituting 18.85% of total equity share capital of the Company. He does not have any directorship or membership of committee of the Board in any other listed Company.

### III. Other information:

1. Reasons for loss or inadequate profits:

At present the financial performance of the company is good and possesses adequate profits. Further, due to the delay in government procedures to finalize the orders and realization of the payments after execution of such projects there may be inadequate profits in any of the financial years in near future.

2. Steps taken or proposed to be taken for improvement

The operations of the company are being scaled up to increase revenues.

3. Expected increase in productivity and profits in measurable terms

We expect a substantial increase in approval and implementation of various government projects leading to good improvement in operating margins.

### ITEM NO:5

Smt. Abburi Sarada (DIN: 00026543) was appointed as the Whole Time Director of the company for a period of Two years with effect from 08th day of May, 2020. Accordingly, her tenure expired on 08th day of May, 2022 and the members of the board, based on the recommendation of the Nomination and Remuneration Committee, on 6th day of May, 2022 have reappointed her for a further period of Three years with a remuneration of Rs. 18,00,000/- per annum, with effect from 08th day of May, 2022, subject to the approval of the members at the ensuing Annual General Meeting of the company. Keeping in view, her rich and varied experience, and her involvement in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Smt. Abburi Sarada (DIN: 00026543) as the Whole-Time Director. She, did her Bachelors of Commerce from Osmania University and has also completed her Bachelors in Communication and Journalism from Padmavathi University. She has also pursued Masters in Business Administration from Madhurai Kamraj University during the year 2006. She has been associated with Avantel Limited since 1992 and has made a significant contributions to the growth of the company during her tenure as Whole Time Director and Chief Financial Officer (CFO) of the Company. Smt. A. Sarada (DIN: 00026543), is the spouse of, Dr. A. Vidyasagar (DIN: 00026524), Managing Director of the Company. Smt. A. Sarada (DIN: 00026543), holds 2,51,249 (Two Lakhs Fifty-One Thousand Two Hundred and Forty Nine Only) equity shares constituting 6.20% of total equity share capital of the Company. Smt. A Sarada (DIN: 00026543), does not have any other directorships or memberships of committees of Board in any other listed Company. The Board of Directors recommends the resolution in relation to the re-appointment of Whole Time Director, for the approval of the shareholders of the Company. The Employment Agreement containing the terms and Conditions of the appointment of Smt. Abburi Sarada (DIN: 00026543), would be available for inspection by members on the website of the Company. Except Dr. A. Vidyasagar and Smt. Abburi Sarada (DIN: 00026543), or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no.5.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

#### I. General Information

- (I) Nature of industry: The company is specialized in integrating technologies related to wireless front-end, Satellite

Communication, Embedded systems, Signal Processing, Network management and Software development.

- (2) Date or expected date of commercial production: The company was incorporated in the year 1990 and the commercial production commenced simultaneously.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators: (Rs. In Lakhs)

| <b>PARTICULARS</b>                 | <b>Financial Year 2021-22</b> | <b>Financial Year 2020-21</b> |
|------------------------------------|-------------------------------|-------------------------------|
| Total Revenue                      | 10,494.37                     | 7769.60                       |
| Net Profit / Loss Before Tax (PBT) | 2,364.17                      | 1850.34                       |
| Net Profit (PAT)                   | 1,917.79                      | 1533.37                       |

- (5) Foreign investments or collaborations, if any: Nil

## **(II) Information about the appointee**

- (1) Background details: Smt. Abburi Sarada (DIN: 00026543), did her Bachelors of Commerce from Osmania University and has also completed her Bachelors in Communication and Journalism from Padmavathi University. She has also pursued Masters in Business Administration from Madhurai Kamraj University during the year 2006.
- (2) Past remuneration: Smt. Abburi Sarada (DIN: 00026543), was drawing a remuneration of Rs. 18,00,000 Lakhs per annum in the previous financial year.
- (3) Recognition or awards: Smt. Abburi Sarada (DIN: 00026543), played a vital role as the Whole Time Director, During her tenure, the company has bagged many prestigious awards like :
  - (a) “Excellence in Indigenous Development” by Society of Indian Aerospace Technologies & Industries (SIATI), Bangalore in September 2014
  - (b) “SME Excellence Award in innovation - for Electronic Goods & Component Sector” by Karnataka Small & Medium Business Owner's Association (KSMBOA) in July 2015
  - (c) “IEI Industry Excellence Award 2015” by the Institute of Engineers (India) in the 30th Indian Engineering Congress held at Guwahati in Dec 2015
  - (d) “India SME 100 Awards” for the year 2016 by India SME forum
  - (e) Patent for “Integrated UHF (Satcom & LOS) for Voice and Data Communication to work with Indian Satellite” in December 2016.
  - (f) “IEI Industry Excellence Awards” for the Year 2018.
  - (g) “India SME 100 Awards” for the year 2018 by India SME forum.
  - (h) “SME Empowering India Awards 2018” under the category of “Electronic Goods & Services 2018” by M/s. Arrucus Media Private Limited in coordination with National Productivity Council in May 2018.
  - (i) “ELCINA Defennoation Awards 2018” in Excellence in R&D - MSME Category.
  - (j) “FTCCI Excellence Award” under the category of “Excellence in Research & Development (Micro and Small Enterprise)” by The Federation of Telangana chambers of Commerce and Industry-FTCCI.
  - (k) “TOP 25 Innovative Company by CII Industrial Innovation Awards 2019” by CII
- (4) Job profile and her suitability: Smt. Abburi Sarada (DIN: 00026543) was associated with Avantel Limited since 1992 and had made a significant contribution to growth of the company during her tenure as Director and Chief Financial Officer (CFO). Keeping in view the rich and varied experience of Smt. Abburi Sarada (DIN: 00026543) in the industry

and her involvement in the operations of the Company over a long period of time, it would be in the interest of the Company, the resolution is commended for your approval.

- (5) Remuneration proposed: The board has recommended for a remuneration of Rs. 18,00,000 per annum (Rupees Eighteen Lakhs Only) along with the superannuation benefits as per the service rules of the company with effect from 08<sup>th</sup> May, 2022.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin): The proposed remuneration of Smt. Abburi Sarada (DIN: 00026543) is in line with the remuneration being paid to any Director in the relevant industry. Considering the background, competence and experience of Smt. Abburi Sarada (DIN: 00026543) the proposed remuneration as set out in the resolution is considered to be fair, just and reasonable. Annual Report - 2021 - 22
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. Besides the proposed remuneration, Smt. Abburi Sarada (DIN: 00026543) is the spouse of Dr. Abburi Vidyasagar (DIN: 00026524) Chairman & Managing Director of the Company. As on 31.03.2022. Smt. Abburi Sarada (DIN: 00026543) holds 2,51,249 (Two Lakhs Fifty One Thousand Two Hundred and Forty Nine) equity shares constituting 6.20% of total equity share capital of the Company. She does not have any directorships or memberships of committees of the Board in any other listed Company

#### **ITEM NO:6**

In accordance with the provisions of Section 149 read with schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Shri V. Ramchander be appointed as Non-Executive Independent Directors on the Board for a term of five consecutive years, in terms of Section 149 of the Companies Act, 2013, whose office is not liable to retire by rotation.

The appointment of Shri V. Ramchander shall be effective upon approval by the members in the Meeting.

The Company has received notices in writing from member under Section 160 of the Act proposing the candidature of Shri V. Ramchander the office of Director of the Company. The Company has received individual declarations from Shri V. Ramchander stating that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri V. Ramchander is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given individual consent to act as Director.

#### **Brief Resume of Shri V Ramchander**

The Board of Directors on the recommendation of Nomination and Remuneration Committee appointed Mr. Vyasabhattu Ramchander (DIN: 03400005) as an Additional Director of the company w.e.f 06.05.2022 till the conclusion of this Annual General Meeting.

Mr. Vyasabhattu Ramchander aged 68 years is a Post Graduate in Management from Institute of Public Enterprise.

Graduate in Mechanical Engineering 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. He also has significant experience in Technical & heading the General Administration. He retired as a Managing Director of APITCO Limited.

He does not hold any equity shares of the company as on date and is not disqualified from being appointed as Director in terms of section 141 of the Act and has given his consent in writing to act as a Director of the company.

Mr. V Ramchander is a person of integrity and possesses appropriate skills, experience, knowledge with demonstrated ability to succeed in variety of roles, proven leadership abilities and strong interpersonal and management skills which will be of great value to the company.

In the opinion of Board Mr.V Ramchander fulfills the conditions for his appointment as an Independent Director whose office will not be liable to retire by rotation.

The Board recommends this resolution for your approval.

**Directorships/Memberships, Shareholding and relationship with directors inter-se of ShriV Ramchander**

ShriV Ramchander is not related to any of the Directors of the Company. ShriV Ramchander does not hold any shares in the equity share capital of the Company. Shri V Ramchander holds independent directorship and membership of committee of Board in Bambino Agro Industries Limited a listed Company.

The Board of Directors recommend the resolutions set out at Item No.7 in relation to the appointment of ShriV Ramchander as Independent Directors of the Company for the approval of the shareholders of the Company.

Except ShriV Ramchander, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise in the resolutions set out at item no.76 respectively.

**ITEM NO:7**

It is proposed by the management that the authorized share capital of the company be increased from the existing limits so that the revised limits enable the company to carry out any kind of capital restructuring activities. In this regard it is proposed by the management that the Authorised Share Capital of the company be increased from Rs. 7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- (Rupees Ten only) each subject to compliance of statutory provisions of the Companies Act, 2013 and also to amend Clause 5 of the Memorandum of Association, so that the company can car

Altered Memorandum of Association shall be available for inspection at the Registered Office of the Company during business hours.

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

None of the Directors / Key Managerial Personnel /Managers of the Company / their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution for your approval.

**ITEM NO:8**

The Board of Directors ("Board"), at their meeting held on 06<sup>th</sup> May, 2022, after considering the available reserves, subject to the consent of the Shareholders of the Company and all other requisite approvals, permissions, sanctions had approved and recommended to capitalize to the extent of Rs. 12,16,52,790/- (Rupees Twelve Crore Sixteen Lakh Fifty Two Thousand Seven Hundred Ninty only) or such other amount from and out of the Capital Redemption Reserve and/or General Reserve as per the Financial Statements of the Company for the period ended on March 31, 2022, for issue and allotment of bonus shares in the ratio of 3(Three) new equity shares of Rs. 10/- (Rupees Ten only) each for 1 (One) existing equity shares of Rs. 10/- (Rupees Ten only) each of the Company held by the existing Shareholders as on the 'Record Date' to be determined by the Board.

Article 40 of the Articles of Association of the Company permits capitalisation of any part of the amount for the time being standing to the credit of the Company's securities premium account by issuing fully paid bonus shares.

Pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to applicable statutory and regulatory approvals, if any, the issue of bonus shares of the Company requires the approval of the Shareholders of the Company. Accordingly, approval of the Shareholders of the Company is hereby sought by way of ordinary resolution as set out in this Notice.

The bonus shares are proposed to be issued to the Shareholders of the Company, whose names appear in the Register of Shareholders of the Company as on the 'Record Date', to be determined by the Board of Directors thereof for the purpose of issue of bonus shares, in the ratio of 3 (Three) new bonus shares of Rs. 10/- each for every 1 (One) fully paid-up equity share of face value of Rs. 10/- each held by them as on the Record Date.

In case of Shareholders who hold equity shares in dematerialised form, the bonus shares shall be credited to the respective beneficiary accounts of the Shareholders with their respective Depository Participants. In case of shareholders who hold equity shares in physical form, the Share Certificate(s) in respect of such bonus shares shall be dispatched, within such time as prescribed by law and relevant authorities.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in this Notice, except to the extent of issue and allotment of bonus shares to them consequent to their shareholding, if any, in the Company as on the record date.

The Board recommends the Resolution as set out in the notice for the approval of Shareholders.

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

Place: Hyderabad  
Date: 06<sup>th</sup> May, 2022

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

**Information in respect of the directors seeking appointment/ re-appointment pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards:**

| Particulars  | Shri Abburi Siddhartha Sagar  | Shri Dr.A Vidyasagar   | Shri. Ramachander  |
|--|---|--|--|
| Date of Birth  | 26-11-1987  | 15-06-1960   | 05-08-1953   |
| Date of Appointment  | 01-03-2021  | 01-04-2007   | 06-05-2022   |
| Qualifications   | MBA & Masters in Computer Science   | B.Tech, M.Tech, M.B.A. & Ph.D  | B.Tech, M.B.A  |
| Expertise in specific Functional area  | Sales, Business Management, Business Development, Technology and Strategic Planning | 1. Strategic Planning & Executive Decision making.<br>2. Design and Engineering of avionics equipment and Sales and marketing strategy & execution satellite communication products. | Specilaization in Foundry engineering, Mechanical Engineering, Expertise in Project Finance, Technical & General Administration. |
| Directorship held in other public companies (excluding foreign companies)  | Nil   | Sadguru Sri Sri Sakhar Karkhana Limited  | Bambino Agro Industries Limited  |
| Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders / Investors Grievance Committee) | Nil   | Nil  | Audit Committee, Stakeholder relationship Committee  |
| Number of shares held in the company   | 3,16,941  | 7,64,225   |  |

By order of the Board of Directors

For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

## DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business of your Company together with the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2022

### I. COMPANY PERFORMANCE:

**Financial Results and Performance of Your Company for the year ended on 31st March, 2022, on a standalone and consolidated basis is summarized below:**

(₹ In Lakhs)

| Particulars                                    | Standalone       |                 | Consolidated     |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | 2021-22          | 2020-21         | 2021-22          | 2020-21         |
| Income from Operations                         | 10,494.37        | 7,769.60        | 10,495.35        | 7,769.60        |
| Other Income                                   | 136.71           | 87.32           | 137.04           | 87.32           |
| <b>Total Income</b>                            | <b>10,631.08</b> | <b>7,856.92</b> | <b>10,632.39</b> | <b>7,856.92</b> |
| Material Consumption Cost                      | 5,068.80         | 2,657.08        | 5,089.42         | 2,657.08        |
| Change in Inventories                          | (400.01)         | 41.81           | (400.01)         | 41.81           |
| Employee benefit expenses                      | 1,310.63         | 1,035.65        | 1,326.67         | 1,035.65        |
| Finance Cost                                   | 151.12           | 151.39          | 151.30           | 151.39          |
| Depreciation                                   | 397.19           | 303.15          | 402.79           | 303.15          |
| Other expenses                                 | 1,739.17         | 1,817.49        | 1,815.38         | 1,817.49        |
| <b>Total Expenses</b>                          | <b>8,266.92</b>  | <b>6,006.57</b> | <b>8,385.56</b>  | <b>6,006.57</b> |
| Profit/(Loss) – Before Tax & Exceptional Items | 2,364.17         | 1,850.34        | 2,246.65         | 1,850.34        |
| Current Tax                                    | 415.45           | 351.46          | 415.48           | 351.46          |
| Deferred Tax                                   | 30.93            | (34.49)         | 33.65            | (34.49)         |
| Profit/(Loss) – After Tax                      | 1,917.79         | 1,533.37        | 1,797.70         | 1,533.37        |
| Other comprehensive Income (Net Tax)           | (7.62)           | 4.28            | (7.62)           | 4.28            |
| Total Comprehensive Income                     | 1,910.17         | 1,537.65        | 1,790.08         | 1,537.65        |

During the financial year 2021-22 the company has recorded a Profit (before tax) of Rs. 23.64 Crores as against Rs. 18.50 Crores in the previous year with an increase in profit by 27.78% compared to previous financial year.

### 2. TRANSFER TO RESERVES

The Board of Directors of the Company has not recommended transfer of any amount to the General Reserve for the Financial Year ended March 31, 2022.

### 3. DIVIDEND:

Your Directors recommend a final dividend of Rs. 4 share for the financial year 2021-22. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting. The Dividend will be paid to members whose names appear in the register of members as on Monday, the 19<sup>th</sup> day, May 2022 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.

#### **4. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the company, Shri. Abburi Siddhartha Sagar (DIN: 02312563), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the reappointment of Shri. Abburi Siddhartha Sagar (DIN: 02312563) for the consideration of the members of the company at the ensuing annual general meeting. Brief details of Shri. Abburi Siddhartha Sagar (DIN: 02312563) has been mentioned in the notice convening the Annual General Meeting at “*Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors*”.

The tenure of Dr. A Vidyasagar, Managing Director expired on 31<sup>st</sup> March, 2022. Taking into consideration, his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, passed a resolution on 27<sup>th</sup> January, 2022, approving the reappointment of Dr. A. Vidyasagar as Managing Director of the Company for a further period of three years with effect from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2025.

The tenure of Smt. Abburi Sarada (DIN: 00026543), Whole Time Director and Chief Financial Officer (CFO) of the company expired on 08<sup>th</sup> May, 2022. Taking into consideration, of her rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, passed a resolution on 6<sup>th</sup> May, 2022, recommending the reappointment of Mrs. Abburi Sarada (DIN: 00026543) as Whole-time Director of the Company for a further period of Three years with effect from 08<sup>th</sup> May, 2022 to 08<sup>th</sup> May, 2025.

#### **5. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from each Independent director under 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down under section 149(6) of the Companies Act 2013.

#### **6. MEETINGS OF THE BOARD**

The Board met Four times during the financial year 2021-22 viz., on 24.04.2021, 15.07.2021, 28.10.2021 and 27.01.2022. The maximum interval between any two meetings did not exceed 120 days.

#### **7. SUBSIDIARIES/ASSOCIATES COMPANIES/JOINT VENTURES:**

The Subsidiary Companies situated in India continue to contribute to the overall growth in revenues and overall performance of the Company. As of 31<sup>st</sup> March, 2022 your Company had the following Wholly Owned Subsidiary:

- I. M/s. Imeds Global Private Limited

#### **PERFORMANCE OF SUBSIDIARIES**

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, Consolidated Financial Statements of the Company forms part of the Annual Report. A statement containing the salient features of the financial statements of the Subsidiary Company for the financial year ended 31<sup>st</sup> March, 2022 in Form AOC-1 is set out in “**Annexure I**” and forms part of this report.

#### **8. RELATED PARTY TRANSACTIONS:**

Related party transactions entered during the financial year under review are disclosed in Note No. 36 of the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed herewith as **Annexure –VII**.

The Policy on the Related Party Transactions as approved by the Board is uploaded on the website of the Company.



**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:**

Information required under section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure- III**.

**10. STATUTORY AUDITORS:**

M/s. Grandhy & Co, Chartered Accountants, who were appointed as the statutory auditors of the company at the 31<sup>st</sup> Annual General Meeting (AGM) held on June 05, 2021, to hold office till the conclusion of the ensuing 36<sup>th</sup> AGM. The term of the said Statutory Auditors shall expire at the ensuing, 36<sup>th</sup> Annual General Meeting of the company.

Further, pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. Grandhy & Co, Chartered Accountants, being eligible, offer themselves for re-appointment for a term of 5 (Five) years in accordance with the provisions of Sec. 139 of the Companies Act, 2013 and the rules made there under. The Company has also received written consent from the Auditors and a confirmation to the effect that their re-appointment, if made, would be within the limits prescribed under the Section 141 of the Companies Act, 2013 and the rules made there under.

Accordingly, the appointment of M/s. Grandhy & Co, Chartered Accountants, as the statutory auditors of the Company, at a remuneration of Rs. 3,25,000/- per annum plus out of pocket expenses and taxes at the applicable rates is hereby placed before the shareholders for their approval.

**11. AUDITOR'S REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. Grandhy & Co., Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31<sup>st</sup> March, 2022.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, during the year under review.

**12. INTERNAL AUDITORS:**

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Ramesh & Co., Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

**13. SECRETARIAL AUDITORS:**

M/s. P S Rao & Associates, Practising Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 and Rule 9 there-under. The secretarial audit report for F.Y. 2021-22 forms part of this Report as **Annexure- IV**.

**14. SECRETARIAL AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. P S Rao & Associates, Practising Company Secretaries in their report for the Financial Year ended 31<sup>st</sup> March, 2022.

**15. 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.

**16. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As part of the Corporate Social Responsibility initiative the Company has spent an amount of Rs. 29,37,343/- (Rupees Twenty Nine Thirty Seven Thousand Three Hundred Forty Three Only) towards the various CSR activities during the financial year 2021-22. A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as **Annexure -V**.

The Company has adopted Corporate Social Responsibility Policy in line with Schedule-VII of Companies Act 2013, 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 [www.avantel.in](http://www.avantel.in).

**Composition of Corporate Social Responsibility Committee:**

|                |               |
|----------------|---------------|
| Smt.A Sarada   | - Chairperson |
| Shri.N Naveen  | - Member      |
| Shri.Y Kishore | - Member      |

**17. COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee of the Company comprises the following Members

|                         |            |
|-------------------------|------------|
| Shri.N.Naveen           | - Chairman |
| Shri.Y.Kishore          | - Member   |
| Shri.E.B.V.Ramana Gupta | - Member   |
| Shri.M.Narayana Rao     | - Member   |

All the recommendations made by the Audit Committee of the Company have been considered and accepted by the Board of Directors of the Company.

**18. FORMAL ANNUAL EVALUATION OF PERFORMANCE OF THE MEMBERS OF THE BOARD AND COMMITTEES**

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors have three key roles: -governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- Ability to contribute by introducing international best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**19. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has in place an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**20. NOMINATION AND REMUNERATION POLICY:**

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178 of Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 to recommend a

policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. The policy is also posted in the investors section of the company's website.

**21. FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

**22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of the Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements pertaining to the year under review.

**23. POLICY ON 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.

During the financial year ended March 31, 2022, the company has not received any complaints pertaining to sexual harassment.

**24. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors confirm that:

- i) In preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2022 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) 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 true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2022 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had 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) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**25. VIGIL MECHANISM:**

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Company. The details of the Policy are posted on the website of the Company [www.avantel.in](http://www.avantel.in) on the following link <http://www.avantel.in/inversteinfo.php>

**26. EXTRACT OF ANNUAL RETURN:**

The Annual Return of the company is placed on the website of the Company [www.avantel.in](http://www.avantel.in) on the following link <http://www.avantel.in/inversteinfo.php>.

**27. STATE OF AFFAIRS OF THE COMPANY**

The State of Affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this Report.

**28. MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Regulation 34 (2) (e) of SEBI (LODR) Regulations, 2015, a report on Management Discussion & Analysis is herewith annexed as **Annexure-VI**.

**29. CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance is herewith annexed as **Annexure-VII**.

**30. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 (12) read with Rule 5 (1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as **Annexure-VIII**.

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of Rs. 120 Lakhs or more, or employees who are employed for part of the year and in receipt of Rs. 8.50 Lakhs or more per month.

The Company does not have any employee who is employed throughout financial year or part thereof, who was in receipt of remuneration in financial year under review which in aggregate, or as the case may be, at a rate which in the aggregate is in excess of that drawn by the Managing Director or Whole-time director and holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the Company.

**31. HUMAN RESOURCES:**

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

**32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

**33. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no Material Changes and Commitments Affecting the Financial Position of the Company.

**34. ACKNOWLEDGMENT AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business associates for their consistent support and continued encouragement to the Company.

Further your Directors convey their appreciation for the wholehearted and committed efforts by all its employees.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

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

Sd/-

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

Place: Hyderabad  
Date: 06<sup>th</sup> May, 2022

**ANNEXURE - I****FORM AOC- I***(Pursuant to first proviso to sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures****Part "A": Subsidiaries**

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

| 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 2021-22                       |
| 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   | 5,00,00,000                      |
| 6.     | Reserves & surplus  | (1,20,05,667)                    |
| 7.     | Total assets  | 3,86,60,801                      |
| 8.     | Total Liabilities   | 6,66,468                         |
| 9.     | Investments   | NIL                              |
| 10.    | Turnover  | 98,080                           |
| 11.    | Profit before taxation  | (1,17,33,727)                    |
| 12.    | Provision for taxation  | 2,71,940                         |
| 13.    | Profit after taxation   | (1,20,05,667)                    |
| 14.    | Proposed Dividend   | NIL                              |

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

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

**Part "B": Associates and Joint Ventures - NIL**

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abhuri Vidyasagar**

Chairman &amp; Managing Director

DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

**FORM NO.AOC-2**

**Particulars of Contracts / Arrangements made with related parties**

[Pursuant to clause (h) of sub-section (3) of section 134 of the act 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. Details of contracts or arrangements or transactions not at arm's length basis:**

The Company has not entered into any contract or arrangement or transaction which is not at arm's length basis during the year under review.

