

AVL/SE/2022-23

May 30, 2023

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

Dear Sir/Madam,

**Sub: Notice of the 33<sup>rd</sup> Annual General Meeting along with the Annual Report for the Financial Year 2022-23 of Avantel Limited ('Company') – Reg.**

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

In furtherance to the subject cited above, in terms of Regulation 34(1) of the SEBI (LODR) Regulations, 2015, as amended from time to time ('Listing Regulations'), we wish to inform that the 33<sup>rd</sup> Annual General Meeting ('AGM') of the Company is scheduled to be held on **Friday, June 23, 2023 at 11:00 A.M. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 2/2022 and 10/2022 respectively issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/DDHS/DDHSRACPOD1/P/CIR/2023/001 dated January 5, 2023 issued by SEBI.

Accordingly, we enclose herewith the Notice of the 33<sup>rd</sup> Annual General Meeting along with the Annual Report of the Company for the financial year ended March 31, 2023, which is being sent by e-mail to those Members whose e-mail addresses are registered with the Company / Depository Participant(s) ("DP")/ the Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFintech").

In terms of Regulation 46 of the Listing Regulations, the said Annual Report along with the Notice of 33<sup>rd</sup> Annual General Meeting and other relevant documents will also be available on the website of the Company at [www.avantel.in](http://www.avantel.in).

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is providing the facility to its Members to exercise their right to vote by electronic means on the businesses specified in the Notice convening the 33<sup>rd</sup> Annual General Meeting of the Company, through remote e-Voting services of KFin Technologies Limited as well as e-Voting during the AGM.

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## Avantel Limited

### Registered Office

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

### Corporate Office

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

CIN - L72200AP1990PLC011334

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

The Company has fixed Friday, June 16, 2023 (“record date”/ “cut-off date”) as the record date to determine the eligibility of the Members entitled to receive dividend and as the cut-off date to determine the eligibility of the Members entitled to cast their vote by electronic means and attend the AGM scheduled to be held on Friday, June 23, 2023 at 11:00 A.M. (IST) through VC/OAVM Facility. Accordingly, the voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. The remote e-Voting period commences on Tuesday, June 20, 2023 (9:00 a.m. IST) and ends on Thursday, June 22, 2023 (5:00 p.m. IST). The e-Voting instructions and the process to join meeting through VC/OAVM is set out in the said AGM Notice.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Avantel Limited**

**Abburi Siddhartha Sagar**  
Whole-Time Director  
DIN: 02312563

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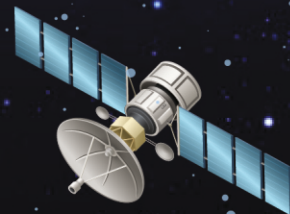
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Tel : +91-40-6630 5000  
Fax : +91-40-6630 5004

CIN - L72200AP1990PLC011334

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

avantel



AS 9100D  
ISO 9001:2015  
ISO 27001:2013

**ANNUAL REPORT**  
2022-2023

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**COMPANY INFORMATION**


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**BOARD OF DIRECTORS**

Dr. Abburi Vidyasagar	-	Chairman & Managing Director
Mrs. Abburi Sarada	-	Whole-Time Director
Mr. Abburi Siddhartha Sagar	-	Whole-Time Director
Mr. Yalamanchili Kishore	-	Independent Director
Mr. Naveen Nandigam	-	Independent Director
Mr. Elluru Bala Venkata Ramana Gupta	-	Independent Director
Mr. Myneni Narayana Rao	-	Independent Director
Mr. Ramchander Vyasabhattu	-	Independent Director

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**Chief Financial Officer**

Mrs. Abburi Sarada

**Company Secretary & Compliance Officer**

Mr. D. Rajasekhara Reddy

**Registered Office:****CIN: L72200AP1990PLC011334**

Sy. No. 141, Plot No 47/P, APIIC Industrial Park,  
Gambheeram (V), Anandapuram (M),  
Visakhapatnam - 531 163, Andhra Pradesh, India  
Phone: +91 - 891 - 2850 000  
Fax: +91 - 891 - 2850 004