**2. Details of contracts or arrangements or transactions at arm's length basis:**

| 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 arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount in Rs. |
|--|---|--|---|---|---------------|
| Smt. Abburi Sarada<br>Whole Time Director<br>& CFO, Spouse of<br>Dr. Abburi Vidyasagar | Rent  | Ongoing  | N.A.  | 30.10.2009                                | 11,11,821/-   |

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

**ANNEXURE – III**

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 (3) (M) READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**A. CONSERVATION OF ENERGY:**

In line with the Company's commitment towards conservation of energy, the Company continued with their energy saving efforts and installed LED fixtures in place of conventional ones at its Registered Office and Corporate office. Further, the Company is utilizing a 25 KVA Grid connected Solar Power Plant at its Visakhapatnam Plant as an alternate source of energy.

**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:****a) Technology Absorption Adoption and Innovation**

The Company develops products with in-house technology and to facilitate such development, the following facilities have been established:

- Burn-In chamber for products endurance testing
- Upgradation of Vibration test facility for airborne platform
- Automation of production testing process.
- NABL Accreditation upgraded to ISO/IEC 17025:2017 for environmental test facility
- Digital Projection Microscope for visual inspection with video recording facility
- Test Equipments like Spectrum Analyzer, Network Analyzer, Signal generators, Oscilloscopes, Function Generators, High Power Attenuators, Radio Communication test equipment and LCR meter to enhance the testing capability.
- Optical power level measuring equipment
- Upgradation of Test setup for EMI/EMC pre-compliance

**b) Research and Development**

The Company's Research and Development center is recognized by the Department of Scientific and Industrial Research (DISR), Ministry of Science and Technology, Government of India.

**c) Specific Areas in which R&D was carried out by the Company**

- ✓ Transceivers with voice and data communication for aircrafts and helicopters
- ✓ TR system for 49 MHz Wind profiler
- ✓ MSS Tracker for Fighter Aircrafts with GSAT-6 Satellite
- ✓ High Power Amplifiers for EW systems
  - Power Amplifier 100-500MHz-500W
  - Power Amplifier 500-1000MHz-500W
  - Power Amplifier 1-2GHz-500W
  - Filter Switching Unit 100-2000MHz-500W
- ✓ Development and application of Air Space and Airport Field Simulation
- ✓ Environmental Radiation Monitoring System with Satellite
- ✓ Development of MSS transceiver for EKM submarines with Digital Beam Former.
- ✓ Development of UHF Satcom System for Helios and P8I aircraft

**d) Benefits derived as a result of the above R & D:**

The Company could offer indigenous, customized strategic solutions to Indian defense services including Indian Navy, Indian Air force, Indian Coast Guard, ISRO and BARC

**e) Future plan of Action:**

- ✓ Development of I KW HF System for Indian Air force
- ✓ MSS transceiver with electronic beam former for GSAT-6
- ✓ HF Modem development
- ✓ Upgradation of MSS HUB stations with LDPC
- ✓ Development of UHF Satcom System for Helios and P8I aircraft

**f) Expenditure on Research & Development:**

|   | <b>Rs. in Lakhs</b> |
|---|---------------------|
| Capital   | 310.28              |
| Recurring   | 595.06              |
| Total   | 905.34              |
| <b>Total R &amp; D expenditure % as of Turnover</b> | <b>8.63%</b>        |

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

The foreign exchange earnings and outgo during the year under review are as follows:

|                           |                      |
|---------------------------|----------------------|
| Foreign exchange earnings | :Rs.59.19 Lakhs      |
| Foreign exchange outgo    | : Rs. 4,300.95 Lakhs |

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abhuri Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad  
Date: 06<sup>th</sup> May, 2022



**ANNEXURE – IV**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

for the Financial Year ended March 31, 2022

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avantel Limited.**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, 2022, 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, 2022 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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; **(Not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018; **(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, 2009; **(Not applicable to the Company during the audit period)** and
  - (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. Other specifically applicable laws to the Company:
- 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 have also examined compliance with the applicable clauses Secretarial Standards 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.
- All the decisions at the Board Meetings and Committee Meetings have been carried out as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.
- there were no such 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

UDIN: F010322D000284288

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

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

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. Where ever 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

Place: Hyderabad  
Date: 06<sup>th</sup> May, 2022

Sd/-  
**P S Rao**  
Sr. Partner  
FCS No.: 10322  
C.P. No.: 3829  
PR : 710/2020  
UDIN: F010322D000284288

## ANNEXURE - V REPORT ON CSR ACTIVITIES

The CSR is being reported from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

A Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

### (A) **CSR POLICY**

#### **CSR Vision Statement & Objective**

##### **CSRVision:**

As a socially responsible corporate citizen, the Company will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

##### **Objective:**

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

##### **Resources:**

2% of the average net profits of the Company made during the three immediately preceding financial years;

Company will engage in the activities mentioned in the CSR Policy of the Company independently or in such manner that it will complement the work being done by local authorities wherever necessary in such a manner, that the work executed by Company will offer a multi fold benefit to the community.

##### **Implementation Process:**

A CSR Cell is formed at Factory and at Corporate Office to identify the various projects/programmes suitable as per the policy of the Company. These identified projects/programmes will be scrutinized by the CSR Committee and select for implementation.

##### **Monitoring:**

The coordinators periodically inspect & report the progress of work commissioned every quarter and submit a report to CSR Committee.

### (B) **COMPOSITION OF THE CSR COMMITTEE**

The CSR Committee of the Company consists of the following Directors on the Boards of the Company:

- a) Smt. A Sarada - Chairperson
- b) Shri. N Naveen - Member
- c) Shri. Y Kishore - Member

### (C) **AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:**

Rs. 14,50,71,807/- (Rupees Fourteen Crore Fifty Lakh Seventy-One Thousand Eight Hundred and Seven Only)

### (D) **PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN ITEM (C) ABOVE):**

2% Average net profit of the Company for last three financial years is Rs. 29,01,436/- (Rupees Twenty-Nine Lakhs One Thousand Four Hundred and Thirty Six only)

### (E) **DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:**

- a) Total amount spent for the financial year: Rs. 29,37,343/-
- b) Amount unspent, if any: Nil

## F) Manner in which the amount spent during the financial year is detailed below:

| Sl. No. | CSR project or activity identified  | Sector in which the project is covered | Projects or programme<br>(1) Local area or other<br>(2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the project or programme<br>(1) Direct expenditure on projects or programmes<br>(2) Overheads | Cumulative expenditure up to the reporting period | Amount Spent direct or through implementing agency |
|---------|---|--|--|---|---|---|--|
| 1.      | Pursuant to the CSR policy the company has donated 15,00,000/- Medivalley an incubator of Andhra Pradesh Medical Tech Zone Limited towards benefits of physically challenged people for assistive devices such as artificial limbs, below Knee, Wheel Chairs etc. | Health Care                            | Andhra Pradesh   |   | 15,00,000   | 15,00,000   | By the Company                                     |
| 2.      | The Company has donated to KEATS towards women empowerment by establishing skill development center.  | Women Empowerment                      | Andhra Pradesh, Nandigama  |   | 5,00,000  | 5,00,000  | By the Company                                     |
| 3.      | The Company has donated to War Widows association of Indian Navy towards skill training and making women employable.  | Women Empowerment                      | Various Places   |   | 5,00,000  | 5,00,000  | By the Company                                     |
| 4.      | The Company has provided financial support to Poor Children for pursuing their Education for the year 2021-22 Vignan Jyothi School towards Education  | Education                              | Telangana  |   | 2,00,000  | 2,00,000  | By the Company                                     |
| 5.      | The Company has donated to ICHA Foundation towards benefit of Mentally Challenged   | Food & Health                          | Achuthapuram, Visakhapatnam  |   | 1,05,000  | 1,05,000  | By the Company                                     |

| Sl. No. | CSR project or activity identified                    | Sector in which the project is covered | Projects or programme<br>(1) Local area or other<br>(2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the project or programme<br>(1) Direct expenditure on projects or programmes<br>(2) Overheads | Cumulative expenditure up to the reporting period | Amount Spent direct or through implementing agency |
|---------|---|--|--|---|---|---|--|
| 6.      | The Company has donated to Amma Oddi                  | Food for Needy                         | Telangana  |   | 65,000  | 65,000  | By the Company                                     |
| 7.      | The Company has donated to Mathrudevobhava Seva Trust | Education                              | Andhra Pradesh   |   | 40,000  | 40,000  | By the Company                                     |
| 8.      | The Company has donated to Bhavitha School            | Education                              | Telangana  |   | 27,343  | 27,343  | By the Company                                     |
|         |   |  |  |   | <b>29,37,343</b>  | <b>29,37,343</b>                                  |  |

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abhuri Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

## ANNEXURE – VI MANAGEMENT DISCUSSION AND ANALYSIS REPORT

[Pursuant to Regulation 34 (2) (e) of Securities Exchange  
Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### **(A). Business Overview:**

#### **Review of Operations:**

Your company performed well during FY 2021-22 and recorded the highest turnover since inception by crossing the 100 Crores milestone. Avantel has been witnessing steady growth year on year which is propelled by award of few high value projects. The 1 KW HF project for Indian Navy awarded to us in FY 2020-21 is currently under execution and 71 out of the 125 HF sets have been already delivered to the customer. The company is also executing 5 KW HF transmitters to one of the strategic customers as of now. In view of the growing demand for indigenous HF systems, the company's HF vertical is expected to grow in near future and we expect to offer various configurations of indigenous HF equipment to strategic customers in India. Further, this year Avantel has been awarded with another high value contract from L & T worth Rs 125.68 Crores for supply of 6300 loco units for RealTimeTrain Information Systems to be supplied to Indian Railways. You will be also happy to note that Avantel's SATCOM, Radar and RF subsystems have been witnessing steady growth and new customers are evincing interest in Avantel's solutions. As part of diversification strategy, Avantel has floated a fully owned subsidiary M/s. Imeds Global Private Limited in September 2021 and established manufacturing facility in Andhra Pradesh Medical Tech Zone (APMTZ), Visakhapatnam. The company envisions itself to offer various indigenous medical devices which are the need of the hour post COVID pandemic. The company has recorded a Profit (before tax) of Rs. 23.64 Crores as against Rs. 18.50 Crores in the previous year with an increase in profit by 27.78% compared to last fiscal.

#### **Outlook for the next year**

India's Defence budget for FY 2022-23 is about Rs 4 lakh Crores after excluding the component of the Defence pensions and is primarily focused towards the upkeep and modernization of Armed Forces. The capital outlay, which focuses towards the modernization of Armed Forces has been increased by 12.82 percent with an allocation of Rs. 1.52 Lakh Crores. In recent times, the Defence budget has also been sensitive to the need for establishing a technological framework to advance growth of a vibrant indigenous defence manufacturing infrastructure. For this self-reliance initiative, 68% of the capital procurement has been proposed to be earmarked for domestic industry, up from 58% in 2021-22. Here, a whopping 25% of the R&D budget has been earmarked for industry, start-ups, and academia. (Source: <https://www.financialexpress.com/budget/defence-budget-2022-gearing-up-indias-domestic-military-industrial-complex/2430471/>)

In a recent initiative, to expedite the process of "Atmanirbharatha" in Defence, MoD has listed around 310 items for indigenization in a phased manner. Three lists [first list (101 items) dated 21st August 2020, Second list (108 items) 31st May, 2021 and third list (101 items) dated 07th April 2022 respectively have been released. The aim of this landmark policy decision to indigenize various items is to create an environment where public, private sector and foreign entities can work together and help India become one of the leading countries in defence manufacturing. It is likely that this policy is expected to stimulate the potential of indigenous Research & Development (R&D) by attracting fresh investment into technology and manufacturing capabilities. It will provide ample opportunities to the domestic industry for understanding the trends and future needs of the Armed Forces. (Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1814446>)

Your company has been contributing to self-reliance in the strategic segment for close to three decades and has been offering fully indigenous solutions through its well spread product offerings. The push given by incumbent government in terms of increased capital overlay and emphasis on domestic sourcing would help us to venture into new technologies, roll out new product lines and strengthen the strategic capabilities of India.

## **Risks And Concerns:**

### **Risks:**

Though there is considerable improvement in COVID 19 pandemic situation, there are still bottlenecks / many challenges in the supply chains due to non-availability, long lead times, rejections due to quality issues etc in component and raw material procurements specially from global OEMs thus severely affecting project schedules. Delays in procurement process of strategic sector impacts revenue growth.

### **Risk Mitigation:**

M/s.Avantel Limited could mitigate the risks posed by COVID pandemic with close involvement of all the stakeholders of the company.The top management has extensively monitored,involved and continuously evolved effective strategies for mitigation of above-mentioned risks.Some of the strategies adopted were identification of alternate supply chains, design changes,optimisation of internal processes and effective coordination with customers. M/s.Avantel Limited is also expanding its product portfolio to offset uncertainties of the strategic segment and has already set in motion various diversification plans to drive growth.

## **Opportunities And Threats:**

### **Opportunities:**

The new DAP (Defence Acquisition Procedure) 2020 has given a stronger push to indigenization. The provisions of DAP 2020 will help your company to expedite the current procurement cases and open new avenues for business.The indigenisation list released recently by the government would further open up many opportunities for the company for diversification / introduction of new product lines.

In the medical segment,there is huge opportunity for indigenous and cost effective medical devices and lmeds is exploring various strategies to arrive at an ideal product mix in line with the emerging market demand.

### **THREATS:**

There is assured business in the next two to three year term and your company is expected to keep up the current momentum in terms of its business projections. No major threats are envisaged and the company is quite optimistic on future growth opportunities.

## **Internal Control Systems:**

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."

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 very well appreciated by the external agencies conducting audit.

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 exceeds expectations with timely interventions as required.

## **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.



**Development of new products:**

In the current financial year, your Company has developed new variants of Mobile satellite services products including Airborne versions and High Power (5 KW) HF systems. In the medical segment, Imeds has developed Skin Staplers, Removers and Oxygen Concentrators. Further, company is developing Software Defined Radios in line with global standards.

**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.

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abhuri Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

## ANNEXURE – VII

### Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under.

| Sl. No. | Name Of Director/KMP                             | Remuneration of Director / KMP for the Financials Year 2021-22 (₹.in Lakhs) | % Increase in Remuneration in the Financial Year 2021-22 | Ratio of Remuneration of each Director to Median Remuneration of Employees | Comparison of the Remuneration of the KMP against the performance of the Company         |
|---------|--|---|--|--|--|
| 1.      | Dr Abburi Vidyasagar Managing Director           | 125.34  | 22.81  | 32.64  | The marginal increase is in line with the operations of the Company for the year 2021-22 |
| 2.      | Smt Abburi Sarada Whole-Time Director & CFO      | 96.22   | 22.53  | 25.06  |  |
| 3.      | Shri A Siddhartha Sagar Whole-Time Director      | 36.00   | 1,451.72   | 9.42   |  |
| 4.      | Shri Naveen Nandigam Non-Executive Director      | 1.20  | N.A.   | N.A.   | N.A.   |
| 5.      | Shri EBV Ramana Gupta Non-Executive Director     | 1.00  | N.A.   | N.A.   | N.A.   |
| 6.      | Shri Yalamanchili Kishore Non-Executive Director | 1.20  | N.A.   | N.A.   | N.A.   |
| 7.      | Shri Myneni Narayana Rao Non-Executive Director  | 1.00  | N.A.   | N.A.   | N.A.   |
| 8.      | Shri T Venkatesh Company secretary               | 7.17  | N.A.   | N.A.   | N.A.   |

- ii. The median remuneration of employees of the Company during the year was 3.82 Lakhs
- iii. In the financial under review, there was an increase of 3.97% in the median remuneration of employees
- iv. There were 206 permanent employees on the rolls of Company as on 31st March, 2022.
- v. We herewith affirm that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

**A. Top 10 Employees in terms of remuneration:**

| Name                            | Age | Qualification And Experience of employee in Avantel | Designation                                | Date of commencement of employment | Nature of employment | Remuneration in (Rs. In Lacs) Per Year | Previous Employment  | Relative of Director If any | % of Share holding |
|---------------------------------|-----|---|--|------------------------------------|----------------------|--|--|-----------------------------|--------------------|
| Dr A Vidyasagar                 | 60  | M.Tech, MBA, Phd & 29.3                             | Managing Director                          | 03rd Jan 1993                      | Permanent            | 36.00                                  | HAL (Design Engineer), APSFC (Manager), Satyam Computers Ltd (GM)            | Spouse of WTD               | 18.85              |
| Smt A Sarada                    | 56  | MBA & 8Y  | Director - F&A                             | 14th May 2014                      | Permanent            | 18.00                                  | -  | Spouse of MD                | 6.20               |
| Shri. A Siddhartha Sagar        | 33  | B.Tech, MBA, Masters in Computer Science & 6Y       | Director – Strategy & Business Development | 01st March 2021                    |                      | 36.00                                  |  |                             | 7.82               |
| Shri. P Bala Bhaskar Rao        | 45  | AMIETE & 27.2                                       | Vice President - Marketing                 | 13th Feb 1995                      | Permanent            | 25.01                                  | -  | -                           | 0.00               |
| Shri. N Srinivas Rao            | 49  | B.Sc & 25.2   | Vice President - Technical                 | 10th Feb 1995                      | Permanent            | 25.60                                  | Radio and TV Centre Electronics Corporation of India                         | -                           | 0.004              |
| Shri. GP Capt P Srinivas (Retd) | 49  | B.Tech, M.E. & 4.4                                  | Vice President - Operations                | 4th Dec 2017                       | Permanent            | 24.73                                  | Indian Air Force   | -                           | 0.00               |
| Shri. Wg Cdr PRL Prakash (Retd) | 54  | M.Tech & 8  | General Manager                            | 1st Apr 2014                       | Permanent            | 23.36                                  | BrahMos Aerospace Private Limited Det Norske Veritas (DNV), Indian Air Force | -                           | 0.00               |
| Shri. Nageswara Rao Tatikonda   | 57  | M.Tech, PGDM & 9.9                                  | General Manager                            | 13th Jul 2012                      | Permanent            | 21.81                                  | M/s Aster Group Noida Customer Operations PVT Ltd, Indian Air Force          | -                           | 0.00002            |

| Name                          | Age | Qualification And Experience of employee in Avantel | Designation      | Date of commencement of employment | Nature of employment | Remuneration in (Rs. In Lacs) Per Year | Previous Employment   | Relative of Director If any | % of Share holding |
|-------------------------------|-----|---|------------------|------------------------------------|----------------------|--|---|-----------------------------|--------------------|
| Shri. Ravi Shankar Jawa       | 36  | MBA (Mktg), B.Tech (IT) 5 Year 7 months             | Regional Manager | 12th Sep 2016                      | Permanent            | 19.43                                  | 1) In Level One Communications (Inida) Private Limited as Business Manager<br>2) In Rolta Defense Technology Systems Pvt Ltd as Management Associate I-LI | -                           | 0                  |
| Shri. Pusuluru Srinivasa Rao  | 46  | M.Sc & 17.3   | General Manager  | 19th Jan 2005                      | Permanent            | 20.73                                  | Vikas Communication Pvt Ltd   | -                           | 0                  |
| Shri. Rajendra Sudhakar Dixit | 52  | M.E. (E&T) MBA & 4.8                                | General Manager  | 1st Aug 2017                       | Permanent            | 19.38                                  | L&T Limited as DGM  | -                           | 0                  |
| Shri. M J S Kishore           | 38  | M.Sc & 16   | Program Manager  | 26th Mar 2006                      | Permanent            | 19.31                                  | -   | -                           | 0                  |

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad  
Date: 06<sup>th</sup> May, 2022

**Annexure-VIII**  
**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 ensure independent and unbiased decision-making process.

At Avantel, we ensure 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:

**BOARD OF DIRECTORS:**

The composition of 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 at March 31, 2022, the Company's Board of Directors consists of seven directors, out of which four are Non-Executive Independent Directors. The 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”).

**COMPOSITION AND CATEGORY OF DIRECTORS**

| <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 companies holding directorship &amp; category of such directorship held</b> |
|---|--------------------|---------------------------------|--|--|
| Dr Abburi Vidyasagar  | Promoter-Executive | Chairperson & Managing Director | 764225<br>(18.85)                            | • Avantel Ltd.<br>(Managing Director)  |
| Smt Abburi Sarada   | Promoter-Executive | Whole-Time Director             | 251249<br>(6.20)                             | • Avantel Ltd.<br>(Whole Time Director)  |
| Shri Abburi Siddhartha Sagar<br>(Appointed w.e.f. 08.03.2021) | Promoter-Executive | Whole-Time Director             | 316941<br>(7.82)                             | • Avantel Ltd.<br>(Whole Time Director)  |
| Shri Yalamanchili Kishore                                     | Non-Executive      | Independent Director            | Nil  | • Avantel Ltd.<br>(Independent Director)   |

|                                      |               |                      |     |  |
|--------------------------------------|---------------|----------------------|-----|--|
| Shri Naveen Nandigam                 | Non-Executive | Independent Director | Nil | <ul style="list-style-type: none"> <li>• Avantel Ltd.</li> <li>• Tanvi Foods (India) Ltd</li> <li>• Kapston Facilities Management Ltd (Independent Director)</li> </ul>          |
| Shri Eluru Bala Venkata Ramana Gupta | Non-Executive | Independent Director | Nil | <ul style="list-style-type: none"> <li>• Avantel Ltd. (Independent Director)</li> </ul>  |
| Shri Myneni Narayana Rao             | Non-Executive | Independent Director | Nil | <ul style="list-style-type: none"> <li>• Avantel Ltd.</li> <li>• Welspun Speciality Solutions Ltd</li> <li>• Chennai Petroleum Corporation Ltd (Independent Director)</li> </ul> |

### **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 member. The Company has adopted Guidelines on selection criteria of Board members, which is available on the website of the Company.

### **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**

|   |
|---|
| <b>S1</b> - Industry expertise (Telecommunication and Satellite Technologies) |
| <b>S2</b> - Executive leadership and Board experience                         |
| <b>S3</b> - Expertise in financial matters                                    |
| <b>S4</b> - Corporate Governance  |
| <b>S5</b> - Strategy & Risk Management;                                       |
| <b>S6</b> - Health, safety, environment and sustainability                    |
| <b>S7</b> - M&A/Capital Markets;  |
| <b>S8</b> - Sales, Marketing and Market Strategy;                             |

| <b>Board Competency Matrix:</b>      |           |           |           |           |           |           |           |           |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Board of Directors</b>            | <b>S1</b> | <b>S2</b> | <b>S3</b> | <b>S4</b> | <b>S5</b> | <b>S6</b> | <b>S7</b> | <b>S8</b> |
| Dr. Abburi Vidyasagar                | ✓         | ✓         | ✓         | ✓         | ✓         | x         | ✓         | ✓         |
| Smt. Abburi Sarada                   | ✓         | ✓         | ✓         | ✓         | x         | ✓         | x         | ✓         |
| Shri. Abburi Siddhartha Sagar        | ✓         | ✓         | ✓         | ✓         | ✓         | ✓         | x         | ✓         |
| Shri. Yalamanchili Kishore           | ✓         | ✓         | ✓         | ✓         | ✓         | x         | x         | ✓         |
| Shri. Naveen Nandigam                | x         | ✓         | ✓         | ✓         | ✓         | x         | ✓         | ✓         |
| Shri. EluruBala Venkata Ramana Gupta | x         | ✓         | ✓         | ✓         | ✓         | x         | ✓         | ✓         |
| Shri. Myneni Narayana Rao            | ✓         | ✓         | ✓         | ✓         | x         | ✓         | x         | ✓         |

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.

Relationship among Directors

Dr. Abburi Vidyasagar, Shri. Abburi Siddhartha Sagar and Smt. Abburi Sarada are related to each other. Further, none of the other directors are related to each other.

**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 25th June 2020 | Other         |            |          |
|---------------------------------|----------------------------------|---------|--|---------------|------------|----------|
|                                 | Held                             | Present |  | Directorships | Committee  |          |
|                                 |                                  |         |  |               | Membership | Chairman |
| Abburi Vidyasagar               | 4                                | 4       | Y  | 3             | 0          | 0        |
| Abburi Sarada                   | 4                                | 4       | Y  | 2             | 0          | 0        |
| Abburi Siddhartha Sagar         | 4                                | 4       | Y  | 2             | 0          | 0        |
| Yalamanchili Kishore            | 4                                | 4       | Y  | 0             | 0          | 0        |
| Naveen Nandigam                 | 4                                | 4       | Y  | 3             | 6          | 5        |
| Eluru Bala Venkata Ramana Gupta | 4                                | 4       | Y  | 0             | 0          | 0        |
| Myneni Narayana Rao             | 4                                | 4       | Y  | 3             | 5          | 2        |

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

None of the Directors on the Board hold directorships in more than ten public companies. None of the Independent Directors serve as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors on the Board are a 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 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.

#### **DATES OF BOARD MEETINGS:**

The Board met 4 times in the financial year 2021-22 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

| Date       | Board Strength | No. of Directors Present |
|------------|----------------|--------------------------|
| 24.04.2021 | 7              | 7                        |
| 15.07.2021 | 7              | 7                        |
| 28.10.2021 | 7              | 7                        |
| 27.01.2022 | 7              | 7                        |

#### **COMMITTEES OF THE BOARD:**

Currently, there are 4 Board Committees – The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. 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:

##### **Audit Committee:**

The Company has a qualified and Independent Audit Committee comprising of four Independent Directors and one Non-Executive Director, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Regulation 18 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions if any, as given by the Board from time to time.

**Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee are as under:**

| Name of the Director   | Category | No. of Meetings held during the Year | No. of meetings Attended |
|------------------------|----------|--------------------------------------|--------------------------|
| Shri. N. Naveen        | Chairman | 4                                    | 4                        |
| Shri. Y. Kishore       | Member   | 4                                    | 4                        |
| Shri. EBV Ramana Gupta | Member   | 4                                    | 4                        |
| Shri. M Narayana Rao   | Member   | 4                                    | 4                        |



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. Chief Financial Officer of the Company, Internal Auditors and Statutory Auditors are invitees to the meetings of the Audit Committee.

**Meetings of Audit Committee:**

The Audit Committee met 4 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. All members were present at the meetings of Audit Committees. The said committee met at the following dates.

| Date       | Committee Strength | No. of Directors Present |
|------------|--------------------|--------------------------|
| 24.04.2021 | 4                  | 4                        |
| 15.07.2021 | 4                  | 4                        |
| 28.10.2021 | 4                  | 4                        |
| 27.01.2022 | 4                  | 4                        |

**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 considers 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 in 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 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 regular basis and on the occurrence of the events.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Independent Non-Executive Directors and 1 Non-Executive Director.

**Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Committee are as under: I**

| Name of the Director    | Category | No. of Meetings held during the Year | No. of meetings Attended |
|-------------------------|----------|--------------------------------------|--------------------------|
| Shri. M Narayana Rao    | Chairman | I                                    | I                        |
| Shri. N. Naveen         | Member   | I                                    | I                        |
| Shri. Y. Kishore        | Member   | I                                    | I                        |
| Shri. E BV Ramana Gupta | Member   | I                                    | I                        |

**Meetings of Nomination and Remuneration Committee:**

The members of the Committee met once during the year 2021-22 i.e. on 15.07.2021

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 package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package 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.

**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 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 financial position of the Company, trend in the industry, qualification, 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 as 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 [www.avantel.in](http://www.avantel.in).

The Company has paid Remuneration, Profit related Commission and Sitting Fee during the Financial Year 2021-22.

## REMUNERATION OF DIRECTORS:

The details of remuneration to the Directors for the financial year ended March 31, 2022

(Amount in Rs. lacs)

| Name of Director          | Salary | Perquisites and other benefits <sup>1</sup> | Commission <sup>2</sup> | Sitting fee | Total  |
|---------------------------|--------|---|-------------------------|-------------|--------|
| Dr. Abburi Vidyasagar     | 36.00  | 11.12                                       | 78.22                   | N.A         | 125.34 |
| Smt. Abburi Sarada        | 18.00  | -   | 78.22                   | N.A         | 96.22  |
| Shri. A. Siddhartha Sagar | 36.00  | -   | -                       | N.A         | 36.00  |
| Shri Yalamanchili Kishore | -      | -   | -                       | 1.20        | 1.20   |
| Shri Naveen Nandigam      | -      | -   | -                       | 1.20        | 1.20   |
| Shri EBV Ramana Gupta     | -      | -   | -                       | 1.00        | 1.00   |
| Shri Myneni Narayana Rao  | -      | -   | -                       | 1.00        | 1.00   |

1. Perquisites and other benefits include Provident Fund

2. Represents commission for the year ended March 31, 2022, which will be paid, subject to deduction of tax after adoption of the accounts and necessary approvals at the AGM.

### 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 sitting fee to the Non-Executive Directors.

### 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.

### Shareholding of Non-Executive Directors

| Particulars                         | No of Shares |
|-------------------------------------|--------------|
| Shri Yalamanchili Kishore           | Nil          |
| Shri Naveen Nandigam                | Nil          |
| Shri EluruBala Venkata Ramana Gupta | Nil          |
| Shri Myneni Narayana Rao            | Nil          |
| <b>Total</b>                        | Nil          |

### Stakeholders Relationship Committee:

The Committee met once during the year 2021-22 on 27.01.2022

The Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Independent Non-Executive Directors. The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee are as under:

| Name of the Director    | Category | No. of Meetings held during the Year | No. of meetings Attended |
|-------------------------|----------|--------------------------------------|--------------------------|
| Shri. M Narayana Rao    | Chairman | 1                                    | 1                        |
| Shri. Y Kishore         | Member   | 1                                    | 1                        |
| Shri. A Vidyasagar      | Member   | 1                                    | 1                        |
| Shri. E BV Ramana Gupta | Member   | 1                                    | 1                        |

The Committee reviews the security transfers/transmissions, process of dematerialization and the Investor's grievances and the systems dealing with these issues. Mr. T Venkatesh, 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. There were no pending complaints and transfers as on 31st March, 2022.

#### 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 Ltd., 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 Practising 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.

#### Corporate Social Responsibility Committee:

The present financial position of your Company mandates the implementation of corporate social responsibility activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The Company has constituted CSR Committee, developed CSR policy and implemented the CSR initiatives. CSR committee comprises of 2 Independent Directors, 1 Executive Director and 1 Employee of the Company. The composition of the Corporate Social Responsibility Committee and the attendance of each Member of the said Committee are as under:

| Name of the Director | Category | No. of Meetings held during the Year | No. of meetings Attended |
|----------------------|----------|--------------------------------------|--------------------------|
| Smt. A Sarada        | Chairman | 2                                    | 2                        |
| Shri. Y Kishore      | Member   | 2                                    | 2                        |
| Shri. N Naveen       | Member   | 2                                    | 2                        |

#### **COMPLIANCE OFFICER**

Mr. TVenkatesh, 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.

#### **CODE OF CONDUCT:**

All the Directors and senior management confirmed the compliance of code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website <http://www.avantel.in>.

#### **MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on 27<sup>th</sup> January, 2022, 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.

#### **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 <http://www.avantel.in>.

#### **PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, 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.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**GENERAL BODY MEETINGS:**

Details of Last 3 Annual General Meetings (AGMs) were as under:

| Financial Year ended         | Date, Day and Time of AGM   | Venue  | Special Resolutions passed at the AGM by the Shareholders  |
|------------------------------|---|--|--|
| 31 <sup>st</sup> March, 2021 | Thursday,<br>the 05 <sup>th</sup> Day of June, 2021<br>02:00 P.M. | Video Conference   | <ol style="list-style-type: none"> <li>1. Appointment of Shri. 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>2. Appointment of Shri. 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> </ol>  |
| 31 <sup>st</sup> March, 2020 | Thursday,<br>the 25 <sup>th</sup> Day of June, 2020<br>10:00 A.M. | Video Conference   | <ol style="list-style-type: none"> <li>1. To consider and approve the re-appointment of Smt. Abburi Sarada (DIN: 00026543) as the Whole-Time Director of the Company</li> <li>2. Increase in borrowing powers of the board of directors</li> <li>3. Creation of the Charge /Providing of security of the assets of the Company</li> </ol>  |
| 31 <sup>st</sup> March, 2019 | Friday,<br>the 12 <sup>th</sup> Day of July, 2019<br>11.00 A.M    | Sy No.141, Plot No.47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Vishakhapatnam - 531163 | <ol style="list-style-type: none"> <li>1. To consider and approve the reappointment of Dr. Abburi Vidyasagar as the Managing Director of the company.</li> <li>2. Appointment of Shri. N Naveen (DIN: 02726620) 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> </ol> <p style="text-align: center;">Appointment of<br/>Shri. Y Kishore (DIN: 01633048) 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</p> |

Mr. MB 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.

The Company had not conducted any postal ballot during the previous financial year.

## DISCLOSURES:

- a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However, these transactions are not likely to have any conflict with the Company's interest.  
The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company <http://www.avantel.in>.
- b. There was no non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- c. 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 <http://www.avantel.in>.
- d. There was no non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- e. The Company does not have any Material Subsidiary.  
The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is uploaded on the website of the Company <http://www.avantel.in>.
- f. 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, 2022.
- g. 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.
- h. There are no Shares lying in Demat Suspense Account.
- i. Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- j. Total fees for all services paid by the listed entity to the statutory auditor FY 2020-21 is set out in Note No. 33 of the Standalone Financial Statements, forming part of the Annual Report.
- k. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:  
a. number of complaints filed during the financial year: Zero  
b. number of complaints disposed of during the financial year: Zero  
c. number of complaints pending as on end of the financial year: Nil
- l. 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.



**MEANS OF COMMUNICATION:**

The Quarterly/Half-yearly/Annual Financial results of the Company are published in the newspapers within 48 hours from the conclusion of the Board meeting.

The Results are generally published in Business Standard, Nava Telangana and Such other News Papers from time to time within 48 Hours from time of Board Meeting.

Financial results and other information are displayed in the Investor Relations section on the company's Website <http://www.avantel.in>.

No presentations were made to the Institutional Investors or to Analysts.

**GENERAL SHAREHOLDER INFORMATION:**

The 32<sup>nd</sup> Annual General Meeting of the company will be held on Monday, 30<sup>th</sup> day of May, 2022 at 11.00 A.M Through Video Conference/ Other Audio-Visual Means (e-AGM)

Financial Calendar: The Company follows April to March as its financial year.

Results for the quarter ending:

30<sup>th</sup> June 2021 : On or before 15<sup>th</sup> July, 2021.

30<sup>th</sup> Sep, 2021 : On or before 28<sup>th</sup> October, 2021.

31<sup>st</sup> Dec, 2021 : On or before 27<sup>th</sup> January 2022.

31<sup>st</sup> Mar, 2022 : On or before 06<sup>th</sup> May, 2022.

Dividend Payment Date :

Listing on Stock Exchanges : BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001.

Stock Code (BSE Ltd) : 532406

ISIN : INE005B01019

The Annual Listing fees for the year 2021-22 has been paid to the Stock Exchange.

**MARKET PRICE DATA**

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2020-21 at The BSE Limited (BSE) areas under:

| Month           | BSE     |        |                 |
|-----------------|---------|--------|-----------------|
|                 | High    | Low    | Traded Quantity |
| April, 2021     | 467.80  | 371.00 | 2,02,314        |
| May, 2021       | 567.20  | 410.00 | 3,28,259        |
| June, 2021      | 589.90  | 500.20 | 2,17,101        |
| July, 2021      | 859.90  | 518.10 | 7,31,477        |
| August, 2021    | 875.50  | 642.00 | 2,47,175        |
| September, 2021 | 889.90  | 660.10 | 1,80,917        |
| October, 2021   | 949.00  | 772.55 | 1,79,128        |
| November, 2021  | 849.90  | 667.55 | 1,11,684        |
| December, 2021  | 798.75  | 652.55 | 96,970          |
| January, 2022   | 855.00  | 681.25 | 1,40,023        |
| February, 2022  | 845.00  | 660.00 | 79,336          |
| March, 2022     | 1060.00 | 670.10 | 2,14,836        |

The securities of the Company are not suspended from trading during the financial year ended March 31, 2022.

**Share Price Performance:**



**DISTRIBUTION OF SHAREHOLDING:**

| Sl.No. | Category       | Holders     |               | Amount             |               |
|--------|----------------|-------------|---------------|--------------------|---------------|
|        |                | Number      | % To Total    | In Rs.             | % To Total    |
| 1      | 1 - 5000       | 7451        | 93.09         | 5194020.00         | 12.81         |
| 2      | 5001 - 10000   | 267         | 3.34          | 2120870.00         | 5.23          |
| 3      | 10001 - 20000  | 131         | 1.64          | 1893350.00         | 4.67          |
| 4      | 20001 - 30000  | 47          | 0.59          | 1199130.00         | 2.96          |
| 5      | 30001 - 40000  | 21          | 0.26          | 763210.00          | 1.88          |
| 6      | 40001 - 50000  | 17          | 0.21          | 796900.00          | 1.97          |
| 7      | 50001 - 100000 | 30          | 0.38          | 2037870.00         | 5.03          |
| 8      | 100001 & Above | 40          | 0.50          | 26539580.00        | 65.46         |
|        | <b>Total:</b>  | <b>8004</b> | <b>100.00</b> | <b>40544930.00</b> | <b>100.00</b> |

**CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2022:**

| Sl.No. | Category of Shareholders       | No. of Shares    | Percentage %  |
|--------|--------------------------------|------------------|---------------|
| 1      | Promoter & Promoter Group      | 16,27,457        | 40.14         |
| 2      | Mutual Funds                   | -                | -             |
| 3      | Alternate Investment Funds     | -                | -             |
| 4      | Foreign Portfolio Investors    | -                | -             |
| 5      | Financial Institutions & Banks | -                | -             |
| 6      | Other Bodies Corporate         | 2,09,512         | 5.17          |
| 7      | Resident Individuals           | 19,27,102        | 47.53         |
| 8      | Non-Resident Individuals       | 74,183           | 1.83          |
| 9      | Clearing Members               | 2865             | 0.07          |
| 10     | IEPF                           | 43,652           | 1.08          |
| 11     | HUF                            | 1,69,722         | 4.19          |
|        | <b>Total</b>                   | <b>40,54,493</b> | <b>100.00</b> |

### **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, 2022, 99.07% of the Company's Shares are dematerialized.

### **Dematerialization mandatory for effecting share transfers**

SEBI has vide proviso to Regulation 40(I) 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.

### **Remittance of Dividend through Electronic Mode**

The Company provides the facility for remittance of dividend, 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.

### **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. Shareholders are advised that their bank details, or where such details are not available, their addresses, as furnished by them to the Company or to the Depository participant, will be printed on the dividend warrants as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a measure of protection against fraudulent encashment.

### **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'

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity : **Nil**

Plant Location : Sy No. 141, Plot No. 47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M),  
Vishakhapatnam-531163.

|  |  |
|--|--|
| <p>Address for Correspondence &amp; Any query on Annual Report :</p> | <p>MT Venkatesh<br/>                 Company Secretary &amp; Compliance Officer<br/>                 Avantel Limited, Corporate Office<br/>                 Plot No: 68&amp;69, 4thFloor, Jubilee Heights<br/>                 Survey No: 66 &amp; 67, Jubilee Enclave<br/>                 Madhapur, Hyderabad-500081 .Telangana, India.<br/>                 E-mail: cs@avantel.in, Compliance@avantel.in<br/>                 Phone: +91-4066305000</p> |
| <p>Registrar and Transfer Agents:</p>                                | <p>KFIN Technologies Ltd<br/>                 Selenium, Tower B, Plot No- 31 &amp; 32,<br/>                 Financial District, Nanakramguda, Serilingampally<br/>                 Hyderabad, Rangareddi-500032<br/>                 E-mail: einward.ris@kfintech.com</p>  |
| <p>Contact Person:</p>   | <p>Mr. N. Shyam Kumar<br/>                 M/s. KFin Technologies Limited,<br/>                 Selenium Tower B, Plot31-32,<br/>                 Gachibowli, Financial District,<br/>                 Nanakramguda, Hyderabad – 500 032<br/>                 Email: einward.ris@kfintech.com,<br/>                 Shyam.kumar@kfintech.com<br/>                 Phone: 040-67162222</p>  |
| <p>Share Transfer System:</p>  | <p>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.</p>   |
| <p>Compliance Certificate:</p>                                       | <p>Certificate from P S Rao &amp; 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 32nd Annual Report.</p>  |

**Secretarial Audit:**

1. M/s. P.S Rao & Associates, Practising Company Secretaries have conducted Secretarial Audit of the Company for the year 2021-22. 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, Practising Company Secretaries, certifying due compliance of share transfer formalities by the Company.
3. M/s. P.S. Rao & Associates, Practising 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 Practising Company Secretaries Certificate on Corporate Governance is attached herewith.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them for the year ended 31<sup>st</sup> March, 2022.

For **Avantel Limited**

Sd/-

**Abhuri Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

## CEO/CFO CERTIFICATION

We, Abburi Vidyasagar, Managing Director and Abburi Sarada, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2022 and 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 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 address these deficiencies.
- d. 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 the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

### For Avantel Limited

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director  
DIN: 00026524

Sd/-

**Abburi Sarada**

Whole-Time Director & Chief Financial Officer  
DIN: 00026543

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

**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,  
Andhra Pradesh – 531163

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 registered office situated at Sy. No. 141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam, Andhra Pradesh – 531163, 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) 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 March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S.No. | Name of the Director                  | Designation                                   | DIN      |
|-------|---------------------------------------|---|----------|
| 1.    | Dr. Abburi Vidyasagar                 | Chairman & Managing Director                  | 00026524 |
| 2.    | Smt. Abburi Sarada                    | Whole-Time Director & Chief Financial Officer | 00026543 |
| 3.    | Shri. A Siddhartha Sagar              | Whole-Time Director                           | 02312563 |
| 4.    | Shri. Yalamanchili Kishore            | Non-Executive Director (Independent Director) | 01633048 |
| 5.    | Shri. Naveen Nandigam                 | Non-Executive Director (Independent Director) | 02726620 |
| 6.    | Shri. Eluru Bala Venkata Ramana Gupta | Non-Executive Director (Independent Director) | 07402341 |
| 7.    | Shri. Myneni Narayana Rao             | Non-Executive Director (Independent Director) | 00577494 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my 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: F010322D000284321

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022

## CERTIFICATE ON CORPORATE GOVERNANCE

*(Pursuant to Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members  
Avantel Limited.

We have examined the compliance of conditions of Corporate Governance by M/s. Avantel Limited ('the Company') for the year ended 31<sup>st</sup> March, 2022 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 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: F010322D000284255

Place: Hyderabad

Date: 06<sup>th</sup> May, 2022



## 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 2022, 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 significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to Note 48 of the financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant 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  |
|--|---|
| <p><b>Fair value assessment of trade receivables</b></p> <p>Trade receivables comprise a significant portion of the liquid assets of the Company.</p> <p>The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>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:</p> |

|  |  |
|--|--|
| <p>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 judgment 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 judgment 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 Disclosures relating revenue recognition are in Note 24.</p> | <p><b>Principal Audit Procedures</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 preparation of 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. The Directors Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors report and Corporate Governance Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

**Management's Responsibility 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. 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 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 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 system 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**

- I. 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
  - (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 does not have any pending litigations which would impact 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 42 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.
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

Sd/-  
**Naresh Chandra Gelli**  
Partner  
Membership No. 201754  
UDIN: 22201754AINMRF1443

Place : Hyderabad  
Date : May 06, 2022

## **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 2022 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 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”) 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. 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 Company has, 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 31 March 2022, 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.

For **Grandhy & Co**  
Chartered accountants  
Firm Registration No.S-1007

Sd/-

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754  
UDIN: 22201754AINMRF1443

Place : Hyderabad  
Date : May 06, 2022

## Annexure “B” to the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company, we report 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, 2022 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 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, 2022 for a period of more than six months from the date they became payable.
  - b) As per the information and explanations given to us and based on records examined by us there were no undisputed amounts outstanding amounts referred in sub-clause (a) above and hence clause 3(vii)(b) of the order is not applicable.
- 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)(c) 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.
- xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. 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.
- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv. 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.
- xvi. 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

Sd/-

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754  
UDIN: 22201754AINMRF1443

Place : Hyderabad  
Date : May 06, 2022

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(In ₹ Lakhs)

| Particulars  | Note No  | As at March 31, 2022 | As at March 31, 2021 |
|--|----------|----------------------|----------------------|
| <b>ASSETS</b>  |          |                      |                      |
| <b>Non-current assets</b>  |          |                      |                      |
| (a) Property, Plant and Equipment  | 2        | 2,248.99             | 1,339.97             |
| (b) Capital work-in-progress   | 3        | 700.82               | 73.64                |
| (c) Right-to-use Asset   | 4        | 221.10               | 262.55               |
| (d) Financial Assets   |          |                      |                      |
| (i) Investments  | 5        | 500.00               | -                    |
| (ii) Others  | 6        | 367.67               | 519.76               |
| (e) Deferred tax Assets (net)  | 7        | -                    | -                    |
| <b>Current Assets</b>  |          |                      |                      |
| (a) Inventories  | 8        | 1,668.47             | 251.43               |
| (b) Financial Assets   |          |                      |                      |
| (i) Trade Receivables  | 9        | 3,615.67             | 1,312.70             |
| (ii) Cash & Cash Equivalents   | 10       | 0.32                 | 80.20                |
| (iii) Bank Balances other than (iii) above   | 11       | 81.31                | 4,216.85             |
| (iv) Others (Int accrued on employee loans & term deposits)                                | 12       | 33.84                | 66.59                |
| (c) Current Tax Assets (Net)   | 13       | 2.25                 | 22.65                |
| (d) Other Current Assets   | 14       | 1,572.63             | 530.01               |
| <b>Total Assets</b>  |          | <b>11,013.06</b>     | <b>8,676.35</b>      |
| <b>EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>Equity</b>  |          |                      |                      |
| (a) Equity Share Capital   | 15       | 405.51               | 405.51               |
| (b) Other Equity   | 16       | 7,966.45             | 6,218.46             |
| <b>Liabilities</b>   |          |                      |                      |
| <b>Non-current liabilities</b>   |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| (i) Borrowings   |          | -                    | -                    |
| (ia) Lease Liabilities   | 17       | 278.47               | 306.28               |
| (b) Provisions   | 18       | 22.09                | 8.41                 |
| (c) Deferred Tax Liability (Net)   | 7        | 97.92                | 71.14                |
| <b>Current liabilities</b>   |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| (i) Borrowings   | 19       | 1,286.65             | -                    |
| (ii) Trade payables  | 20       |                      |                      |
| (a) Total outstanding dues of Micro enterprises and small enterprises                      |          | -                    | 18.27                |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 68.86                | 14.49                |
| (iii) Other Financial Liabilities  | 21       | 802.50               | 1,621.92             |
| (b) Current Tax Liabilities (Net)  | 22       | 1.76                 | -                    |
| (c) Other current liabilities  | 23       | 82.85                | 11.87                |
| <b>Total Equity and Liabilities</b>  |          | <b>11,013.06</b>     | <b>8,676.35</b>      |
| <b>Significant Accounting Policies</b>   | <b>I</b> |                      |                      |

per our report of even date  
**for GRANDHY & CO**  
Chartered Accountants  
Firm Registration No. 0010075

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: 06.05.2022

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**T VENKATESH**  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**  
(In ₹ Lakhs)

| Particulars   | Note No | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---------|---------------------------|---------------------------|
| <b>Income</b>   |         |                           |                           |
| i) Revenue From Operations  | 24      | 10,494.37                 | 7,769.60                  |
| ii) Other Income  | 25      | 136.71                    | 87.32                     |
| <b>Total Income</b>   |         | <b>10,631.08</b>          | <b>7,856.91</b>           |
| <b>Expenses</b>   |         |                           |                           |
| i) Cost of materials consumed   | 26      | 5,068.80                  | 2,657.08                  |
| ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 27      | (400.01)                  | 41.81                     |
| iii) Employee benefits expense  | 28      | 1,310.63                  | 1,035.65                  |
| iv) Manufacturing Expenses  | 29      | 693.58                    | 851.22                    |
| v) Research and Development Expenses  | 30      | 595.06                    | 607.34                    |
| vi) Selling and Distribution Expenses   | 31      | 122.06                    | 118.70                    |
| vii) Depreciation and amortisation expense  | 32      | 397.19                    | 303.15                    |
| viii) Finance Cost  | 33      | 151.12                    | 151.39                    |
| ix) Administrative & Other Expenses   | 34      | 328.47                    | 240.22                    |
| <b>Total expenses</b>   |         | <b>8,266.92</b>           | <b>6,006.58</b>           |
| <b>Profit/(loss) before exceptional items and tax</b>                             |         | 2,364.17                  | 1,850.34                  |
| Exceptional Items   |         |                           |                           |
| <b>Profit Before Tax</b>  |         | 2,364.17                  | 1,850.34                  |
| Tax Expenses  |         | 446.38                    | 316.97                    |
| - Current Tax   |         | 415.45                    | 326.68                    |
| - Prior Period Adjustments  |         |                           | 24.78                     |
| - Deferred Tax  |         | 30.93                     | (34.49)                   |
| <b>Profit/(loss) for the period from continuing operations</b>                    |         | 1,917.79                  | 1,533.37                  |
| 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>1,917.79</b>           | <b>1,533.37</b>           |
| <b>II Other Comprehensive Income</b>  |         |                           |                           |
| <b>i) Items that will not be reclassified to profit or loss</b>                   |         |                           |                           |
| Remeasurment of defined benefit plan  |         | (14.27)                   | 8.01                      |
| Tax on the above  |         | 6.65                      | (3.73)                    |
| <b>ii) Items that will be reclassified to profit or loss</b>                      |         |                           |                           |
| Other Comprehensive Income  |         | (7.62)                    | 4.28                      |
| <b>III Total Comprehensive Income for the period</b>                              |         | <b>(7.62)</b>             | <b>4.28</b>               |
| <b>IV Earnings per equity share :</b>   |         | <b>1,910.17</b>           | <b>1,537.65</b>           |
| <b>Equity Shares of par value ₹ 10/- each</b>                                     |         |                           |                           |
| (1) Basic (₹)   |         | 47.30                     | 37.82                     |
| (2) Diluted (₹)   |         | 47.30                     | 37.82                     |

per our report of even date  
for **GRANDHY & CO**  
Chartered Accountants  
Firm Registration No. 0010075