**Corporate Office:**

Sy No's. 66 & 67, Plot No. 68 & 69, 4<sup>th</sup> floor,  
Jubilee Heights, Jubilee Enclave, Madhapur,  
Hyderabad - 500 081, Telangana State, India.  
Phone: +91 - 40 - 6630 5000,  
Fax: +91 - 40 - 6630 5004

**Registrars & Share Transfer Agents:**

M/s. KFIN Technologies Limited  
Selenium Building, Tower - B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Rangareddy, Telangana State, India.  
Email: einward.ris@kfinance.com  
Phone No.: 1800 309 4001

**Statutory Auditors**

M/s. Grandhy & Co.,  
Chartered Accountants  
201, Sunny Residency, Dwarakapuri Colony,  
Punjagutta, Hyderabad- 500082, Telangana, India.

**Internal Auditors**

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

**Secretarial Auditors**

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

**Cost Auditors**

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

**Bankers**

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

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**Board Committees**


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**Audit Committee**

Mr. N. Naveen	-	Chairman
Mr. Y. Kishore	-	Member
Mr. EBV Ramana Gupta	-	Member
Mr. M. Narayana Rao	-	Member
Mr. V. Ramchander	-	Member

**Corporate Social Responsibility Committee:**

Mrs. A. Sarada	-	Chairman
Mr. N. Naveen	-	Member
Mr. Y. Kishore	-	Member

**Nomination and Remuneration Committee**

Mr. M. Narayana Rao	-	Chairman
Mr. N. Naveen	-	Member
Mr. EBV Ramana Gupta	-	Member
Mr. Y. Kishore	-	Member
Mr. V. Ramchander	-	Member

**Stakeholders Relationship Committee:**

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

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## NOTICE

Notice is hereby given that the 33rd Annual General Meeting (“AGM”) of the Members of Avantel Limited will be held on Friday, June 23, 2023 at 11:00 A.M. (IST) through Video Conference (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following items of business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of Auditors thereon.
2. To declare a final dividend of Re.1/- per Equity Share of Rs.10/- each to the shareholders for the Financial Year ended on March 31, 2023.
3. To appoint a Director in place of Mrs. Abburi Sarada (DIN: 00026543), who retires by rotation and being eligible, offers herself for re-appointment.
4. **To increase the remuneration of Statutory Auditors.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof, on recommendation of Audit Committee and Board of Directors, the consent of the Members be and is hereby accorded to increase the remuneration of the Statutory Auditors of the Company, M/s. Grandhy & Co, Chartered Accountants (Firm Registration No.001007S) to Rs.4,00,000/- (Rupees Four Lakh only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses from the F.Y.2023-24.”

“**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to revise the said remuneration of the Statutory Auditors along with the terms and conditions as may be mutually agreeable by the Board of Directors and Auditors.”

### **SPECIAL BUSINESS:**

5. **To ratify the remuneration payable to Cost Auditors for the financial year ended 2022-23.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. MPR & Associates, Cost Accountants (Firm Registration No.000413), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ended 2022-23, amounting to Rs.1,00,000/- (Rupees One Lakh only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.”

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

6. **To ratify the remuneration payable to Cost Auditors for the financial year ending 2023-24.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-



enactment(s) thereof, for the time being in force), the remuneration payable to M/s. MPR & Associates, Cost Accountants (Firm Registration No.000413), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 2023-24, amounting to Rs. 1,00,000/- (Rupees One Lakh only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.”

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

**7. To accept Deposits from Shareholders.**

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

“**RESOLVED THAT** pursuant to Sections 73 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the Shareholders, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.”