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: 06.05.2022

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**T VENKATESH**  
Company Secretary

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

(In ₹ Lakhs)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>   |                                      |                                      |
| Profit before income tax from  |                                      |                                      |
| Continuing operations  | 2,364.17                             | 1,850.34                             |
| Discontinued operations  | -                                    | -                                    |
| <b>Profit before income tax including discontinued operations</b>  | <b>2,364.17</b>                      | <b>1,850.34</b>                      |
| Adjustments for  |                                      |                                      |
| Depreciation and amortisation expense  | 397.19                               | 303.15                               |
| Gain on disposal of property, plant and equipment  | -                                    | -                                    |
| Written off assets   | 2.48                                 | 0.21                                 |
| Dividend and interest income classified as investing cash flows  | (68.89)                              | (78.61)                              |
| Finance costs  | 151.12                               | 151.39                               |
| Other Comprehensive Income   | (14.27)                              | 8.01                                 |
|  | <b>2,831.80</b>                      | <b>2,234.49</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   | (2,299.53)                           | 1,694.30                             |
| (Increase)/decrease in inventories   | (1,417.04)                           | 257.50                               |
| (Increase)/decrease in other financial assets  | 32.75                                | (13.91)                              |
| (Increase)/decrease in other non-current assets  | -                                    | -                                    |
| (Increase)/decrease in other current assets  | (1,042.62)                           | 55.49                                |
| Increase /(decrease) in trade payables   | 36.10                                | (122.70)                             |
| Increase/(decrease) in provisions  | 13.67                                | (29.16)                              |
| Increase/(decrease) in other current liabilities   | 70.99                                | (63.53)                              |
| Increase/(decrease) in financial liabilities   | (819.42)                             | 805.59                               |
| Increase/(decrease) in other non current liabilities   | -                                    | -                                    |
| <b>Cash generated from operations</b>  | <b>(2,593.29)</b>                    | <b>4,818.07</b>                      |
| Income taxes paid  | (396.72)                             | (352.88)                             |
| <b>Net cash inflow from operating activities</b>   | <b>(2,990.00)</b>                    | <b>4,465.19</b>                      |
| <b>Cash flows from investing activities</b>  |                                      |                                      |
| Payments for property, plant and equipment   | (1,264.75)                           | (494.44)                             |
| Increase in Capital Work in Progress   | (627.18)                             | (73.64)                              |
| Increase in Term deposits  | 4,287.63                             | (3,688.96)                           |
| Proceeds from sale of property, plant and equipment  | -                                    | 10.80                                |
| Increase in Investments  | (500.00)                             | -                                    |
| Interest received  | 68.89                                | 78.61                                |
| <b>Net cash outflow from investing activities</b>  | <b>1,964.59</b>                      | <b>(4,167.63)</b>                    |

|  |               |                 |
|--|---------------|-----------------|
| <b>Cash flows from financing activities</b>                      |               |                 |
| Increase/(decrease) in borrowings                                | 1,286.65      | -               |
| Interest paid  | (117.59)      | (115.05)        |
| Payment of lease obligations                                     | (61.34)       | (58.42)         |
| Dividends paid to Company's share holders                        | (162.18)      | (81.09)         |
| <b>Net cash inflow (outflow) from financing activities</b>       | <b>945.53</b> | <b>(254.56)</b> |
| Net increase (decrease) in cash and cash equivalents             | (79.89)       | 43.00           |
| Cash and cash equivalents at the beginning of the financial year | 80.20         | 37.20           |
| Effects of exchange rate changes on cash and cash equivalents    | -             |                 |
| <b>Cash and cash equivalents at end of the year</b>              | <b>0.32</b>   | <b>80.20</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 NAVEEN**  
Director  
DIN: 02726620

Place: Hyderabad  
Date: 06.05.2022

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**T VENKATESH**  
Company Secretary

## Standalone Statement of changes in Equity for the period ended 31.03.2022

## A. Equity Share Capital

| Particulars                                       | As at March 31, 2022 |               | As at March 31, 2021 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | No of Shares         | Amount        | No of Shares         | Amount        |
|   | (In ₹ Lakhs)         |               |                      |               |
| Opening Equity Shares                             | 40,54,493            | 405.45        | 40,54,493            | 405.45        |
| Changes in Equity Share Capital during the year   | -                    | -             | -                    | -             |
| Add: Forfeited Shares (Amount originally paid up) |                      | 0.06          |                      | 0.06          |
| <b>Closing balance</b>                            | <b>40,54,493</b>     | <b>405.51</b> | <b>40,54,493</b>     | <b>405.51</b> |

## B. Other Equity as at March 31, 2022

|   | Share application money pending allotment | Equity Components of compound financial instruments | Reserves and Surplus |                 |                  |                   | Total    |
|---|---|---|----------------------|-----------------|------------------|-------------------|----------|
|   |   |   | General Reserve      | Capital Reserve | Security Premium | Retained Earnings |          |
| (In ₹ Lakhs)  |   |   |                      |                 |                  |                   |          |
| Balance at the beginning of the reporting period    | -   | -   | 345.98               | 109.82          | 79.30            | 5,683.36          | 6,218.46 |
| Changes in accounting policy or prior period errors | -   | -   | -                    | -               | -                | -                 | -        |
| Total comprehensive income for the year             | -   | -   | -                    | -               | -                | 1,910.17          | 1,910.17 |
| Dividend  | -   | -   | -                    | -               | -                | (162.18)          | (162.18) |
| Unamortized premium on forward contract             | -   | -   | -                    | -               | -                | -                 | -        |
| Transfer to retained earnings                       | -   | -   | -                    | -               | -                | -                 | -        |
| Any other changes                                   | -   | -   | -                    | -               | -                | -                 | -        |
| Balance at the end of the reporting period          | -   | -   | 345.98               | 109.82          | 79.30            | 7,431.34          | 7,966.45 |

**B. Other Equity as at March 31, 2021**

(In ₹ Lakhs)

|   | Share application money pending allotment | Equity Components of compound financial instruments | Reserves and Surplus |                 |                  |                   | Total    |
|---|---|---|----------------------|-----------------|------------------|-------------------|----------|
|   |   |   | General Reserve      | Capital Reserve | Security Premium | Retained Earnings |          |
| Balance at the beginning of the reporting period    | -   | -   | 345.98               | 109.82          | 79.30            | 4,226.80          | 4,761.90 |
| Changes in accounting policy or prior period errors | -   | -   | -                    | -               | -                | -                 | -        |
| Total comprehensive income for the year             | -   | -   | -                    | -               | -                | 1,537.65          | 1,537.65 |
| Dividend  | -   | -   | -                    | -               | -                | (81.09)           | (81.09)  |
| Unamortized premium on forward contract             | -   | -   | -                    | -               | -                | -                 | -        |
| Transfer to retained earnings                       | -   | -   | -                    | -               | -                | -                 | -        |
| Any other changes                                   | -   | -   | -                    | -               | -                | -                 | -        |
| Balance at the end of the reporting period          | -   | -   | 345.98               | 109.82          | 79.30            | 5,683.36          | 6,218.46 |



**Note 1: NOTES TO STANDALONE FINANCIAL STATEMENTS****COMPANY OVERVIEW AND SIGNIFICANT 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 Vishakhapatnam, 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), Vishakhapatnam Andhra Pradesh, India. The Company has been in Bombay Stock Exchange (BSE).

The Standalone Financial Statements are approved by the Board of Directors on 6<sup>th</sup> May, 2022.

**B. Basis of Preparation of Financial Statements:**

These Standalone 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.

**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, judgments and assumptions (including revisions, if any). These estimates, judgments 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.

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.

**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 recognised 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.

Revenue from time and material and job contracts is recognised 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 recognised 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 -- 20Years
- (ii) Computers -- 3Years
- (iii) Furniture & Fixtures -- 5Years
- (iv) Plant & Machinery -- 4Years
- (v) Vehicles -- 4Years
- (vi) Leasehold improvements – amortised over the period of lease

#### **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:**

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**

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 along with 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**

The Company recognizes right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalized at the inception of the lease and recognised on the consolidated balance sheet. The corresponding liability to the lessor is recognised as a lease obligation within short and long-term borrowings. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability on leases, the incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the company would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market. Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

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.

**R. Segment Information:**

The company is considered to be a single segment company engaged in the manufacture of telecom products and providing related customer support services. Consequently, the company has in its primary segment only one reportable business segment.

**S. Events after the reporting period :**

Adjusting events are events that provide further evidence of condition that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

**T. Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

**Notes to accounts for the year ended March 31, 2022**  
**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, 2021                           | 174.34 | 685.09               | 45.74               | 72.89                | 620.28                                 | 126.30    | 129.27                         | 104.15   | 335.95           | 2,294.03 |
| Additions                                     | 399.19 | 290.88               |                     | 30.02                | 99.15                                  | 65.64     | 23.12                          | 46.46    | 310.28           | 1,264.75 |
| (Deduction/ Retirement) During the year       |        |                      |                     |                      |  |           |                                |          |                  |          |
| Gross Block as at March 31, 2022              | 573.53 | 975.97               | 45.74               | 102.91               | 719.43                                 | 191.94    | 152.40                         | 150.62   | 646.23           | 3,558.78 |
| Accumulated Depreciation as at April 1, 2021  | -      | 189.07               | 31.49               | 49.94                | 251.47                                 | 71.17     | 112.64                         | 33.29    | 215.00           | 954.05   |
| Depreciation for the Year                     | -      | 39.96                | 9.14                | 13.08                | 139.43                                 | 39.45     | 11.44                          | 27.50    | 75.72            | 355.74   |
| (Deduction/ Adjustments) During the year      |        |                      |                     |                      |  |           |                                |          |                  |          |
| Accumulated Depreciation as at March 31, 2022 | -      | 229.04               | 40.63               | 63.02                | 390.90                                 | 110.62    | 124.08                         | 60.78    | 290.71           | 1,309.79 |
| Net Block as at March 31, 2022                | 573.53 | 746.93               | 5.11                | 39.89                | 328.53                                 | 81.32     | 28.32                          | 89.83    | 355.52           | 2,248.99 |

## 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, 2020                | 174.34 | 685.09               | 45.74               | 68.35                | 312.03                                 | 88.51     | 122.58                         | 64.72    | 267.47           | 1,828.84 |
| Additions                                      |        |                      |                     | 4.54                 | 308.24                                 | 37.79     | 6.69                           | 68.69    | 68.48            | 494.44   |
| (Deduction/ Retirement) During the year        |        |                      |                     |                      |  |           |                                | (29.25)  |                  | (29.25)  |
| Gross Block as at March 31, 2021               | 174.34 | 685.09               | 45.74               | 72.89                | 620.28                                 | 126.30    | 129.27                         | 104.15   | 335.95           | 2,294.03 |
| Depreciation/ Amortization as at April 1, 2020 | -      | 150.04               | 22.35               | 39.59                | 175.54                                 | 44.49     | 100.69                         | 33.45    | 144.57           | 710.71   |
| Depreciation for the Year                      | -      | 39.04                | 9.14                | 10.35                | 75.93                                  | 26.68     | 11.95                          | 18.18    | 70.43            | 261.69   |
| (Deduction/ Adjustments) During the year       |        |                      |                     |                      |  |           |                                | (18.34)  |                  | (18.34)  |
| Accumulated Depreciation as at March 31, 2021  | -      | 189.07               | 31.49               | 49.94                | 251.47                                 | 71.17     | 112.64                         | 33.29    | 215.00           | 954.05   |
| Net Block as at March 31, 2021                 | 174.34 | 496.02               | 14.25               | 22.95                | 368.81                                 | 55.13     | 16.64                          | 70.87    | 120.96           | 1,339.97 |

**Note: 3. Capital Work-in-Progress**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 |               | As at<br>March 31, 2021 |
|---|-------------------------|---------------|-------------------------|
|   | Project 1               | Project 2     | Project 1               |
| <b>Capital Work-in-Progress (Construction of Buildings)</b>       |                         |               |                         |
| Capital Work-in-Progress at the beginning of the reporting period | 73.64                   |               | -                       |
| Add: Additions During the year                                    | 193.51                  | 700.82        | 73.64                   |
| Less: Capitalised During the year                                 | 267.16                  | -             | -                       |
| <b>Capital Work-in-Progress (Construction of Buildings)</b>       | <b>-</b>                | <b>700.82</b> | <b>73.64</b>            |

**Capital Work-in-progress ageing Schedule for the year ending March 31, 2022 & March 31, 2021** (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, 2022</b>          |                                |           |           |                 |        |
| Projects in Process            | 700.82                         | -         | -         | -               | 700.82 |
| Projects Temporarily Suspended | -                              | -         | -         | -               | -      |
| <b>March 31, 2021</b>          |                                |           |           |                 |        |
| Projects in Process            | 73.64                          | -         | -         | -               | 73.64  |
| Projects Temporarily Suspended | -                              | -         | -         | -               | -      |

**Note: 4. Right-to-use Asset**

(In ₹ Lakhs)

| Particulars        | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| Right to Use Lease | 262.55                  | 304.01                  |
| Less: Depreciation | 41.46                   | 41.46                   |
| <b>Total</b>       | <b>221.10</b>           | <b>262.55</b>           |

**Note: 5. Investments in Equity Instruments**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Investments in Subsidiaries at cost                           |                         |                         |
| IMEDS Global Private Limited                                  | 500.00                  | -                       |
| 49,99,999 (P.Y: Nil) Equity Shares face value of Rs. 10/ each |                         |                         |
| <b>Total</b>  | <b>500.00</b>           | <b>-</b>                |
| Aggregate amount of un-quoted Investments                     | 500.00                  | -                       |
| Aggregate amount of impairment in value of investment         | -                       | -                       |

**Note: 6. Other Financial Assets Non Current**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured (considered good)   |                         |                         |
| In Margin Money/ Deposit A/c with original maturity of more than one year | 325.87                  | 480.38                  |
| Deposits  | 41.79                   | 39.38                   |
| <b>Total</b>  | <b>367.67</b>           | <b>519.76</b>           |



**Note:7. Deferred tax Liabilities / (Assets)**

(In ₹ Lakhs)

| Particulars                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Deferred Tax Liability</b>                |                         |                         |
| Property, plant and equipment                | (135.81)                | (94.34)                 |
| Lease Asset                                  | (64.38)                 | (76.46)                 |
| <b>Sub Total</b>                             | <b>(200.19)</b>         | <b>(170.80)</b>         |
| Deferred tax Assets                          |                         |                         |
| Lease Liability                              | 81.09                   | 89.19                   |
| Employee benefits                            | 12.58                   | 6.02                    |
| Remeasurment of defined benefit plan         | 8.61                    | 4.45                    |
| <b>Sub Total</b>                             | <b>102.28</b>           | <b>99.66</b>            |
| <b>Net Deferred Tax Assets/(Liabilities)</b> | <b>(97.92)</b>          | <b>(71.14)</b>          |

**Movement in deferred tax balances during the year**

(In ₹ Lakhs)

| Particulars                          | Balance As at<br>April 01, 2021 | Recognised<br>in profit & loss | Recognised<br>in OCI | Balance As at<br>March 31, 2022 |
|--------------------------------------|---------------------------------|--------------------------------|----------------------|---------------------------------|
| Property, plant and equipment        | (94.34)                         | (41.47)                        |                      | (135.81)                        |
| Employee benefits                    | 6.02                            | 6.56                           |                      | 12.58                           |
| Lease Liability                      | 89.19                           | (8.10)                         |                      | 81.09                           |
| Lease Asset                          | (76.46)                         | 12.07                          |                      | (64.38)                         |
| Remeasurment of defined benefit plan | 4.45                            | 4.15                           |                      | 8.61                            |
| <b>Total</b>                         | <b>(71.14)</b>                  | <b>(26.77)</b>                 | -                    | <b>(97.92)</b>                  |

**Movement in deferred tax balances during the year**

(In ₹ Lakhs)

| Particulars                          | Balance As at<br>April 01, 2020 | Recognised<br>in profit & loss | Recognised<br>in OCI | Balance As at<br>March 31, 2021 |
|--------------------------------------|---------------------------------|--------------------------------|----------------------|---------------------------------|
| Property, plant and equipment        | (126.36)                        | 32.02                          |                      | (94.34)                         |
| Employee benefits                    | 9.19                            | (3.17)                         |                      | 6.02                            |
| Lease Liability                      | 95.62                           | (6.43)                         |                      | 89.19                           |
| Lease Asset                          | (88.53)                         | 12.07                          |                      | (76.46)                         |
| Remeasurment of defined benefit plan | 6.79                            | (2.33)                         |                      | 4.45                            |
| <b>Total</b>                         | <b>(103.30)</b>                 | <b>32.16</b>                   | -                    | <b>(71.14)</b>                  |

**Unrecognised Deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items

(In ₹ Lakhs)

| Particulars                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Deductible temporary differences | -                       | -                       |
| Tax losses                       | -                       | -                       |
| <b>Total</b>                     | <b>-</b>                | <b>-</b>                |

**Note: 8. Inventories**

(In ₹ Lakhs)

| Particulars      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------|-------------------------|-------------------------|
| Raw Materials    |                         |                         |
| - Indigenious    | 667.89                  | 129.26                  |
| - Imported       | 547.83                  | 69.43                   |
| Work in Progress | 452.75                  | 52.74                   |
| <b>Total</b>     | <b>1,668.47</b>         | <b>251.43</b>           |

**Note: 9. Trade Receivables Current**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| a) Trade Receivables Considered Good - Good                         | -                       | -                       |
| b) Trade Receivables Considered Good - Good                         | 3,615.67                | 1,312.70                |
| c) Trade Receivables Which have significant increase in credit risk | -                       | -                       |
| d) Trade Receivables - Credit Impaired                              | -                       | -                       |
| e) Trade Receivables from related parties                           | -                       | -                       |
| Less: Allowance for expected credit losses                          | -                       | -                       |
| <b>Total</b>  | <b>3,615.67</b>         | <b>1,312.70</b>         |

**Trade Receivable ageing Schedule for the year ending March 31, 2022 & March 31, 2021**

(In ₹ Lakhs)

| Particulars   | Outstanding for following periods from due date of payment |                       |                       |             |           |                    |                 |
|---|--|-----------------------|-----------------------|-------------|-----------|--------------------|-----------------|
|   | Not Due  | Less than<br>6 Months | 6 Months<br>to 1 Year | 1-2 Years   | 2-3 Years | More<br>than 3 Yr. | Total           |
| <b>March 31, 2022</b>   |  |                       |                       |             |           |                    |                 |
| (i) Undisputed Trade Receivable<br>- Considered Good                                    | 3,369.86   | 217.18                | 28.12                 | 0.50        | -         | -                  | 3,615.67        |
| (ii) Undisputed Trade Receivable<br>- Which have significant increase<br>in credit risk | -  | -                     | -                     | -           | -         | -                  | -               |
| (iii) Undisputed Trade Receivable<br>- Credit Impaired                                  | -  | -                     | -                     | -           | -         | -                  | -               |
| (iv) Disputed Trade Receivable<br>- Considered Good                                     | -  | -                     | -                     | -           | -         | -                  | -               |
| (v) Undisputed Trade Receivable<br>- Which have significant increase<br>in credit risk  | -  | -                     | -                     | -           | -         | -                  | -               |
| (vi) Disputed Trade Receivable<br>- Credit Impaired                                     | -  | -                     | -                     | -           | -         | -                  | -               |
| <b>Total</b>  | <b>3,369.86</b>  | <b>217.18</b>         | <b>28.12</b>          | <b>0.50</b> | <b>-</b>  | <b>-</b>           | <b>3,615.67</b> |

| <b>March 31, 2021</b>   |              |                 |              |             |          |          |                 |
|---|--------------|-----------------|--------------|-------------|----------|----------|-----------------|
| (i) Undisputed Trade Receivable<br>- Considered Good                                    | 46.37        | 1,210.05        | 50.56        | 5.72        | -        | -        | 1,312.70        |
| (ii) Undisputed Trade Receivable<br>- Which have significant increase<br>in credit risk | -            | -               | -            | -           | -        | -        | -               |
| (iii) Undisputed Trade Receivable<br>- Credit Impaired                                  | -            | -               | -            | -           | -        | -        | -               |
| (iv) Disputed Trade Receivable<br>- Considered Good                                     | -            | -               | -            | -           | -        | -        | -               |
| (v) Undisputed Trade Receivable<br>- Which have significant increase<br>in credit risk  | -            | -               | -            | -           | -        | -        | -               |
| (vi) Disputed Trade Receivable<br>- Credit Impaired                                     | -            | -               | -            | -           | -        | -        | -               |
| <b>Total</b>  | <b>46.37</b> | <b>1,210.05</b> | <b>50.56</b> | <b>5.72</b> | <b>-</b> | <b>-</b> | <b>1,312.70</b> |

**Note: 10. Cash & Cash Equivalents** (In ₹ Lakhs)

| Particulars                | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Cash on hand               | 0.32                    | 0.26                    |
| Cheques, Drafts on hand    | -                       | -                       |
| Balances with Banks        |                         |                         |
| (a) in Current Account     | -                       | 5.70                    |
| (b) in Cash Credit Account | -                       | 74.24                   |
| <b>Total</b>               | <b>0.32</b>             | <b>80.20</b>            |

**Note: 11. Bank Balances other than above** (In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| For Unpaid Dividend   | 14.12                   | 11.92                   |
| As Margin money/under lien  |                         |                         |
| In term deposit with original maturity more than 3 months but less than 12 months | 67.19                   | 4,204.93                |
| <b>Total</b>  | <b>81.31</b>            | <b>4,216.85</b>         |

**Note: 12. Other Financial Assets Current** (In ₹ Lakhs)

| Particulars                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------|-------------------------|-------------------------|
| Unsecured (considered good) |                         |                         |
| Accrued Interest            | 33.84                   | 66.59                   |
| <b>Total</b>                | <b>33.84</b>            | <b>66.59</b>            |

**Note: 13. Current tax Assets** (In ₹ Lakhs)

| Particulars                               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Advance tax paid for the FY 2021-22 (Net) | -                       | 13.48                   |
| TDS and TCS (Net)                         | 2.25                    | 9.16                    |
| <b>Total</b>                              | <b>2.25</b>             | <b>22.65</b>            |

**Note: 14. Other Current Assets**

(In ₹ Lakhs)

| Particulars                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Unsecured (considered good)    |                         |                         |
| Prepaid Expenses               | 84.25                   | 129.65                  |
| Advance to Suppliers           | 673.48                  | 195.59                  |
| Other Advances                 | 53.99                   | 14.76                   |
| Balances with GST Department   | 127.50                  | 1.47                    |
| Balance with GST credit ledger | 633.42                  | 188.54                  |
| <b>Total</b>                   | <b>1,572.63</b>         | <b>530.01</b>           |

**Note: 15. Equity Shares**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Authorized</b>                                       |                         |                         |
| Ordinary shares of par value of Rs. 10/- each<br>Number | 70,00,000               | 70,00,000               |
| Amount in ₹ Lakhs                                       | 700.00                  | 700.00                  |
| <b>Issued, subscribed and fully paid</b>                |                         |                         |
| Ordinary shares of par value of Rs. 10/- each<br>Number | 40,54,493.00            | 40,54,493.00            |
| <b>Amount In ₹ Lakhs</b>                                | 405.45                  | 405.45                  |
| Add Forfeited Shares (Amount originally paid up)        | 0.06                    | 0.06                    |
| <b>Total In ₹ Lakhs</b>                                 | 405.51                  | 405.51                  |

**Reconciliation of number of shares:**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Opening Equity Shares   | 40,54,493.00            | 40,54,493.00            |
| Add: -No. of Shares, Share Capital issued/ subscribed during the year | -                       | -                       |
| Less: Deduction   | -                       | -                       |
| <b>Closing balance</b>  | <b>40,54,493.00</b>     | <b>40,54,493.00</b>     |

**No. of Shares in the company held by shareholder holding more than 5 percent**

(In ₹ Lakhs)

| Name of the Shareholder     | As at<br>March 31, 2022 | % Of Total<br>Shares | % of Change<br>during the year |
|-----------------------------|-------------------------|----------------------|--------------------------------|
| Sri Vidya Sagar Abburi      | 7,64,225                | 18.85%               | 1.16%                          |
| Smt K Swapna                | 3,00,000                | 7.40%                | -                              |
| Smt. Sarada Abburi          | 2,51,249                | 6.20%                | -                              |
| Ms. Sailaja Abburi          | 2,58,422                | 6.37%                | -                              |
| Sri Siddhartha Sagar Abburi | 3,16,941                | 7.82%                | -                              |

The Company has one class of share capital, comprising ordinary shares of 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.

The Company does not have any holding Company.

**Note: 16. Other Equity**

(In ₹ Lakhs)

| Particulars                               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Capital Redemption Reserve</b>         |                         |                         |
| Opening balance                           | 109.82                  | 109.82                  |
| Add: Current Year Transfer                | -                       | -                       |
| Less: Written Back in Current Year        | -                       | -                       |
| <b>Total</b>                              | <b>109.82</b>           | <b>109.82</b>           |
| <b>Securities Premium Reserve</b>         |                         |                         |
| Opening balance                           | 79.30                   | 79.30                   |
| Add: Current Year Transfer                | -                       | -                       |
| Less: Written Back in Current Year        | -                       | -                       |
| <b>Total</b>                              | <b>79.30</b>            | <b>79.30</b>            |
| <b>General Reserve</b>                    |                         |                         |
| Opening balance                           | 345.98                  | 345.98                  |
| Add: Current Year Transfer                | -                       | -                       |
| Less: Written Back in Current Year        | -                       | -                       |
| <b>Total</b>                              | <b>345.98</b>           | <b>345.98</b>           |
| <b>Surplus in Profit and Loss account</b> |                         |                         |
| Opening balance                           | 5,683.36                | 4,226.80                |
| Add: Current Year Transfer                |                         |                         |
| Profit and loss account                   | 1,910.17                | 1,537.65                |
| Less: Dividend Paid                       | (162.18)                | (81.09)                 |
| Less: Tax on Dividend                     | -                       | -                       |
| <b>Total</b>                              | <b>7,431.34</b>         | <b>5,683.36</b>         |
| <b>Total Other Equity</b>                 | <b>7,966.45</b>         | <b>6,218.46</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**

(In ₹ Lakhs)

| Particulars     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------|-------------------------|-------------------------|
| Lease Liability | 278.47                  | 306.28                  |
| <b>Total</b>    | <b>278.47</b>           | <b>306.28</b>           |

**Note: 18. Provisions Non Current**

(In ₹ Lakhs)

| Particulars                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | 22.09                   | 8.41                    |
| <b>Total</b>                    | <b>22.09</b>            | <b>8.41</b>             |

**Note: 19. Borrowings Current**

(In ₹ Lakhs)

| Particulars              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------|-------------------------|-------------------------|
| <b>(i) Term Loans</b>    | -                       | -                       |
| <b>(ii) Cash Credits</b> |                         |                         |
| (a) From Banks           |                         |                         |
| -Secured*                | 1,286.65                | -                       |
| (b) From Other parties   | -                       | -                       |
| <b>(iii) Deposits</b>    | -                       | -                       |
| <b>Total</b>             | <b>1,286.65</b>         | <b>-</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), Visakapatnam and personal guarantee of the Managing Director of the Company and the rate of interest @8.95% 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: 20. Trade Payable Current**

(In ₹ Lakhs)

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade Payables Due to Micro and Small Enterprises (MSME) | -                       | 18.27                   |
| Trade Payables Due to Others                             | 68.86                   | 14.49                   |
| <b>Total</b>   | <b>68.86</b>            | <b>32.76</b>            |

**Trade Payables ageing Schedule for the year ending March 31, 2022 & March 31, 2021**

(In ₹ Lakhs)

| Particulars                 | Outstanding for following periods from due date of payment |                     |           |           |                 |              |
|-----------------------------|--|---------------------|-----------|-----------|-----------------|--------------|
|                             | Not Due  | Less than<br>1 year | 1-2 Years | 2-3 Years | More than 3 Yr. | Total        |
| <b>March 31, 2022</b>       |  |                     |           |           |                 |              |
| (i) MSME                    | -  | -                   | -         | -         | -               | -            |
| (ii) Others                 | -  | 68.86               | -         | -         | -               | 68.86        |
| (iii) Disputed Dues - MSME  | -  | -                   | -         | -         | -               | -            |
| (iv) Disputed Dues - Others | -  | -                   | -         | -         | -               | -            |
| <b>Total</b>                | <b>-</b>   | <b>68.86</b>        | <b>-</b>  | <b>-</b>  | <b>-</b>        | <b>68.86</b> |
| <b>March 31, 2021</b>       |  |                     |           |           |                 |              |
| (i) MSME                    | -  | 18.27               | -         | -         | -               | 18.27        |
| (ii) Others                 | -  | 14.49               | -         | -         | -               | 14.49        |
| (iii) Disputed Dues - MSME  | -  | -                   | -         | -         | -               | -            |
| (iv) Disputed Dues - Others | -  | -                   | -         | -         | -               | -            |
| <b>Total</b>                | <b>-</b>   | <b>32.76</b>        | <b>-</b>  | <b>-</b>  | <b>-</b>        | <b>32.76</b> |

**Note: 21. Other Financial Liabilities Current**

(In ₹ Lakhs)

| Particulars                           | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| Liability for Expenses                | 20.83                   | 15.89                   |
| Retention Money                       | 3.54                    | 1.56                    |
| Employees salaries and other payables | 113.72                  | 134.68                  |
| Unpaid Dividend                       | 14.12                   | 11.92                   |
| Advance from Customers                | 650.29                  | 1,457.86                |
| <b>Total</b>                          | <b>802.50</b>           | <b>1,621.92</b>         |

**Note: 22. Provisions Current**

(In ₹ Lakhs)

| Particulars                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Provision for Taxation for the FY 2020-21 (Net) | 1.76                    | -                       |
| <b>Total</b>                                    | <b>1.76</b>             | <b>-</b>                |

**Note: 23. Other Liabilities Current**

(In ₹ Lakhs)

| Particulars            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| <b>Current</b>         |                         |                         |
| Statutory dues Payable | 82.85                   | 11.87                   |
| <b>Total</b>           | <b>82.85</b>            | <b>11.87</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<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------|--------------------------------------|--------------------------------------|
| Sale of Products | 10,080.71                            | 6,736.26                             |
| Sale of Services | 1,400.19                             | 1,822.52                             |
| Scrap Sales      | 7.14                                 | 8.32                                 |
| Less: GST        | 993.67                               | 797.50                               |
| <b>Total</b>     | <b>10,494.37</b>                     | <b>7,769.60</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<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance                    | 1,312.70                             | 3,007.00                             |
| Addition/deduction during the year | 2,302.97                             | (1,694.30)                           |
| Closing Balance                    | 3,615.67                             | 1,312.70                             |

**(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 Rs. 10,494.37 Lakhs (P.Y. Rs. 7,769.60 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of Rs. 10,494.97 Lakhs (P.Y. Rs. 7,769.6 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<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Interest income                 | 68.89                                | 78.61                                |
| Miscellaneous Receipts          | 8.63                                 | 0.48                                 |
| Fluctuation In Foreign Currency | 59.19                                | 8.23                                 |
| <b>Total</b>                    | <b>136.71</b>                        | <b>87.32</b>                         |



**Note: 26. Cost of Materials Consumed**

(In ₹ Lakhs)

| Particulars                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cost of materials consumed</b>     |                                      |                                      |
| <b>Indigenous</b>                     |                                      |                                      |
| Indigenous(Opening Stock)             | 83.03                                | 189.82                               |
| Purchase                              | 1,836.10                             | 1,449.11                             |
| <b>Sub Total</b>                      | <b>1,919.12</b>                      | <b>1,638.94</b>                      |
| Indigenous(Closing Stock)             | (532.71)                             | (83.03)                              |
| <b>Cost of Raw Materials Consumed</b> | <b>1,386.41</b>                      | <b>1,555.91</b>                      |
| <b>Imported</b>                       |                                      |                                      |
| Imported(Opening Stock)               | 51.65                                | 120.50                               |
| Purchase                              | 4,046.60                             | 1,032.33                             |
| <b>Sub Total</b>                      | <b>4,098.26</b>                      | <b>1,152.83</b>                      |
| Imported(Closing Stock)               | (415.88)                             | (51.65)                              |
| Cost of Raw Materials Consumed        | 3,682.38                             | 1,101.17                             |
| <b>TOTAL</b>                          | <b>5,068.80</b>                      | <b>2,657.08</b>                      |

**Note: 27. Changes in Inventory**

(In ₹ Lakhs)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| <b>Changes in inventories of finished goods and work-in-progress</b> |                                      |                                      |
| Opening Balance  | 52.74                                | 94.55                                |
| Closing Balance  | (452.75)                             | (52.74)                              |
| Net (Increase) /Decrease   | <b>(400.01)</b>                      | <b>41.81</b>                         |

**Note: 28. Employees Benefit Expenses**

(In ₹ Lakhs)

| Particulars                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and wages                    | 934.84                               | 754.88                               |
| Directors Remuneration                | 257.57                               | 182.91                               |
| Bonus                                 | 9.63                                 | 9.93                                 |
| Leave Encashment, Exgratia & Gratuity | 31.64                                | 29.29                                |
| Training & Recruitment                | 8.95                                 | 1.50                                 |
| Contribution to P.F. and other Funds  | 28.09                                | 23.26                                |
| Staff welfare Expenses                | 39.92                                | 33.88                                |
| <b>TOTAL</b>                          | <b>1,310.63</b>                      | <b>1,035.65</b>                      |

**Note: 29. Manufacturing Expenses**

(In ₹ Lakhs)

| Particulars                               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Job work Charges                          | 313.48                               | 388.48                               |
| Power and fuel                            | 56.78                                | 51.54                                |
| Consumption of stores and spare parts     | 25.79                                | 9.12                                 |
| Freight Inwards                           | 15.72                                | 10.42                                |
| Repairs & Maintenance - Plant & Machinery | 12.38                                | 12.26                                |
| Testing Charges                           | 33.76                                | 22.95                                |
| Installation & Commissioning Charges      | 54.70                                | 119.45                               |
| Man power hire charges                    | 106.92                               | 62.06                                |
| Traveling                                 | 27.06                                | 15.78                                |
| Other Manufacturing Expenses              | 46.99                                | 159.17                               |
| <b>TOTAL</b>                              | <b>693.58</b>                        | <b>851.22</b>                        |

**Note: 30. Research and Development Expenses**

(In ₹ Lakhs)

| Particulars                        | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Cost of materials consumed         | 284.95                               | 366.50                               |
| Salaries                           | 268.54                               | 200.90                               |
| Design                             | -                                    | 5.00                                 |
| Repairs & Maintenance              | 9.72                                 | 6.74                                 |
| Professional & Consultancy Charges | 25.00                                | 19.50                                |
| Job Work & Other Expenses          | 6.86                                 | 8.70                                 |
| <b>TOTAL</b>                       | <b>595.06</b>                        | <b>607.34</b>                        |

**Note: 31. Selling and Distribution Expenses**

(In ₹ Lakhs)

| Particulars               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------|--------------------------------------|--------------------------------------|
| Freight Outwards          | 16.93                                | 20.60                                |
| Packing Materials         | 15.24                                | 7.14                                 |
| Business Promotion        | 9.86                                 | 6.82                                 |
| Travelling Expenses       | 7.37                                 | 2.74                                 |
| Warranty Expenses         | 1.73                                 | 10.26                                |
| Customer Support Expenses | 70.94                                | 71.15                                |
| <b>TOTAL</b>              | <b>122.06</b>                        | <b>118.70</b>                        |

**Note: 32. Depreciation And Amortization Expenses**

(In ₹ Lakhs)

| Particulars                                     | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| <b>Depreciation / Amortization for the year</b> |                                      |                                      |
| Depreciation on PPE                             | 355.74                               | 261.69                               |
| Depreciation on Right-to-use Assets             | 41.46                                | 41.46                                |
| <b>TOTAL</b>                                    | <b>397.19</b>                        | <b>303.15</b>                        |

**Note: 33. Finance Cost**

(In ₹ Lakhs)

| Particulars                 | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Interest Expenses           | 16.60                                | 0.00                                 |
| Bank Charges                | 100.99                               | 115.04                               |
| Interest on Lease Liability | 33.53                                | 36.34                                |
| <b>TOTAL</b>                | <b>151.12</b>                        | <b>151.39</b>                        |

**Note: 34. Administrative & Other Expenses**

(In ₹ Lakhs)

| Particulars                               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| <b>Repairs &amp; Maintenance</b>          |                                      |                                      |
| Plant & Machinery and Others              | 24.45                                | 21.39                                |
| Vehicles                                  | 11.66                                | 6.04                                 |
| Computers                                 | 11.30                                | 5.98                                 |
| Buildings                                 | 50.28                                | 41.03                                |
| Rent, Fees, Taxes & Licenses              | 26.42                                | 21.44                                |
| Insurance                                 | 24.74                                | 8.52                                 |
| Couriers, Postages, Telephones and others | 14.98                                | 14.70                                |
| Printing & Stationery                     | 18.98                                | 6.10                                 |
| Payment to Auditors                       | 3.55                                 | 4.50                                 |
| Professional & Consultancy Charges        | 19.66                                | 11.70                                |
| Travelling & Conveyance                   | 19.17                                | 13.56                                |
| Secretarial Expenses                      | 11.01                                | 11.17                                |
| Watch & Ward                              | 21.01                                | 19.91                                |
| Sitting Fee                               | 4.40                                 | 6.70                                 |
| Bad Debts written off                     | 2.48                                 | 0.21                                 |
| Office Maintenance                        | 27.61                                | 19.57                                |
| Donations                                 | 4.90                                 | 1.91                                 |
| CSR Expenses                              | 29.37                                | 25.40                                |
| Miscellaneous Expenses                    | 2.52                                 | 0.39                                 |
| <b>TOTAL</b>                              | <b>328.47</b>                        | <b>240.22</b>                        |

**(i) Amount paid to auditors'**

(In ₹ Lakhs)

| Particulars                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------|--------------------------------------|--------------------------------------|
| As Auditor                     | 3.25                                 | 3.25                                 |
| For Taxation Matters/Tax Audit | -                                    | -                                    |
| For Other Services             | 0.30                                 | 1.25                                 |
| For Reimbursement of Expenses  | -                                    | -                                    |
| <b>TOTAL</b>                   | <b>3.55</b>                          | <b>4.50</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:

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Profit before tax                                       | 2,364.17                | 1,850.34                |
| Enacted Tax rates for the financial year (MAT)          | 0.17                    | 0.17                    |
| Expected tax expense (A)                                | 415.45                  | 326.68                  |
| Tax affect on allowable items (B)                       | -                       | -                       |
| Tax affect 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                                | 415.45                  | 326.68                  |
| Tax credits allowable                                   | -                       | -                       |
| Deferred tax for the year                               | 30.93                   | (34.49)                 |
| Tax expense of earlier years adjusted                   | -                       | 24.78                   |
| <b>Net tax expense for the year</b>                     | <b>446.38</b>           | <b>316.97</b>           |

Current Tax for the previous year represents the Minimum Alternative Tax (MAT) payable by the company on the book profits for the year. However, the company is not recognising the MAT credit entitlement determined under section 115JAA(2A) of the Income Tax Act, 1961 during the current year and earlier years as possibility of paying the Income Tax under the normal provisions of the Income Tax, 1961 in future is uncertain because the company claims 100% deduction on capital and revenue expenditure under section 35(2AB) of the Income Tax Act, 1961.

**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 Rs. 33.63 Lakhs (Previous year Rs. 27.62 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, 2022 are as follows:

(In ₹ Lakhs)

| <b>I. Change in Defined Benefit obligation :</b>       | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
|--|---------------------------------|---------------------------------|
| Defined Benefit obligation as at the beginning         | 177.92                          | 163.98                          |
| Interest Cost  | 11.82                           | 11.71                           |
| Current Service Cost                                   | 16.81                           | 14.88                           |
| Benefits paid from planned assets                      | (19.97)                         | (4.93)                          |
| Remeasurements - due to Financial Assumptions          | (7.01)                          | 3.40                            |
| Remeasurements - due to Experience Assumptions         | 21.57                           | (11.11)                         |
| <b>Defined Benefit obligation as at the end</b>        | <b>201.15</b>                   | <b>177.92</b>                   |
| <b>II. Change in Fair value of plan assets</b>         | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Fair value of Plan Assets at the beginning             | 164.40                          | 123.92                          |
| Interest Income  | 11.48                           | 10.17                           |
| Employer Contributions                                 | 17.39                           | 37.57                           |
| Benefits paid from planned assets                      | (22.60)                         | (7.56)                          |
| Remeasurements - Return on Assets (Excluding Interest) | 0.29                            | 0.30                            |
| <b>Fair value of planned assets at the end</b>         | <b>170.96</b>                   | <b>164.40</b>                   |

| <b>III. Components of Defined Benefit Cost:</b>                           | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
|---|---------------------------------|---------------------------------|
| Current Service Cost  | 16.81                           | 14.88                           |
| Total Net Interest cost   | 0.34                            | 1.54                            |
| <b>Defined Benefit Cost Included in Profit &amp; Loss</b>                 | <b>17.15</b>                    | <b>16.43</b>                    |
| Remeasurements - due to Financial Assumptions                             | (7.01)                          | 3.40                            |
| Remeasurements - due to Experience Assumptions                            | 21.57                           | (11.11)                         |
| Remeasurements - Return on Assets (Excluding Interest)                    | (0.29)                          | (0.30)                          |
| Total Remeasurements in OCI   | 14.27                           | (8.01)                          |
| <b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b> | <b>31.42</b>                    | <b>8.41</b>                     |
| <b>IV. Amounts recognized in the Statement of Financial Position</b>      | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Defined benefit Obligation  | 201.15                          | 177.92                          |
| Fair value of Plan Assets   | 170.96                          | 164.40                          |
| Funded Status   | 30.18                           | 13.53                           |
| Net Defined Benefit Liability/(Asset)                                     | 30.18                           | 13.53                           |
| Of which Short Term Liability   | 24.22                           | 29.08                           |
| <b>V. Net Defined Benefit Liability / (Asset) Reconciliation</b>          | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Net Defined Benefit Liability/(Asset) at the beginning                    | 10.90                           | 40.05                           |
| Defined Benefit Cost Included in Profit & Loss                            | 17.15                           | 16.43                           |
| Total Remeasurement included in OCI                                       | 14.27                           | (8.01)                          |
| Employer Contributions  | (17.39)                         | (37.57)                         |
| Net Defined Benefit Liability/(Asset) at the end                          | 24.93                           | 10.90                           |
| <b>VI. Principal Assumptions</b>  | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Discounting Rate  | 0.07                            | 0.07                            |
| Salary Escalation Rate  | 0.03                            | 0.03                            |

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:**

**Imeds Global Private Limited**

**Wholly owned Subsidiary**

**B. Key Management Personnel**

i) Dr. Abburi Vidyasagar

**Chairman & Managing Director**

ii) Mrs. Abburi Sarada

**Wholetime Director & CFO**

iii) Mr. Abburi Siddhartha Sagar

**Wholetime Director**

iv) Mr. T Venkatesh

**Company Secretary**

**C. Relative of Key Management Personnel**

**NIL**

#### D. Transaction with Related Parties

| Particulars                         | Nature of Transaction | 2021-2022 | 2020-2021 |
|-------------------------------------|-----------------------|-----------|-----------|
| <b>a) Key Managerial Personnel:</b> |                       |           |           |
| Dr.Abburi Vidyasagar                | Remuneration          | 36.00     | 36.00     |
| Dr.Abburi Vidyasagar                | Commisson on Profits  | 78.22     | 55.52     |
| Mrs.Abburi Sarada                   | Remuneration          | 18.00     | 17.29     |
| Mrs.Abburi Sarada                   | Commisson on Profits  | 78.22     | 61.24     |
| Mrs.Abburi Sarada                   | Rent                  | 11.12     | 10.55     |
| Mr.Abburi Siddhartha Sagar          | Remuneration          | 36.00     | 2.32      |
| Mr. M Murali Krishna                | Salary                | -         | 7.02      |
| Mr.T Venkatesh                      | Salary                | 7.17      | -         |
| <b>b) Non-Whole time Directors:</b> |                       |           |           |
| Mr.Yalamanchili Kishore             | Sitting Fee           | 1.20      | 1.60      |
| Mr. Naveen Nandigam                 | Sitting Fee           | 1.20      | 1.50      |
| Mr. Eluru Bala Venkata Ramana Gupta | Sitting Fee           | 1.00      | 1.10      |
| Mr. Myneni Narayana Rao             | Sitting Fee           | 1.00      | 1.40      |

#### Note: 38. Earnings per Share: (In ₹ Lakhs)

| Particulars  | (In ₹ Lakhs) | 2021-2022    | 2020-2021    |
|--|--------------|--------------|--------------|
| Profit/ (Loss) after Tax                           | In ₹ Lakhs   | 1,917.79     | 1,533.37     |
| The weighted average number of ordinary shares for |              |              |              |
| Basic EPS  | Nos          | 40,54,493.00 | 40,54,493.00 |
| Diluted EPS  | Nos          | 40,54,493.00 | 40,54,493.00 |
| The nominal value per Ordinary Share               | In ₹         | 10.00        | 10.00        |
| Earnings per Share                                 |              |              |              |
| Basic  | In ₹         | 47.30        | 37.82        |
| Diluted  | In ₹         | 47.30        | 37.82        |

#### Note: 39. Contingent liabilities and commitments (In ₹ Lakhs)

| (to the extent not provided for)                    | 2021-2022       | 2020-2021       |
|---|-----------------|-----------------|
| <b>Contingent liabilities</b>                       |                 |                 |
| Claims against the company not acknowledged as debt |                 |                 |
| (i) Guarantees                                      | 2,521.92        | 3,274.41        |
| <b>Total</b>  | <b>2,521.92</b> | <b>3,274.41</b> |

#### Note: 40. Segmental Reporting :

\* The entire operations of the company relate to only one segment viz., Electronics & Communication and hence segmental reporting is not given.

**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, 2022

| Particulars                 | Cost     | Financial assets/<br>liabilities at<br>FVTPL | Financial assets/<br>liabilities at fair<br>value through<br>OCI | Total carrying<br>value | Total fair<br>value |
|-----------------------------|----------|--|--|-------------------------|---------------------|
| <b>Assets:</b>              |          |  |  |                         |                     |
| Cash & Cash Equivalents     | 0.32     | -  | -  | 0.32                    | 0.32                |
| Trade Receivable            | 3,615.67 | -  | -  | 3,615.67                | 3,615.67            |
| Deposits                    | 434.86   | -  | -  | 434.86                  | 434.86              |
| Other Financial Assets      | 47.96    | -  | -  | 47.96                   | 47.96               |
| <b>Liabilities:</b>         |          |  |  |                         |                     |
| Trade Payable               | 68.86    | -  | -  | 68.86                   | 68.86               |
| Borrowings                  | -        | -  | -  | -                       | -                   |
| Other Financial Liabilities | 802.50   | -  | -  | 802.50                  | 802.50              |

Amount in ₹ Lakhs as of March 31, 2021

| Particulars                 | Cost     | Financial assets/<br>liabilities at<br>FVTPL | Financial assets/<br>liabilities at fair<br>value through<br>OCI | Total carrying<br>value | Total fair<br>value |
|-----------------------------|----------|--|--|-------------------------|---------------------|
| <b>Assets:</b>              |          |  |  |                         |                     |
| Cash & Cash Equivalents     | 80.20    | -  | -  | 80.20                   | 80.20               |
| Trade Receivable            | 1,312.70 | -  | -  | 1,312.70                | 1,312.70            |
| Deposits                    | 4,724.68 | -  | -  | 4,724.68                | 4,724.68            |
| Other Financial Assets      | 78.51    | -  | -  | 78.51                   | 78.51               |
| <b>Liabilities:</b>         |          |  |  |                         |                     |
| Trade Payable               | 32.76    | -  | -  | 32.76                   | 32.76               |
| Borrowings                  | -        | -  | -  | -                       | -                   |
| Other Financial Liabilities | 1,621.92 | -  | -  | 1,621.92                | 1,621.92            |

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 judgments 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, 2022 & March 31, 2021 is as follows:

| Particulars                   | USD                         | EURO                        | USD      |
|-------------------------------|-----------------------------|-----------------------------|----------|
| <b>Financial Assets:</b>      | <b>As at March 31, 2022</b> | <b>As at March 31, 2021</b> |          |
| Cash & Cash Equivalents       | -                           | -                           | -        |
| Trade Receivable              | 2,24,500                    | -                           | 2,70,570 |
| Deposits                      | -                           | -                           | -        |
| Other Financial Assets        | -                           | -                           | -        |
| <b>Financial Liabilities:</b> |                             |                             |          |
| Trade Payable                 | 44,830                      | 39,884                      | 19,851   |
| 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, 2022 (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               | 3,615.67              | 3,615.17           | 0.50               | -                  | -                    |
| Expected Credit loss                | -                     | -                  | -                  | -                  | -                    |
| Carrying amount (net of impairment) | 3,615.67              | 3,615.17           | 0.50               | -                  | -                    |

#### For the year ended March 31, 2021 (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               | 1,312.70              | 1,306.98           | 5.72               | -                  | -                    |
| Expected Credit loss                | -                     | -                  | -                  | -                  | -                    |
| Carrying amount (net of impairment) | 1,312.70              | 1,306.98           | 5.72               | -                  | -                    |

### 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                 | (In ₹ Lakhs)          |                    |                    |                    |                      |
|-----------------------------|-----------------------|--------------------|--------------------|--------------------|----------------------|
|                             | Gross Carrying Amount | Less than one year | More than one year | More than two year | More than three year |
| <b>As on March 31 2022</b>  |                       |                    |                    |                    |                      |
| Trade Payables              | 68.86                 | 68.86              | -                  | -                  | -                    |
| Other Financial liabilities | 802.50                | 802.50             | -                  | -                  | -                    |
| <b>As on March 31 2021</b>  |                       |                    |                    |                    |                      |
| Trade Payables              | 32.76                 | 32.76              | -                  | -                  | -                    |
| Other Financial liabilities | 1,621.92              | 1,621.92           | -                  | -                  | -                    |

**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

| Particulars  | (In ₹ Lakhs) |           |
|--|--------------|-----------|
|  | 2021-2022    | 2020-2021 |
| <b>(i) Equity Shares</b>   |              |           |
| Final Dividend for the year March 31 2022 Rs 4/- (March 31 2021 Rs. 2/- ) per share of Rs. 10/- each   | 162.18       | 81.09     |
| <b>(ii) Dividends not recognised at the end of the reporting period</b>  |              |           |
| In addition to the above, since the year end directors recommend the payment of Rs. 4/- (March 31 2021 Rs 4/-) per share of Rs. 10/- each, The proposed dividend is subject to the approval of Share holders in the general meeting. | 162.18       | 162.18    |

**Note: 43. Consumption Of Raw Materials:** (In ₹ Lakhs)

| Raw Material | 2021-2022     |                 | 2020-2021     |                 |
|--------------|---------------|-----------------|---------------|-----------------|
|              | %             | ₹               | %             | ₹               |
| Indigenous   | 27.35         | 1,386.41        | 58.56         | 1,555.91        |
| Imported     | 72.65         | 3,682.38        | 41.44         | 1,101.17        |
| <b>TOTAL</b> | <b>100.00</b> | <b>5,068.80</b> | <b>100.00</b> | <b>2,657.08</b> |

**Note: 44. Value of Imports (Calculated in CIF Value):** (In ₹ Lakhs)

| Particulars       | 2021-2022       | 2020-2021       |
|-------------------|-----------------|-----------------|
| Materials         | 4,296.58        | 1,163.15        |
| Capital Equipment | 116.56          | 278.78          |
| <b>Total</b>      | <b>4,413.13</b> | <b>1,441.93</b> |

**Note: 45. Expenditure in Foreign Currency:** (In ₹ Lakhs)

| Particulars         | 2021-2022       | 2020-2021       |
|---------------------|-----------------|-----------------|
| Purchases (Imports) | 4,300.95        | 1,164.67        |
| Foreign Travel      | -               | -               |
| <b>Total</b>        | <b>4,300.95</b> | <b>1,164.67</b> |

**Note:46.The disclosure relating to transactions with Micro, Small and Medium Enterprises**

Sundry Creditors includes Rs. NIL (previous year Rs. 18,26,586/-) 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, women empowerment, measures for the benefit of war widows and contributions to incubators 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 FY 2021-22 are as under:

| Particulars   | (In ₹ Lakhs)   |           |
|---|--|-----------|
|   | 2021-2022  | 2020-2021 |
| Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013 | 4,352.15   | 3,418.81  |
| Average of net profits  | 1,450.72   | 1,139.60  |
| (i) Amount required to be spent by the Company during the year                                    | 29.01  | 22.79     |
| (ii) Amount spent towards CSR Activities  | 29.37  | 25.40     |
| (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, Measures for the benefit of war widows and Contributions to Incubators for benefits of physically challenged people. |           |
| (vi) Details of related party transactions  | -  | -         |

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:

| Particulars  | (In ₹ Lakhs)         |                      |
|--|----------------------|----------------------|
|  | As on March 31, 2022 | As on March 31, 2021 |
| <b>Current:</b>  |                      |                      |
| <b>Financial Assets:</b>   |                      |                      |
| <b>First Charge (Primary Security)</b>                           |                      |                      |
| Trade Receivable   | 3,615.67             | 1,312.70             |
| <b>Non-Financial Assets:</b>                                     |                      |                      |
| Inventories  | 1,668.47             | 251.43               |
| <b>Total Current Assets Pledged as Primary Security</b>          | <b>5,284.14</b>      | <b>1,564.13</b>      |
| <b>Non-Current Assets (Collateral Security)</b>                  |                      |                      |
| Land   | 105.23               | 105.23               |
| Plant & Machinery  | 479.81               | 496.02               |
| Other Fixed Assets   | 923.41               | 655.36               |
| <b>Total Non-Current Assets Pledged as Collateral Security</b>   | <b>1,508.45</b>      | <b>1,256.61</b>      |
| <b>Total Assets Pledged as Primary &amp; Collateral Security</b> | <b>6,792.59</b>      | <b>2,820.74</b>      |

## Note No. 49. Analytical Ratios

| Ratio                                       | Numerator   | Denominator  | Current Year<br>March<br>31, 2022 | Previous<br>Year<br>March<br>31, 2021 | Variance | Reasons  |
|---|---|--|-----------------------------------|---------------------------------------|----------|--|
| Current ratio (in times)                    | Total current Assets  | Total current liabilities  | 3.11                              | 3.89                                  | -20.00%  |  |
| Debt-equity ratio (in times)                | Long term liabilities +short term borrowings  | Total equity   | 0.15                              | -                                     | 15.00%   | During the year 2020-21 The Company did not draw working capital from bank   |
| 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                                     | 49.19                             | 54.70                                 | -10.06%  |  |
| Return on equity ratio (in %)               | Profit for the year   | Average total equity   | 25.58%                            | 26.01%                                | -1.66%   |  |
| Inventory turnover ratio (in times)         | Revenue from operations   | Average total inventory  | 10.93                             | 20.44                                 | -46.51%  |  |
| Trade receivables turnover ratio (in times) | Revenue from operations   | Average trade receivables  | 4.26                              | 3.60                                  | 18.39%   |  |
| Trade payables turnover                     | Raw material purchases + Fuel purchase+Other expenses   | Average trade payables   | 116                               | 26                                    | 339.11%  | Procurement is completed by Feb and payments cleared in March  |
| Net capital turnover ratio                  | Revenue from operations   | Average working capital (ie., Total current assets less Total current liabilities) | 2.22                              | 1.61                                  | 37.35%   | Increase in Turnover   |
| Net profit ratio (in %)                     | Profit for the year   | Revenue from operations  | 0.18                              | 0.20                                  | -7.40%   | Depends on the product Mix, Gross Profit margin is less compared to last year as Raw Material component cost is more in the products manufacturing during this year. |
| Return on capital employed (in %)           | Earning before tax and finance cost   | Capital employed = Net worth + Deferred tax liabilities                            | 0.26                              | 0.30                                  | -14.92%  |  |
| Return on Investment                        | Inome generated from invested funds   | Average invested funds in treasury investmens                                      | -                                 | -                                     | -        | NIL returns as the subsidiary did not commence commercial Operations   |

**Note:50.Impact of COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

**Note:51.Note on “Code on Security,2020”**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note:52. Confirmations**

The Company requested its debtors and creditors to confirm the balances as at the end of half year in respect of trade payables, trade receivables and advances directly to the Statutory Auditors.

**Note:53**

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

per our report of even date  
**for GRANDHY & CO**  
 Chartered Accountants  
 Firm Registration No. 0010075

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: 06.05.2022

Sd/-  
**A SARADA**  
 Whole-Time Director & CFO  
 DIN: 00026543

Sd/-  
**T VENKATESH**  
 Company Secretary

## 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, 2022, 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, 2022, 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.

| Key Audit Matter  | Auditor's Response   |
|---|--|
| <p><b>Fair value assessment of trade receivables</b></p> <p>Trade receivables comprise a significant portion of the liquid assets of the Company.</p> <p>The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. 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</p> | <p><b><u>Principal Audit Procedures</u></b></p> <p>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:</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> </ul> |

|  |  |
|--|--|
| <p>allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.</p>  | <ul style="list-style-type: none"> <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 judgment 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 Disclosures relating revenue recognition are in Note 23.</p> | <p><b>Principal Audit Procedures</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. The Directors Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial 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.

## Other matters

### Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law 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, 2022 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, 2022 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 over financial reporting of the Holding Company and its subsidiary, which is incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (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 Group does not have any pending litigations which would impact the standalone 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 misstatement
- v. As stated in Note 41 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.
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

Sd/-

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754  
UDIN: 22201754AINNAG9040

Place : Hyderabad  
Date : May 06, 2022

## **Annexure “A” to the Independent Auditor's Report**

(Referred to in paragraph I (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 (“theAct”)**

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, 2022 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, 2022, 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

Sd/-

**Naresh Chandra Gelli**  
Partner  
Membership No. 201754  
UDIN: 22201754AINNAG9040

Place : Hyderabad  
Date : May 06, 2022

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(In ₹ Lakhs)

| Particulars  | Note No  | As at March 31, 2022 | As at March 31, 2021 |
|--|----------|----------------------|----------------------|
| <b>ASSETS</b>  |          |                      |                      |
| <b>Non-current assets</b>  |          |                      |                      |
| (a) Property, Plant and Equipment  | 2        | 2,446.00             | 1,339.97             |
| (b) Capital work-in-progress   | 3        | 700.82               | 73.64                |
| (c) Right-to-use Asset   | 4        | 221.10               | 262.55               |
| (d) Financial Assets   |          |                      |                      |
| (i) Investments  |          | -                    | -                    |
| (ii) Others  | 5        | 371.51               | 519.76               |
| (e) Deferred tax Assets (net)  | 6        | -                    | -                    |
| <b>Current Assets</b>  |          |                      |                      |
| (a) Inventories  | 7        | 1,677.02             | 251.43               |
| (b) Financial Assets   |          |                      |                      |
| (i) Trade Receivables  | 8        | 3,615.67             | 1,312.70             |
| (ii) Cash & Cash Equivalents   | 9        | 52.01                | 80.20                |
| (iii) Bank Balances other than (iii) above   | 10       | 81.31                | 4,216.85             |
| (iv) Others (Int accrued on employee loans & term deposits)                                | 11       | 33.84                | 66.59                |
| (c) Current Tax Assets (Net)   | 12       | 2.28                 | 22.65                |
| (d) Other Current Assets   | 13       | 1,698.12             | 530.01               |
| <b>Total Assets</b>  |          | <b>10,899.67</b>     | <b>8,676.35</b>      |
| <b>EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>Equity</b>  |          |                      |                      |
| (a) Equity Share Capital   | 14       | 405.51               | 405.51               |
| (b) Other Equity   | 15       | 7,846.36             | 6,218.46             |
| <b>Liabilities</b>   |          |                      |                      |
| <b>Non-current liabilities</b>   |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| (i) Borrowings   |          | -                    | -                    |
| (ia) Lease Liabilities   | 16       | 278.47               | 306.28               |
| (b) Provisions   | 17       | 22.09                | 8.41                 |
| (c) Deferred Tax Liability (Net)   | 6        | 100.64               | 71.14                |
| <b>Current liabilities</b>   |          |                      |                      |
| (a) Financial Liabilities  |          |                      |                      |
| (i) Borrowings   | 18       | 1,286.65             | -                    |
| (ii) Trade payables  | 19       |                      |                      |
| (a) Total outstanding dues of Micro enterprises and small enterprises                      |          | -                    | 18.27                |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 70.61                | 14.49                |
| (iii) Other Financial Liabilities  | 20       | 803.74               | 1,621.92             |
| (b) Current Tax Liabilities (Net)  | 21       | 1.79                 | -                    |
| (c) Other current liabilities  | 22       | 83.81                | 11.87                |
| <b>Total Equity and Liabilities</b>  |          | <b>10,899.67</b>     | <b>8,676.35</b>      |
| <b>Significant Accounting Policies</b>   | <b>I</b> |                      |                      |

per our report of even date  
**for GRANDHY & CO**  
Chartered Accountants  
Firm Registration No. 0010075

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: 06.05.2022

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**T VENKATESH**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(In ₹ Lakhs)

| Particulars   | Note No | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---------|---------------------------|---------------------------|
| <b>Income</b>   |         |                           |                           |
| i) Revenue From Operations  | 23      | 10,495.35                 | 7,769.60                  |
| ii) Other Income  | 24      | 137.04                    | 87.32                     |
| <b>Total Income</b>   |         | <b>10,632.39</b>          | <b>7,856.91</b>           |
| <b>Expenses</b>   |         |                           |                           |
| i) Cost of materials consumed   | 25      | 5,089.42                  | 2,657.08                  |
| ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 26      | (400.01)                  | 41.81                     |
| iii) Employee benefits expense  | 27      | 1,326.67                  | 1,035.65                  |
| iv) Manufacturing Expenses  | 28      | 705.12                    | 851.22                    |
| v) Research and Development Expenses  | 29      | 604.67                    | 607.34                    |
| vi) Selling and Distribution Expenses   | 30      | 130.62                    | 118.70                    |
| vii) Depreciation and amortisation expense  | 31      | 402.79                    | 303.15                    |
| viii) Finance Cost  | 32      | 151.30                    | 151.39                    |
| ix) Administrative & Other Expenses   | 33      | 374.96                    | 240.22                    |
| <b>Total expenses</b>   |         | <b>8,385.56</b>           | <b>6,006.58</b>           |
| <b>Profit/(loss) before exceptional items and tax</b>                             |         | <b>2,246.83</b>           | <b>1,850.34</b>           |
| Exceptional Items   |         |                           |                           |
| <b>Profit Before Tax</b>  |         | <b>2,246.83</b>           | <b>1,850.34</b>           |
| Tax Expenses  |         | <b>449.13</b>             | <b>316.97</b>             |
| - Current Tax   |         | <b>415.48</b>             | <b>326.68</b>             |
| - Prior Period Adjustments  |         |                           | <b>24.78</b>              |
| - Deferred Tax  |         | <b>33.65</b>              | <b>(34.49)</b>            |
| <b>Profit/(loss) for the period from continuing operations</b>                    |         | <b>1,797.70</b>           | <b>1,533.37</b>           |
| Profit/(loss) from discontinued operations  |         | -                         | -                         |
| Tax expense of discontinued operations  |         | -                         | -                         |
| <b>Profit/(loss) from discontinued operations after tax</b>                       |         | <b>-</b>                  | <b>-</b>                  |
| <b>I Profit/(loss) for the Period</b>   |         | <b>1,797.70</b>           | <b>1,533.37</b>           |
| <b>II Other Comprehensive Income</b>  |         |                           |                           |
| <b>i) Items that will not be reclassified to profit or loss</b>                   |         |                           |                           |
| Remeasurment of defined benefit plan  |         | (14.27)                   | 8.01                      |
| Tax on the above  |         | 6.65                      | (3.73)                    |
|   |         | <b>(7.62)</b>             | <b>4.28</b>               |
| <b>ii) Items that will be reclassified to profit or loss</b>                      |         |                           |                           |
| Other Comprehensive Income  |         | <b>(7.62)</b>             | <b>4.28</b>               |
| <b>III Total Comprehensive Income for the period</b>                              |         | <b>1,790.08</b>           | <b>1,537.65</b>           |
| <b>IV Earnings per equity share :</b>   |         |                           |                           |
| <b>Equity Shares of par value ₹ 10/- each</b>                                     |         |                           |                           |
| (1) Basic (₹)   |         | 44.34                     | 37.82                     |
| (2) Diluted (₹)   |         | 44.34                     | 37.82                     |

per our report of even date  
for **GRANDHY & CO**  
Chartered Accountants  
Firm Registration No. 0010075

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: 06.05.2022

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**T VENKATESH**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹ Lakhs)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>   |                                      |                                      |
| Profit before income tax from  |                                      |                                      |
| Continuing operations  | 2,246.83                             | 1,850.34                             |
| Discontinued operations  | -                                    | -                                    |
| <b>Profit before income tax including discontinued operations</b>  | <b>2,246.83</b>                      | <b>1,850.34</b>                      |
| <b>Adjustments for</b>   |                                      |                                      |
| Depreciation and amortisation expense  | 402.79                               | 303.15                               |
| Gain on disposal of property, plant and equipment  | -                                    | -                                    |
| Written off assets   | 2.47                                 | 0.21                                 |
| Dividend and interest income classified as investing cash flows  | (69.01)                              | (78.61)                              |
| Finance costs  | 151.30                               | 151.39                               |
| Other Comprehensive Income   | (14.27)                              | 8.01                                 |
|  | <b>2,720.12</b>                      | <b>2,234.49</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   | (2,299.54)                           | 1,694.30                             |
| (Increase)/decrease in inventories   | (1,425.58)                           | 257.50                               |
| (Increase)/decrease in other financial assets  | 32.75                                | (13.91)                              |
| (Increase)/decrease in other non-current assets  | -                                    | -                                    |
| (Increase)/decrease in other current assets  | (1,168.10)                           | 55.49                                |
| Increase/(decrease) in trade payables  | 37.85                                | (122.70)                             |
| Increase/(decrease) in provisions  | 13.67                                | (29.16)                              |
| Increase/(decrease) in other current liabilities   | 71.94                                | (63.53)                              |
| Increase/(decrease) in financial liabilities   | (818.18)                             | 805.59                               |
| Increase/(decrease) in other non current liabilities   | -                                    | -                                    |
| <b>Cash generated from operations</b>  | <b>(2,835.07)</b>                    | <b>4,818.07</b>                      |
| Income taxes paid  | (396.74)                             | (352.88)                             |
| <b>Net cash inflow from operating activities</b>   | <b>(3,231.80)</b>                    | <b>4,465.19</b>                      |
| <b>Cash flows from investing activities</b>  |                                      |                                      |
| Payments for property, plant and equipment   | (1,467.36)                           | (494.44)                             |
| Increase in Capital Work in Progress   | (627.18)                             | (73.64)                              |
| Increase in Term deposits  | 4,283.79                             | (3,688.96)                           |
| Proceeds from sale of property, plant and equipment  | -                                    | 10.80                                |
| Increase in Investments  | -                                    | -                                    |
| Interest received  | 69.01                                | 78.61                                |
| <b>Net cash outflow from investing activities</b>  | <b>2,258.25</b>                      | <b>(4,167.63)</b>                    |

|  |              |              |
|--|--------------|--------------|
| <b>Cash flows from financing activities</b>                      |              |              |
| Increase/(decrease) in borrowings                                | 1,286.65     | -            |
| Interest paid  | (117.77)     | (115.05)     |
| Payment of lease obligations                                     | (61.34)      | (58.42)      |
| Dividends paid to Company's share holders                        | (162.18)     | (81.09)      |
| <b>Net cash inflow (outflow) from financing activities</b>       | 945.36       | (254.56)     |
| <b>Net increase (decrease) in cash and cash equivalents</b>      | (28.19)      | 43.00        |
| Cash and cash equivalents at the beginning of the financial year | 80.20        | 37.20        |
| Effects of exchange rate changes on cash and cash equivalents    | -            |              |
| <b>Cash and cash equivalents at end of the year</b>              | <b>52.01</b> | <b>80.20</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 NAVEEN**  
 Director  
 DIN: 02726620

Place: Hyderabad  
 Date: 06.05.2022

Sd/-  
**A SARADA**  
 Whole-Time Director & CFO  
 DIN: 00026543

Sd/-  
**T VENKATESH**  
 Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2022

### A. Equity Share Capital

| Particulars                                       | (In ₹ Lakhs)         |               |                      |               |
|---|----------------------|---------------|----------------------|---------------|
|   | As at March 31, 2022 |               | As at March 31, 2021 |               |
|   | No of Shares         | Amount        | No of Shares         | Amount        |
| Opening Equity Shares                             | 40,54,493            | 405.45        | 40,54,493            | 405.45        |
| Changes in Equity Share Capital during the year   | -                    | -             | -                    | -             |
| Add: Forfeited Shares (Amount originally paid up) |                      | 0.06          |                      | 0.06          |
| <b>Closing balance</b>                            | <b>40,54,493</b>     | <b>405.51</b> | <b>40,54,493</b>     | <b>405.51</b> |

### B. Other Equity as at March 31, 2022

|   | Share application money pending allotment | Equity Components of compound financial instruments | Reserves and Surplus |                 |                  |                   | Total    |
|---|---|---|----------------------|-----------------|------------------|-------------------|----------|
|   |   |   | General Reserve      | Capital Reserve | Security Premium | Retained Earnings |          |
| Balance at the beginning of the reporting period    | -   | -   | 345.98               | 109.82          | 79.30            | 5,683.36          | 6,218.46 |
| Changes in accounting policy or prior period errors | -   | -   | -                    | -               | -                | -                 | -        |
| Total comprehensive income for the year             | -   | -   | -                    | -               | -                | 1,790.08          | 1,790.08 |
| Dividend  | -   | -   | -                    | -               | -                | (162.18)          | (162.18) |
| Unamortized premium on forward contract             | -   | -   | -                    | -               | -                | -                 | -        |
| Transfer to retained earnings                       | -   | -   | -                    | -               | -                | -                 | -        |
| Any other changes                                   | -   | -   | -                    | -               | -                | -                 | -        |
| Balance at the end of the reporting period          | -   | -   | 345.98               | 109.82          | 79.30            | 7,311.26          | 7,846.36 |



(In ₹ Lakhs)

**B. Other Equity as at March 31, 2021**

|   | Share application money pending allotment | Equity Components of compound financial instruments | Reserves and Surplus |                 |                  |                   | Total    |
|---|---|---|----------------------|-----------------|------------------|-------------------|----------|
|   |   |   | General Reserve      | Capital Reserve | Security Premium | Retained Earnings |          |
| Balance at the beginning of the reporting period    | -   | -   | 345.98               | 109.82          | 79.30            | 4,226.80          | 4,761.90 |
| Changes in accounting policy or prior period errors | -   | -   | -                    | -               | -                | -                 | -        |
| Total comprehensive income for the year             | -   | -   | -                    | -               | -                | 1,537.65          | 1,537.65 |
| Dividend  | -   | -   | -                    | -               | -                | (81.09)           | (81.09)  |
| Unamortized premium on forward contract             | -   | -   | -                    | -               | -                | -                 | -        |
| Transfer to retained earnings                       | -   | -   | -                    | -               | -                | -                 | -        |
| Any other changes                                   | -   | -   | -                    | -               | -                | -                 | -        |
| Balance at the end of the reporting period          | -   | -   | 345.98               | 109.82          | 79.30            | 5,683.36          | 6,218.46 |

## Note 1: NOTES TO STANDALONE FINANCIAL STATEMENTS

### COMPANY OVERVIEW AND SIGNIFICANT 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 Vishakhapatnam, 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), Vishakhapatnam 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 6<sup>th</sup> May, 2022.

#### 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 IndAS 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.

#### C. Scope of consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Fully consolidated means recognition of all assets and liabilities and items in the income statement in full. Thereafter the portion of net profit and equity is allocated between the owners of the Holding Company and non-controlling interest. Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

The financial statements of group companies are consolidated on line by line basis and Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised 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 IndAS. 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 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.

**E. Use of Estimates**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments' and assumptions (including revisions, if any). These estimates, judgments 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.

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.

**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 recognised 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.

Revenue from time and material and job contracts is recognised 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 recognised 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 – amortised 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:

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 along with 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

The Company recognizes right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalized at the inception of the lease and recognised on the consolidated balance sheet. The corresponding liability to the lessor is recognised as a lease obligation within short and long-term borrowings. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability on leases, the incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the company would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market. Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

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.

**S. Segment Information:**

The company is considered to be a single segment company engaged in the manufacture of telecom products and providing related customer support services. Consequently, the company has in its primary segment only one reportable business segment.

**T. Events after the reporting period :**

Adjusting events are events that provide further evidence of condition that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

**U. Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

## Notes to accounts for the year ended March 31, 2022

## 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, 2021                           | 174.34 | 685.09               | 45.74               | 72.89                | 620.28                                 | 126.30    | 129.27                         | 104.15   | 335.95           | 2,294.03 |
| Additions                                     | 399.19 | 290.88               |                     | 47.22                | 269.48                                 | 67.01     | 34.50                          | 46.46    | 312.61           | 1,467.36 |
| (Deduction/ Retirement) During the year       |        |                      |                     |                      |  |           |                                |          |                  |          |
| Gross Block as at March 31, 2022              | 573.53 | 975.97               | 45.74               | 120.12               | 889.76                                 | 193.31    | 163.78                         | 150.62   | 648.57           | 3,761.39 |
| Accumulated Depreciation as at April 1, 2021  | -      | 189.07               | 31.49               | 49.94                | 251.47                                 | 71.17     | 112.64                         | 33.29    | 215.00           | 954.05   |
| Depreciation for the Year                     | -      | 39.96                | 9.14                | 13.60                | 144.21                                 | 39.52     | 11.65                          | 27.50    | 75.76            | 361.34   |
| (Deduction/ Adjustments) During the year      |        |                      |                     |                      |  |           |                                |          |                  |          |
| Accumulated Depreciation as at March 31, 2022 | -      | 229.04               | 40.63               | 63.54                | 395.67                                 | 110.69    | 124.29                         | 60.78    | 290.75           | 1,315.39 |
| Net Block as at March 31, 2022                | 573.53 | 746.93               | 5.11                | 56.58                | 494.09                                 | 82.62     | 39.49                          | 89.83    | 357.81           | 2,446.00 |

(In ₹ Lakhs)

**Note: 2 Property, Plant and Equipment**

| 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, 2020                | 174.34 | 685.09               | 45.74               | 68.35                | 312.03                                 | 88.51     | 122.58                         | 64.72    | 267.47           | 1,828.84 |
| Additions                                      |        |                      |                     | 4.54                 | 308.24                                 | 37.79     | 6.69                           | 68.69    | 68.48            | 494.44   |
| (Deduction/ Retirement) During the year        |        |                      |                     |                      |  |           |                                | (29.25)  |                  | (29.25)  |
| Gross Block as at March 31, 2021               | 174.34 | 685.09               | 45.74               | 72.89                | 620.28                                 | 126.30    | 129.27                         | 104.15   | 335.95           | 2,294.03 |
| Depreciation/ Amortization as at April 1, 2020 | -      | 150.04               | 22.35               | 39.59                | 175.54                                 | 44.49     | 100.69                         | 33.45    | 144.57           | 710.71   |
| Depreciation for the Year                      | -      | 39.04                | 9.14                | 10.35                | 75.93                                  | 26.68     | 11.95                          | 18.18    | 70.43            | 261.69   |
| (Deduction/ Adjustments) During the year       |        |                      |                     |                      |  |           |                                | (18.34)  |                  | (18.34)  |
| Accumulated Depreciation as at March 31, 2021  | -      | 189.07               | 31.49               | 49.94                | 251.47                                 | 71.17     | 112.64                         | 33.29    | 215.00           | 954.05   |
| Net Block as at March 31, 2021                 | 174.34 | 496.02               | 14.25               | 22.95                | 368.81                                 | 55.13     | 16.64                          | 70.87    | 120.96           | 1,339.97 |



**Note: 3. Capital Work-in-Progress**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 |               | As at<br>March 31, 2021 |
|---|-------------------------|---------------|-------------------------|
|   | Project 1               | Project 2     | Project 1               |
| <b>Capital Work-in-Progress (Construction of Buildings)</b>       |                         |               |                         |
| Capital Work-in-Progress at the beginning of the reporting period | 73.64                   |               | -                       |
| Add: Additions During the year                                    | 193.51                  | 700.82        | 73.64                   |
| Less: Capitalised During the year                                 | 267.16                  | -             | -                       |
| Capital Work-in-Progress (Construction of Buildings)              | -                       | <b>700.82</b> | <b>73.64</b>            |

**Capital Work-in-progress ageing Schedule for the year ending March 31, 2022 & March 31, 2021** (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, 2022</b>          |                                |           |           |                 |        |
| Projects in Process            | 700.82                         | -         | -         | -               | 700.82 |
| Projects Temporarily Suspended | -                              | -         | -         | -               | -      |
| <b>March 31, 2021</b>          |                                |           |           |                 |        |
| Projects in Process            | 73.64                          | -         | -         | -               | 73.64  |
| Projects Temporarily Suspended | -                              | -         | -         | -               | -      |

**Note: 4. Right-to-use Asset**

(In ₹ Lakhs)

| Particulars        | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| Right to Use Lease | 262.55                  | 304.01                  |
| Less: Depreciation | 41.46                   | 41.46                   |
| <b>Total</b>       | <b>221.10</b>           | <b>262.55</b>           |

**Note: 5. Other Financial Assets Non Current**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured (considered good)   |                         |                         |
| In Margin Money/ Deposit A/c with original maturity of more than one year | 325.87                  | 480.38                  |
| Deposits  | 45.63                   | 39.38                   |
| <b>Total</b>  | <b>371.51</b>           | <b>519.76</b>           |

**Note: 6. Deferred tax Liabilities / (Assets)**

(In ₹ Lakhs)

| Particulars                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Deferred Tax Liability</b>                |                         |                         |
| Property, plant and equipment                | (138.53)                | (94.34)                 |
| Lease Asset                                  | (64.38)                 | (76.46)                 |
| <b>Sub Total</b>                             | <b>(202.91)</b>         | <b>(170.80)</b>         |
| Deferred tax Assets                          |                         |                         |
| Lease Liability                              | 81.09                   | 89.19                   |
| Employee benefits                            | 12.58                   | 6.02                    |
| Remeasurment of defined benefit plan         | 8.61                    | 4.45                    |
| <b>Sub Total</b>                             | <b>102.28</b>           | <b>99.66</b>            |
| <b>Net Deferred Tax Assets/(Liabilities)</b> | <b>(100.64)</b>         | <b>(71.14)</b>          |

**Movement in deferred tax balances during the year**

(In ₹ Lakhs)

| Particulars                           | Balance As at April 01, 2021 | Recognised in profit & loss | Recognised in OCI | Balance As at March 31, 2022 |
|---------------------------------------|------------------------------|-----------------------------|-------------------|------------------------------|
| Property, plant and equipment         | (94.34)                      | (44.19)                     |                   | (138.53)                     |
| Employee benefits                     | 6.02                         | 6.56                        |                   | 12.58                        |
| Lease Liability                       | 89.19                        | (8.10)                      |                   | 81.09                        |
| Lease Asset                           | (76.46)                      | 12.07                       |                   | (64.38)                      |
| Remeasurement of defined benefit plan | 4.45                         | 4.15                        |                   | 8.61                         |
| <b>Total</b>                          | <b>(71.14)</b>               | <b>(29.49)</b>              | <b>-</b>          | <b>(100.64)</b>              |

**Movement in deferred tax balances during the year**

(In ₹ Lakhs)

| Particulars                           | Balance As at April 01, 2021 | Recognised in profit & loss | Recognised in OCI | Balance As at March 31, 2021 |
|---------------------------------------|------------------------------|-----------------------------|-------------------|------------------------------|
| Property, plant and equipment         | (126.36)                     | 32.02                       |                   | (94.34)                      |
| Employee benefits                     | 9.19                         | (3.17)                      |                   | 6.02                         |
| Lease Liability                       | 95.62                        | (6.43)                      |                   | 89.19                        |
| Lease Asset                           | (88.53)                      | 12.07                       |                   | (76.46)                      |
| Remeasurement of defined benefit plan | 6.79                         | (2.33)                      |                   | 4.45                         |
| <b>Total</b>                          | <b>(103.30)</b>              | <b>32.16</b>                | <b>-</b>          | <b>(71.14)</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, 2022 | As at March 31, 2021 |
|----------------------------------|----------------------|----------------------|
| Deductible temporary differences | -                    | -                    |
| Tax losses                       | -                    | -                    |
| <b>Total</b>                     | <b>-</b>             | <b>-</b>             |

**Note: 7. Inventories**

(In ₹ Lakhs)

| Particulars          | As at March 31, 2022 | As at March 31, 2021 |
|----------------------|----------------------|----------------------|
| <b>Raw Materials</b> |                      |                      |
| - Indigenous         | 676.44               | 129.26               |
| - Imported           | 547.83               | 69.43                |
| Work in Progress     | 452.75               | 52.74                |
| <b>Total</b>         | <b>1,677.02</b>      | <b>251.43</b>        |

**Note: 8. Trade Receivables Current**

(In ₹ Lakhs)

| Particulars   | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| a) Trade Receivables Considered Good - Good                         | -                    | -                    |
| b) Trade Receivables Considered Good - Good                         | 3,615.67             | 1,312.70             |
| c) Trade Receivables Which have significant increase in credit risk | -                    | -                    |
| d) Trade Receivables - Credit Impaired                              | -                    | -                    |
| e) Trade Receivables from related parties                           | -                    | -                    |
| Less: Allowance for expected credit losses                          | -                    | -                    |
| <b>Total</b>  | <b>3,615.67</b>      | <b>1,312.70</b>      |

## Trade Receivable ageing Schedule for the year ending March 31, 2022 &amp; March 31, 2021

(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, 2022</b>   |  |                    |                    |             |           |                 |                 |
| (i) Undisputed Trade Receivable - Considered Good                                 | 3,370  | 217.18             | 28.12              | 0.50        | -         | -               | 3,615.67        |
| (ii) Undisputed Trade Receivable - Which have significant increase in credit risk | -  | -                  | -                  | -           | -         | -               | -               |
| (iii) Undisputed Trade Receivable - Credit Impaired                               | -  | -                  | -                  | -           | -         | -               | -               |
| (iv) Disputed Trade Receivable - Considered Good                                  | -  | -                  | -                  | -           | -         | -               | -               |
| (v) Undisputed Trade Receivable - Which have significant increase in credit risk  | -  | -                  | -                  | -           | -         | -               | -               |
| (vi) Disputed Trade Receivable - Credit Impaired                                  | -  | -                  | -                  | -           | -         | -               | -               |
| <b>Total</b>  | <b>3,370</b>   | <b>217.18</b>      | <b>28.12</b>       | <b>0.50</b> | <b>-</b>  | <b>-</b>        | <b>3,615.67</b> |

|   |           |                 |              |             |          |          |                 |
|---|-----------|-----------------|--------------|-------------|----------|----------|-----------------|
| <b>March 31, 2021</b>   |           |                 |              |             |          |          |                 |
| (i) Undisputed Trade Receivable - Considered Good                                 | 46        | 1,210.05        | 50.56        | 5.72        | -        | -        | 1,312.70        |
| (ii) Undisputed Trade Receivable - Which have significant increase in credit risk | -         | -               | -            | -           | -        | -        | -               |
| (iii) Undisputed Trade Receivable - Credit Impaired                               | -         | -               | -            | -           | -        | -        | -               |
| (iv) Disputed Trade Receivable - Considered Good                                  | -         | -               | -            | -           | -        | -        | -               |
| (v) Undisputed Trade Receivable - Which have significant increase in credit risk  | -         | -               | -            | -           | -        | -        | -               |
| (vi) Disputed Trade Receivable - Credit Impaired                                  | -         | -               | -            | -           | -        | -        | -               |
| <b>Total</b>  | <b>46</b> | <b>1,210.05</b> | <b>50.56</b> | <b>5.72</b> | <b>-</b> | <b>-</b> | <b>1,312.70</b> |

**Note: 9. Cash & Cash Equivalents**

(In ₹ Lakhs)

| Particulars                | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|----------------------|----------------------|
| Cash on hand               | 0.38                 | 0.26                 |
| Cheques, Drafts on hand    | -                    | -                    |
| Balances with Banks        |                      |                      |
| (a) in Current Account     | 51.63                | 5.70                 |
| (b) in Cash Credit Account | -                    | 74.24                |
| <b>Total</b>               | <b>52.01</b>         | <b>80.20</b>         |

**Note: 10 Bank Balances other than above** (In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| For Unpaid Dividend   | 14.12                   | 11.92                   |
| As Margin money/under lien  |                         |                         |
| In term deposit with original maturity more than 3 months but less than 12 months | 67.19                   | 4,204.93                |
| <b>Total</b>  | <b>81.31</b>            | <b>4,216.85</b>         |

**Note: 11. Other Financial Assets Current** (In ₹ Lakhs)

| Particulars                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------|-------------------------|-------------------------|
| Unsecured (considered good) |                         |                         |
| Accrued Interest            | 33.84                   | 66.59                   |
| <b>Total</b>                | <b>33.84</b>            | <b>66.59</b>            |

**Note: 12. Current tax Assets** (In ₹ Lakhs)

| Particulars                               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Advance tax paid for the FY 2021-22 (Net) | -                       | 13.48                   |
| TDS and TCS (Net)                         | 2.28                    | 9.16                    |
| <b>Total</b>                              | <b>2.28</b>             | <b>22.65</b>            |

**Note: 13. Other Current Assets** (In ₹ Lakhs)

| Particulars                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Unsecured (considered good)    |                         |                         |
| Prepaid Expenses               | 84.25                   | 129.65                  |
| Advance to Suppliers           | 748.48                  | 195.59                  |
| Other Advances                 | 54.38                   | 14.76                   |
| Balances with GST Department   | 127.50                  | 1.47                    |
| Balance with GST credit ledger | 683.46                  | 188.54                  |
| <b>Total</b>                   | <b>1,698.12</b>         | <b>530.01</b>           |

**Note: 14. Equity Shares** (In ₹ Lakhs)

| Particulars                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Authorized</b>                                |                         |                         |
| Ordinary shares of par value of Rs. 10/- each    |                         |                         |
| Number   | 70,00,000               | 70,00,000               |
| Amount in ₹ Lakhs                                | 700.00                  | 700.00                  |
| <b>Issued, subscribed and fully paid</b>         |                         |                         |
| Ordinary shares of par value of Rs.10/- each     |                         |                         |
| Number   | 40,54,493.00            | 40,54,493.00            |
| <b>Amount In ₹ Lakhs</b>                         | <b>405.45</b>           | <b>405.45</b>           |
| Add Forfeited Shares (Amount originally paid up) | 0.06                    | 0.06                    |
| <b>Total In ₹ Lakhs</b>                          | <b>405.51</b>           | <b>405.51</b>           |

**Reconciliation of number of shares:**

(In ₹ Lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Opening Equity Shares   | 40,54,493.00            | 40,54,493.00            |
| Add: -No. of Shares, Share Capital issued/ subscribed during the year | -                       | -                       |
| Less: Deduction   | -                       | -                       |
| <b>Closing balance</b>  | <b>40,54,493.00</b>     | <b>40,54,493.00</b>     |

**No. of Shares in the company held by shareholder holding more than 5 percent**

(In ₹ Lakhs)

| Name of the Shareholder     | As at<br>March 31, 2022 | % Of Total<br>Shares | % of Change<br>during the year |
|-----------------------------|-------------------------|----------------------|--------------------------------|
| Sri Vidya Sagar Abburi      | 7,64,225                | 0.19                 | 0.01                           |
| Smt K Swapna                | 3,00,000                | 0.07                 | -                              |
| Smt. Sarada Abburi          | 2,51,249                | 0.06                 | -                              |
| Ms. Sailaja Abburi          | 2,58,422                | 0.06                 | -                              |
| Sri Siddhartha Sagar Abburi | 3,16,941                | 0.08                 | -                              |

The Company has one class of share capital, comprising ordinary shares of 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.

The Company does not have any holding Company.

**Note: 15. Other Equity**

(In ₹ Lakhs)

| Particulars                               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Capital Redemption Reserve</b>         |                         |                         |
| Opening balance                           | 109.82                  | 109.82                  |
| Add: Current Year Transfer                | -                       | -                       |
| Less: Written Back in Current Year        | -                       | -                       |
| <b>Total</b>                              | <b>109.82</b>           | <b>109.82</b>           |
| <b>Securities Premium Reserve</b>         |                         |                         |
| Opening balance                           | 79.30                   | 79.30                   |
| Add: Current Year Transfer                | -                       | -                       |
| Less: Written Back in Current Year        | -                       | -                       |
| <b>Total</b>                              | <b>79.30</b>            | <b>79.30</b>            |
| <b>General Reserve</b>                    |                         |                         |
| Opening balance                           | 345.98                  | 345.98                  |
| Add: Current Year Transfer                | -                       | -                       |
| Less: Written Back in Current Year        | -                       | -                       |
| <b>Total</b>                              | <b>345.98</b>           | <b>345.98</b>           |
| <b>Surplus in Profit and Loss account</b> |                         |                         |
| Opening balance                           | 5,683.36                | 4,226.80                |
| Add: Current Year Transfer                |                         |                         |
| Profit and loss account                   | 1,790.08                | 1,537.65                |
| Less: Dividend Paid                       | (162.18)                | (81.09)                 |
| Less: Tax on Dividend                     | -                       | -                       |
| <b>Total</b>                              | <b>7,311.26</b>         | <b>5,683.36</b>         |
| <b>Total Other Equity</b>                 | <b>7,846.36</b>         | <b>6,218.46</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<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------|-------------------------|-------------------------|
| Lease Liability | 278.47                  | 306.28                  |
| <b>Total</b>    | <b>278.47</b>           | <b>306.28</b>           |

**Note: 17 Provisions Non Current**

(In ₹ Lakhs)

| Particulars                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | 22.09                   | 8.41                    |
| <b>Total</b>                    | <b>22.09</b>            | <b>8.41</b>             |

**Note: 18. Borrowings Current**

(In ₹ Lakhs)

| Particulars            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| (i) Term Loans         | -                       | -                       |
| (ii) Cash Credits      |                         |                         |
| (a) From Banks         |                         |                         |
| -Secured*              | 1,286.65                | -                       |
| (b) From Other parties | -                       | -                       |
| (iii) Deposits         | -                       | -                       |
| <b>Total</b>           | <b>1,286.65</b>         | <b>-</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), Visakapatnam and personal guarantee of the Managing Director of the Company and the rate of interest @8.95% 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<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade Payables Due to Micro and Small Enterprises (MSME) | -                       | 18.27                   |
| Trade Payables Due to Others                             | 70.61                   | 14.49                   |
| <b>Total</b>   | <b>70.61</b>            | <b>32.76</b>            |

**Trade Payables ageing Schedule for the year ending March 31, 2022 & March 31, 2021** (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, 2022</b>       |  |                  |           |           |                 |              |
| (i) MSME                    | -  | -                | -         | -         | -               | -            |
| (ii) Others                 | -  | 70.61            | -         | -         | -               | 70.61        |
| (iii) Disputed Dues - MSME  | -  | -                | -         | -         | -               | -            |
| (iv) Disputed Dues - Others | -  | -                | -         | -         | -               | -            |
| <b>Total</b>                | -  | <b>70.61</b>     | -         | -         | -               | <b>70.61</b> |
| <b>March 31, 2021</b>       |  |                  |           |           |                 |              |
| (i) MSME                    | -  | 18.27            | -         | -         | -               | 18.27        |
| (ii) Others                 | -  | 14.49            | -         | -         | -               | 14.49        |
| (iii) Disputed Dues - MSME  | -  | -                | -         | -         | -               | -            |
| (iv) Disputed Dues - Others | -  | -                | -         | -         | -               | -            |
| <b>Total</b>                | -  | <b>32.76</b>     | -         | -         | -               | <b>32.76</b> |

**Note: 20. Other Financial Liabilities Current** (In ₹ Lakhs)

| Particulars                           | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|----------------------|----------------------|
| Liability for Expenses                | 21.42                | 15.89                |
| Retention Money                       | 3.54                 | 1.56                 |
| Employees salaries and other payables | 114.36               | 134.68               |
| Unpaid Dividend                       | 14.12                | 11.92                |
| Advance from Customers                | 650.29               | 1,457.86             |
| <b>Total</b>                          | <b>803.74</b>        | <b>1,621.92</b>      |

**Note: 21. Provisions Current** (In ₹ Lakhs)

| Particulars                                     | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Provision for Taxation for the FY 2020-21 (Net) | 1.79                 | -                    |
| <b>Total</b>                                    | <b>1.79</b>          | <b>-</b>             |

**Note: 22. Other Liabilities Current** (In ₹ Lakhs)

| Particulars            | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|----------------------|----------------------|
| <b>Current</b>         |                      |                      |
| Statutory dues Payable | 83.81                | 11.87                |
| <b>Total</b>           | <b>83.81</b>         | <b>11.87</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

(In ₹ Lakhs)

| Particulars      | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------|--------------------------------------|--------------------------------------|
| Sale of Products | 10,081.80                            | 6,736.26                             |
| Sale of Services | 1,400.19                             | 1,822.52                             |
| Scrap Sales      | 7.14                                 | 8.32                                 |
| Less: GST        | 993.78                               | 797.50                               |
| <b>Total</b>     | <b>10,495.35</b>                     | <b>7,769.60</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<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance                    | 1,312.70                             | 3,007.00                             |
| Addition/deduction during the year | 2,302.97                             | (1,694.30)                           |
| Closing Balance                    | 3,615.67                             | 1,312.70                             |

**(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 Rs. 10,495.35 Lakhs ( P.Y. Rs. 7,769.60 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of Rs. 10,495.35 Lakhs ( P.Y. Rs. 7,769.60 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**

(In ₹ Lakhs)

| Particulars                     | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Interest income                 | 69.01                                | 78.61                                |
| Miscellaneous Receipts          | 8.71                                 | 0.48                                 |
| Fluctuation In Foreign Currency | 59.32                                | 8.23                                 |
| <b>Total</b>                    | <b>137.04</b>                        | <b>87.32</b>                         |

**Note: 25. Cost of Materials Consumed**

(In ₹ Lakhs)

| Particulars                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cost of materials consumed</b>     |                                      |                                      |
| <b>Indigenous</b>                     |                                      |                                      |
| Indigenous(Opening Stock)             | 83.03                                | 189.82                               |
| Purchase                              | 1,864.68                             | 1,449.11                             |
| <b>Sub Total</b>                      | <b>1,947.71</b>                      | <b>1,638.94</b>                      |
| Indigenous(Closing Stock)             | (540.67)                             | (83.03)                              |
| <b>Cost of Raw Materials Consumed</b> | <b>1,407.04</b>                      | <b>1,555.91</b>                      |
| <b>Imported</b>                       |                                      |                                      |
| Imported(Opening Stock)               | 51.65                                | 120.50                               |
| Purchase                              | 4,046.60                             | 1,032.33                             |
| <b>Sub Total</b>                      | <b>4,098.26</b>                      | <b>1,152.83</b>                      |
| Imported(Closing Stock)               | (415.88)                             | (51.65)                              |
| Cost of Raw Materials Consumed        | 3,682.38                             | 1,101.17                             |
| <b>TOTAL</b>                          | <b>5,089.42</b>                      | <b>2,657.08</b>                      |

**Note: 26. Changes in Inventory**

(In ₹ Lakhs)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| <b>Changes in inventories of finished goods and work-in-progress</b> |                                      |                                      |
| Opening Balance  | 52.74                                | 94.55                                |
| Closing Balance  | (452.75)                             | (52.74)                              |
| Net (Increase) /Decrease   | <b>(400.01)</b>                      | <b>41.81</b>                         |

**Note: 27. Employees Benefit Expenses**

(In ₹ Lakhs)

| Particulars                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and wages                    | 949.79                               | 754.88                               |
| Directors Remuneration                | 257.57                               | 182.91                               |
| Bonus                                 | 9.63                                 | 9.93                                 |
| Leave Encashment, Exgratia & Gratuity | 31.64                                | 29.29                                |
| Training & Recruitment                | 8.95                                 | 1.50                                 |
| Contribution to P.F. and other Funds  | 28.70                                | 23.26                                |
| Staff welfare Expenses                | 40.40                                | 33.88                                |
| <b>TOTAL</b>                          | <b>1,326.67</b>                      | <b>1,035.65</b>                      |

**Note: 28. Manufacturing Expenses**

(In ₹ Lakhs)

| Particulars                               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Job work Charges                          | 313.48                               | 388.48                               |
| Power and fuel                            | 60.51                                | 51.54                                |
| Consumption of stores and spare parts     | 28.63                                | 9.12                                 |
| Freight Inwards                           | 17.46                                | 10.42                                |
| Repairs & Maintenance - Plant & Machinery | 13.26                                | 12.26                                |
| Testing Charges                           | 33.81                                | 22.95                                |
| Installation & Commissioning Charges      | 54.70                                | 119.45                               |
| Man power hire charges                    | 109.22                               | 62.06                                |
| Traveling                                 | 27.06                                | 15.78                                |
| Other Manufacturing Expenses              | 46.99                                | 159.17                               |
| <b>TOTAL</b>                              | <b>705.12</b>                        | <b>851.22</b>                        |

**Note: 29. Research and Development Expenses**

(In ₹ Lakhs)

| Particulars                        | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Cost of materials consumed         | 293.55                               | 366.50                               |
| Salaries                           | 269.08                               | 200.90                               |
| Design                             | -                                    | 5.00                                 |
| Repairs & Maintenance              | 9.72                                 | 6.74                                 |
| Professional & Consultancy Charges | 25.00                                | 19.50                                |
| Job Work & Other Expenses          | 7.35                                 | 8.70                                 |
| <b>TOTAL</b>                       | <b>604.69</b>                        | <b>607.34</b>                        |

**Note: 30. Selling and Distribution Expenses**

(In ₹ Lakhs)

| Particulars               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------|--------------------------------------|--------------------------------------|
| Freight Outwards          | 16.93                                | 20.60                                |
| Packing Materials         | 15.24                                | 7.14                                 |
| Business Promotion        | 16.61                                | 6.82                                 |
| Travelling Expenses       | 9.18                                 | 2.74                                 |
| Warranty Expenses         | 1.73                                 | 10.26                                |
| Customer Support Expenses | 70.94                                | 71.15                                |
| <b>TOTAL</b>              | <b>130.62</b>                        | <b>118.70</b>                        |

**Note: 31. Depreciation And Amortization Expenses**

(In ₹ Lakhs)

| Particulars                                     | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| <b>Depreciation / Amortization for the year</b> |                                      |                                      |
| Depreciation on PPE                             | 361.34                               | 261.69                               |
| Depreciation on Right-to-use Assets             | 41.46                                | 41.46                                |
| <b>TOTAL</b>                                    | <b>402.79</b>                        | <b>303.15</b>                        |

**Note: 32. Finance Cost**

(In ₹ Lakhs)

| Particulars                 | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Interest Expenses           | 16.60                                | 0.00                                 |
| Bank Charges                | 101.17                               | 115.04                               |
| Interest on Lease Liability | 33.53                                | 36.34                                |
| <b>TOTAL</b>                | <b>151.30</b>                        | <b>151.39</b>                        |

**Note: 33. Administrative & Other Expenses**

(In ₹ Lakhs)

| Particulars                               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| <b>Repairs &amp; Maintenance</b>          |                                      |                                      |
| Plant & Machinery and Others              | 27.21                                | 21.39                                |
| Vehicles                                  | 11.66                                | 6.04                                 |
| Computers                                 | 11.42                                | 5.98                                 |
| Buildings                                 | 53.61                                | 41.03                                |
| Rent, Fees, Taxes & Licenses              | 45.57                                | 21.44                                |
| Insurance                                 | 24.76                                | 8.52                                 |
| Couriers, Postages, Telephones and others | 15.45                                | 14.70                                |
| Printing & Stationery                     | 20.99                                | 6.10                                 |
| Payment to Auditors                       | 3.88                                 | 4.50                                 |
| Professional & Consultancy Charges        | 35.11                                | 11.70                                |
| Travelling & Conveyance                   | 19.97                                | 13.56                                |
| Secretarial Expenses                      | 11.30                                | 11.17                                |
| Watch & Ward                              | 21.58                                | 19.91                                |
| Sitting Fee                               | 4.40                                 | 6.70                                 |
| Bad Debts written off                     | 2.47                                 | 0.21                                 |
| Office Maintenance                        | 28.81                                | 19.57                                |
| Donations                                 | 4.90                                 | 1.91                                 |
| CSR Expenses                              | 29.37                                | 25.40                                |
| Miscellaneous Expenses                    | 2.52                                 | 0.39                                 |
| <b>TOTAL</b>                              | <b>374.96</b>                        | <b>240.22</b>                        |

**Amount paid to auditors**

(In ₹ Lakhs)

| Particulars                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------|--------------------------------------|--------------------------------------|
| As Auditor                     | 3.55                                 | 3.25                                 |
| For Taxation Matters/Tax Audit | -                                    | -                                    |
| For Other Services             | 0.33                                 | 1.25                                 |
| For Reimbursement of Expenses  | -                                    | -                                    |
| <b>TOTAL</b>                   | <b>3.88</b>                          | <b>4.50</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:

| Particulars   | (In ₹ Lakhs)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Profit before tax                                       | 2,264.83                | 1,850.34                |
| Enacted Tax rates for the financial year (MAT)          | 0.17                    | 0.17                    |
| Expected tax expense (A)                                | 415.48                  | 326.68                  |
| Tax affect on allowable items (B)                       | -                       | -                       |
| Tax affect 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                                | 415.48                  | 326.68                  |
| Tax credits allowable                                   | -                       | -                       |
| Deferred tax for the year                               | 33.65                   | (34.49)                 |
| Tax expense of earlier years adjusted                   | -                       | 24.78                   |
| Net tax expense for the year                            | 449.13                  | 316.97                  |

Current Tax for the previous year represents the Minimum Alternative Tax (MAT) payable by the company on the book profits for the year. However, the company is not recognising the MAT credit entitlement determined under section 115JAA(2A) of the Income Tax Act, 1961 during the current year and earlier years as possibility of paying the Income Tax under the normal provisions of the Income Tax, 1961 in future is uncertain because the company claims 100% deduction on capital and revenue expenditure under section 35(2AB) of the Income Tax Act, 1961.

**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 Rs. 33.63 Lakhs (Previous year Rs. 27.62 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, 2022 are as follows:

| I. Change in Defined Benefit obligation :       | (In ₹ Lakhs)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Defined Benefit obligation as at the beginning  | 177.92                  | 163.98                  |
| Interest Cost                                   | 11.82                   | 11.71                   |
| Current Service Cost                            | 16.81                   | 14.88                   |
| Benefits paid from planned assets               | (19.97)                 | (4.93)                  |
| Remeasurements - due to Financial Assumptions   | (7.01)                  | 3.40                    |
| Remeasurements - due to Experience Assumptions  | 21.57                   | (11.11)                 |
| <b>Defined Benefit obligation as at the end</b> | <b>201.15</b>           | <b>177.92</b>           |

| <b>II. Change in Fair value of plan assets</b>                            | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
|---|---------------------------------|---------------------------------|
| Fair value of Plan Assets at the beginning                                | 164.40                          | 123.92                          |
| Interest Income   | 11.48                           | 10.17                           |
| Employer Contributions  | 17.39                           | 37.57                           |
| Benefits paid from planned assets   | (22.60)                         | (7.56)                          |
| Remeasurements - Return on Assets (Excluding Interest)                    | 0.29                            | 0.30                            |
| <b>Fair value of planned assets at the end</b>                            | <b>170.96</b>                   | <b>164.40</b>                   |
| <b>III. Components of Defined Benefit Cost:</b>                           | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Current Service Cost  | 16.81                           | 14.88                           |
| Total Net Interest cost   | 0.34                            | 1.54                            |
| <b>Defined Benefit Cost Included in Profit &amp; Loss</b>                 | <b>17.15</b>                    | <b>16.43</b>                    |
| Remeasurements - due to Financial Assumptions                             | (7.01)                          | 3.40                            |
| Remeasurements - due to Experience Assumptions                            | 21.57                           | (11.11)                         |
| Remeasurements - Return on Assets (Excluding Interest)                    | (0.29)                          | (0.30)                          |
| Total Remeasurements in OCI   | 14.27                           | (8.01)                          |
| <b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b> | <b>31.42</b>                    | <b>8.41</b>                     |
| <b>IV. Amounts recognized in the Statement of Financial Position</b>      | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Defined benefit Obligation  | 201.15                          | 177.92                          |
| Fair value of Plan Assets   | 170.96                          | 164.40                          |
| Funded Status   | 30.18                           | 13.53                           |
| Net Defined Benefit Liability/(Asset)                                     | 30.18                           | 13.53                           |
| Of which Short Term Liability   | 24.22                           | 29.08                           |
| <b>V. Net Defined Benefit Liability /(Asset) Reconciliation</b>           | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Net Defined Benefit Liability/(Asset) at the beginning                    | 10.90                           | 40.05                           |
| Defined Benefit Cost Included in Profit & Loss                            | 17.15                           | 16.43                           |
| Total Remeasurement included in OCI                                       | 14.27                           | (8.01)                          |
| Employer Contributions  | (17.39)                         | (37.57)                         |
| Net Defined Benefit Liability/(Asset) at the end                          | 24.93                           | 10.90                           |
| <b>VI. Principal Assumptions</b>  | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
| Discounting Rate  | 7.36%                           | 7.04%                           |
| 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

**Chairman & Managing Director**

ii) Mrs. Abburi Sarada

**Wholetime Director & CFO**

iii) Mr. Abburi Siddhartha Sagar

**Wholetime Director**

iv) Mr. T Venkatesh

**Company Secretary**

**C. Relative of Key Management Personnel**

**NIL**

**D. Transaction with Related Parties**

| Particulars                         | Nature of Transaction | 2021-2022 | 2020-2021 |
|-------------------------------------|-----------------------|-----------|-----------|
| <b>a) Key Managerial Personnel:</b> |                       |           |           |
| Dr. Abburi Vidyasagar               | Remuneration          | 36.00     | 36.00     |
| Dr. Abburi Vidyasagar               | Commisson on Profits  | 78.22     | 55.52     |
| Mrs. Abburi Sarada                  | Remuneration          | 18.00     | 17.29     |
| Mrs. Abburi Sarada                  | Commisson on Profits  | 78.22     | 61.24     |
| Mrs. Abburi Sarada                  | Rent                  | 11.12     | 10.55     |
| Mr. Abburi Siddhartha Sagar         | Remuneration          | 36.00     | 2.32      |
| Mr. M Murali Krishna                | Salary                | -         | 7.02      |
| Mr. T Venkatesh                     | Salary                | 7.17      | -         |
| <b>b) Non-Whole time Directors:</b> |                       |           |           |
| Mr. Yalamanchili Kishore            | Sitting Fee           | 1.20      | 1.60      |
| Mr. Naveen Nandigam                 | Sitting Fee           | 1.20      | 1.50      |
| Mr. Eluru Bala Venkata Ramana Gupta | Sitting Fee           | 1.00      | 1.10      |
| Mr. Myneni Narayana Rao             | Sitting Fee           | 1.00      | 1.40      |

**Note: 37. Earnings per Share:**

(In ₹ Lakhs)

| Particulars  | (In ₹ Lakhs) | 2021-2022    | 2020-2021    |
|--|--------------|--------------|--------------|
| Profit/ (Loss) after Tax                           | In ₹ Lakhs   | 1,797.70     | 1,533.37     |
| The weighted average number of ordinary shares for |              |              |              |
| Basic EPS  | Nos          | 40,54,493    | 40,54,493    |
| Diluted EPS  | Nos          | 40,54,493    | 40,54,493    |
| The nominal value per Ordinary Share               | In ₹         | 10.00        | 10.00        |
| <b>Earnings per Share</b>                          |              |              |              |
| <b>Basic</b>                                       | <b>In ₹</b>  | <b>44.34</b> | <b>37.82</b> |
| <b>Diluted</b>                                     | <b>In ₹</b>  | <b>44.34</b> | <b>37.82</b> |

| <b>Note: 38. Contingent liabilities and commitments</b> |  | (In ₹ Lakhs)     |                  |
|---|--|------------------|------------------|
| <b>(to the extent not provided for)</b>                 |  | <b>2021-2022</b> | <b>2020-2021</b> |
| <b>Contingent liabilities</b>                           |  |                  |                  |
| Claims against the company not acknowledged as debt     |  |                  |                  |
| (i) Guarantees  |  | 2,521.92         | 3,274.41         |
| <b>Total</b>  |  | <b>2,521.92</b>  | <b>3,274.41</b>  |

**Note: 39. 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:

**a) 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.

**b) 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>2021-2022</b> | <b>2020-2021</b> |
|---|------------------|------------------|
| <b>1. Segment Revenue</b>                               |                  |                  |
| (a) Communications and signal processing Products       | 10,631.08        | 7,856.91         |
| (b) Health Care   | 1.31             | -                |
| <b>Gross Revenue from sale of Products and services</b> | <b>10,632.39</b> | <b>7,856.91</b>  |
| <b>2. Segment Results</b>                               |                  |                  |
| (a) Communications and signal processing Products       | 2,364.17         | 1,850.34         |
| (b) Health Care   | (117.34)         | -                |
| <b>Profit before tax</b>                                | <b>2,246.83</b>  | <b>1,850.34</b>  |
| <b>3. Segment Assets</b>                                |                  |                  |
| (a) Communications and signal processing Products       | 10,513.06        | 8,676.35         |
| (b) Health Care   | 386.61           | -                |
| <b>Total Assets</b>                                     | <b>10,899.67</b> | <b>8,676.35</b>  |
| <b>4. Segment Liabilities</b>                           |                  |                  |
| (a) Communications and signal processing Products       | 2,641.13         | 2,052.38         |
| (b) Health Care   | 6.66             | -                |
| <b>Total Liabilities</b>                                | <b>2,647.80</b>  | <b>2,052.38</b>  |

**Note: 40. 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, 2022

| Particulars                 | Cost     | Financial assets/<br>liabilities at<br>FVTPL | Financial assets/<br>liabilities at fair<br>value through<br>OCI | Total carrying<br>value | Total fair<br>value |
|-----------------------------|----------|--|--|-------------------------|---------------------|
| <b>Assets:</b>              |          |  |  |                         |                     |
| Cash & Cash Equivalents     | 52.01    | -  | -  | 52.01                   | 52.01               |
| Trade Receivable            | 3,615.67 | -  | -  | 3,615.67                | 3,615.67            |
| Deposits                    | 438.70   | -  | -  | 438.70                  | 438.70              |
| Other Financial Assets      | 47.96    | -  | -  | 47.96                   | 47.96               |
| <b>Liabilities:</b>         |          |  |  |                         |                     |
| Trade Payable               | 70.61    | -  | -  | 70.61                   | 70.61               |
| Borrowings                  | -        | -  | -  | -                       | -                   |
| Other Financial Liabilities | 803.74   | -  | -  | 803.74                  | 803.74              |

Amount in ₹ Lakhs as of March 31, 2022

| Particulars                 | Cost     | Financial assets/<br>liabilities at<br>FVTPL | Financial assets/<br>liabilities at fair<br>value through<br>OCI | Total carrying<br>value | Total fair<br>value |
|-----------------------------|----------|--|--|-------------------------|---------------------|
| <b>Assets:</b>              |          |  |  |                         |                     |
| Cash & Cash Equivalents     | 80.20    | -  | -  | 80.20                   | 80.20               |
| Trade Receivable            | 1,312.70 | -  | -  | 1,312.70                | 1,312.70            |
| Deposits                    | 4,724.68 | -  | -  | 4,724.68                | 4,724.68            |
| Other Financial Assets      | 78.51    | -  | -  | 78.51                   | 78.51               |
| <b>Liabilities:</b>         |          |  |  |                         |                     |
| Trade Payable               | 32.76    | -  | -  | 32.76                   | 32.76               |
| Borrowings                  | -        | -  | -  | -                       | -                   |
| Other Financial Liabilities | 1,621.92 | -  | -  | 1,621.92                | 1,621.92            |

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 judgments 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, 2022 & March 31, 2021 is as follows:

| Particulars                   | USD                         | EURO                        | USD      |
|-------------------------------|-----------------------------|-----------------------------|----------|
| <b>Financial Assets:</b>      | <b>As at March 31, 2022</b> | <b>As at March 31, 2021</b> |          |
| Cash & Cash Equivalents       | -                           | -                           | -        |
| Trade Receivable              | 2,24,500                    | -                           | 2,70,570 |
| Deposits                      | -                           | -                           | -        |
| Other Financial Assets        | -                           | -                           | -        |
| <b>Financial Liabilities:</b> |                             |                             |          |
| Trade Payable                 | 44,830                      | 39,884                      | 19,851   |
| 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, 2022   |                       |                    |                    |                    |                      | (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               | 3,615.67              | 3,615.17           | 0.50               | -                  | -                    |              |
| Expected Credit loss                | -                     | -                  | -                  | -                  | -                    |              |
| Carrying amount (net of impairment) | 3,615.67              | 3,615.17           | 0.50               | -                  | -                    |              |
| For the year ended March 31, 2021   |                       |                    |                    |                    |                      | (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               | 1,312.70              | 1,306.98           | 5.72               | -                  | -                    |              |
| Expected Credit loss                | -                     | -                  | -                  | -                  | -                    |              |
| Carrying amount (net of impairment) | 1,312.70              | 1,306.98           | 5.72               | -                  | -                    |              |

**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                 | (In ₹ Lakhs)          |                    |                    |                    |                      |
|-----------------------------|-----------------------|--------------------|--------------------|--------------------|----------------------|
|                             | Gross Carrying Amount | Less than one year | More than one year | More than two year | More than three year |
| <b>As on March 31 2022</b>  |                       |                    |                    |                    |                      |
| Trade Payables              | 70.61                 | 70.61              | -                  | -                  | -                    |
| Other Financial liabilities | 803.74                | 803.74             | -                  | -                  | -                    |
| <b>As on March 31 2021</b>  |                       |                    |                    |                    |                      |
| Trade Payables              | 32.76                 | 32.76              | -                  | -                  | -                    |
| Other Financial liabilities | 1,621.92              | 1,621.92           | -                  | -                  | -                    |

**Note: 41. 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) |           |
|--|--------------|-----------|
|  | 2021-2022    | 2020-2021 |
| <b>(i) Equity Shares</b>   |              |           |
| Final Dividend for the year March 31 2022 Rs 4/- (March 31 2021 Rs. 2/- ) per share of Rs. 10/- each   | 162.18       | 81.09     |
| <b>(ii) Dividends not recognised at the end of the reporting period</b>  |              |           |
| In addition to the above, since the year end directors recommend the payment of Rs. 4/- (March 31 2021 Rs 4/-) per share of Rs. 10/- each, The proposed dividend is subject to the approval of Share holders in the general meeting. | 162.18       | 162.18    |

**Note: 42. Consumption Of Raw Materials:** (In ₹ Lakhs)

| Raw Material | 2021-2022     |                 | 2020-2021     |                 |
|--------------|---------------|-----------------|---------------|-----------------|
|              | %             | ₹               | %             | ₹               |
| Indigenous   | 27.35         | 1,386.41        | 58.56         | 1,555.91        |
| Imported     | 72.65         | 3,682.38        | 41.44         | 1,101.17        |
| <b>TOTAL</b> | <b>100.00</b> | <b>5,068.80</b> | <b>100.00</b> | <b>2,657.08</b> |

**Note: 43. Value of Imports (Calculated in CIF Value):** (In ₹ Lakhs)

| Particulars       | 2021-2022       | 2020-2021       |
|-------------------|-----------------|-----------------|
| Materials         | 4,296.58        | 1,163.15        |
| Capital Equipment | 116.56          | 278.78          |
| <b>Total</b>      | <b>4,413.13</b> | <b>1,441.93</b> |

**Note: 44. Expenditure in Foreign Currency:** (In ₹ Lakhs)

| Particulars         | 2021-2022       | 2020-2021       |
|---------------------|-----------------|-----------------|
| Purchases (Imports) | 4,300.95        | 1,164.67        |
| Foreign Travel      | -               | -               |
| <b>Total</b>        | <b>4,300.95</b> | <b>1,164.67</b> |

**Note:45.The disclosure relating to transactions with Micro, Small and Medium Enterprises**

Sundry Creditors includes Rs. NIL (previous year Rs. 18,26,586/-) 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:46. 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, women empowerment, measures for the benefit of war widows and contributions to incubators 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 FY 2021-22 are as under:

| Particulars   | (In ₹ Lakhs)   |           |
|---|--|-----------|
|   | 2021-2022  | 2020-2021 |
| Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013 | 4,352.15   | 3,418.81  |
| Average of net profits  | 1,450.72   | 1,139.60  |
| (i) Amount required to be spent by the Company during the year                                    | 29.01  | 22.79     |
| (ii) Amount spent towards CSR Activities  | 29.37  | 25.40     |
| (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, Measures for the benefit of war widows and Contributions to Incubators for benefits of physically challenged people. |           |
| (vi) Details of related party transactions  | -  | -         |

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 47. Assets Pledged as Security:**

The Carrying amount of assets pledged as security for current borrowings:

| Particulars  | (In ₹ Lakhs)         |                      |
|--|----------------------|----------------------|
|  | As on March 31, 2022 | As on March 31, 2021 |
| <b>Current:</b>  |                      |                      |
| <b>Financial Assets:</b>   |                      |                      |
| <b>First Charge (Primary Security)</b>                           |                      |                      |
| Trade Receivable   | 3,615.67             | 1,312.70             |
| <b>Non-Financial Assets:</b>                                     |                      |                      |
| Inventories  | 1,677.02             | 251.43               |
| <b>Total Current Assets Pledged as Primary Security</b>          | <b>5,292.68</b>      | <b>1,564.13</b>      |
| <b>Non-Current Assets (Collateral Security)</b>                  |                      |                      |
| Land   | 105.23               | 105.23               |
| Plant & Machinery  | 479.81               | 496.02               |
| Other Fixed Assets   | 1,120.43             | 655.36               |
| <b>Total Non-Current Assets Pledged as Collateral Security</b>   | <b>1,705.47</b>      | <b>1,256.61</b>      |
| <b>Total Assets Pledged as Primary &amp; Collateral Security</b> | <b>6,998.15</b>      | <b>2,820.74</b>      |

**Note No. 48. Analytical Ratios**

| Ratio                                       | Numerator   | Denominator  | Current Year<br>March<br>31, 2022 | Previous<br>Year<br>March<br>31, 2021 | Variance | Reasons  |
|---|---|--|-----------------------------------|---------------------------------------|----------|--|
| Current ratio (in times)                    | Total current Assets  | Total current liabilities  | 3.19                              | 3.89                                  | -18.08%  |  |
| Debt-equity ratio (in times)                | Long term liabilities +short term borrowings  | Total equity   | 0.16                              | -                                     | 15.00%   | During the year 2020-21 The Company did not draw working capital from bank   |
| 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                                     | 46.91                             | 54.70                                 | -14.23%  | -  |
| Return on equity ratio (in %)               | Profit for the year   | Average total equity   | 24.17%                            | 26.01%                                | -7.08%   | -  |
| Inventory turnover ratio (in times)         | Revenue from operations   | Average total inventory  | 10.88                             | 20.44                                 | -46.74%  | -  |
| Trade receivables turnover ratio (in times) | Revenue from operations   | Average trade receivables  | 4.26                              | 3.60                                  | 18.40%   | -  |
| Trade payables turnover                     | Raw material purchases + Fuel purchase+Other expenses   | Average trade payables   | 114                               | 26                                    | 333.74%  | Procurement is completed by Feb and payments cleared in March  |
| Net capital turnover ratio                  | Revenue from operations   | Average working capital (ie., Total current assets less Total current liabilities) | 2.13                              | 1.61                                  | 32.44%   | -  |
| Net profit ratio (in %)                     | Profit for the year   | Revenue from operations  | 0.17                              | 0.20                                  | -13.22%  | Depends on the product Mix, Gross Profit margin is less compared to last year as Raw Material component cost is more in the products manufacturing during this year. |
| Return on capital employed (in %)           | Earning before tax and finance cost   | Capital employed = Net worth + Deferred tax liabilities                            | 0.25                              | 0.30                                  | -17.84%  | -  |
| Return on Investment                        | Inome generated from invested funds   | Average invested funds in treasury investmens                                      | -                                 | -                                     | -        | NIL returns as the subsidiary did not commence commercial Operations   |

**Note:49. Impact of COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

**Note:50. Note on “Code on Security, 2020”**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note:51. Confirmations**

The Company requested its debtors and creditors to confirm the balances as at the end of half year in respect of trade payables, trade receivables and advances directly to the Statutory Auditors.

**Note:52**

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

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: 06.05.2022

Sd/-  
**A SARADA**  
Whole-Time Director & CFO  
DIN: 00026543

Sd/-  
**T VENKATESH**  
Company Secretary

avantel

connect • create • conserve

**AVANTEL LIMITED**

Registered Office

Sy No. 141, Plot No. 47/P, APIIC Industrial Park

Gambheeram (V), Anandapuram (M)

Visakhapatnam-531 163. A.P.

Phone: +91 - 891 - 2850000

Fax: +91 - 891 - 2850004