“**FURTHER RESOLVED THAT** the Board of Directors or a Committee thereof be and is hereby authorized to finalize the scheme for invitation and acceptance of fixed deposits from the Shareholders and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental 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: May, 17 2023

**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. Profile of Mrs. Abburi Sarada (DIN: 00026543) who is being re-appointed as Director annexed to Notice and Report on Corporate Governance.
3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 has permitted the holding of the Annual General Meeting (“AGM”) through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 33rd AGM of the Company being conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) herein after called as “e-AGM”.  
 e-AGM: The Company has appointed KFin Technologies Limited (KFinTech), Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM. The venue of the meeting shall be deemed to be the Registered Office of the Company.
4. Pursuant to the provisions of the circulars on the VC / OAVM (e-AGM) members can attend the meeting through login credentials provided to them to connect to Video Conference (VC) / Other Audio-Visual Means (OAVM). Physical attendance of the Members at the Meeting venue is not required. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. 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 csmsunil@gmail.com with a copy marked to cs@avantel.in.
6. The members whose names shall appear on Company's Register of Members on June 16, 2023, in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. The Securities and Exchange Board of India (“SEBI”) and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service (“ECS”), NEFT, RTGS facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.  
 Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Limited at einward.ris@kfinotech.com. Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updating of email address. Members holding shares in dematerialized mode are requested to register / update their email addresses with their Depository Participants.
8. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for the ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Limited in this regard.



9. In line with the Ministry of Corporate Affairs (“MCA”) vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/111 dated January 15, 2021 SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023, the Notice calling the e-AGM and Annual Report has been uploaded on the website of the Company at <https://www.avantel.in/investors>. The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at <https://www.bseindia.com> respectively. The Notice and Annual Report is also available on the website of e-voting agency KFin Technologies Limited at the website address <https://evoting.kfintech.com>.

The Annual Report for the Financial year ended March 31, 2023 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report).

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. 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.
12. Members seeking any information with regard to the any matter to be placed at the AGM, are requested to write to the Company on or before June 16, 2023 through email on [cs@avantel.in](mailto:cs@avantel.in). The same will be replied by the Company suitably.
13. Members are requested to note that dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
14. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of Rs. 1,66,048/- of the Company for the Financial Year ended March 31, 2023, has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.
15. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed Dividend amounts lying with the Company as on 30th May, 2022 (date of last Annual General Meeting) on the website of the Company <https://www.avantel.in/investors> and also on the website of Ministry of Corporate Affairs.
16. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:  
Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“Rules”), all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority.

The Company has transferred 36,004 equity shares to Investor Education and Protection Fund during the financial Year ended March 31, 2023.

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

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

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

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@avantel.in](mailto:cs@avantel.in) by 11:59 p.m. IST on or before June 16, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Form No. 15G/15H are available on the website of the Company i.e., <https://www.avantel.in/investors>.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@avantel.in](mailto:cs@avantel.in). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before June 16, 2023.

#### **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:**

Members desiring any additional information with regard to Accounts/Annual Reports or having any questions or queries are requested to write to the Company Secretary on the Company's investor email- id i.e., [cs@avantel.in](mailto:cs@avantel.in) between June 19, 2023 (09.00 Hours IST) and June 21, 2023 (17.00 Hours IST), so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date. Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

8. Speaker Registration before e-AGM: Shareholders who wish to register as speakers at the AGM are requested to visit <https://emeetings.kfintech.com> register themselves between June 19, 2023 (09.00 Hours IST) and June 21, 2023 (17.00 Hours IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
9. Facility of joining the AGM through VC / OAVM shall be available to 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/>

#### **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 June 16, 2023 (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.

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

#### **Step 1:**

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

#### **Step 2:**

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

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

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

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

- A. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- B. Enter the login credentials provided in the email and click on Login.
- C. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
- D. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc..).
- E. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- F. Login again with the new credentials.
- G. On successful login, the system will prompt you to select the “EVENT” i.e., “Avantel Limited.”
- H. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR / AGAINST” taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- I. Members holding multiple folios may choose to vote differently for each folio / demat account.

- J. You may then cast your vote by selecting an appropriate option and click on “Submit. A confirmation box will be displayed. Click “OK” to confirm or “CANCEL” to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking “SUBMIT”.
- K. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the 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'
- L. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1800 – 309 - 4001 (Toll Free).

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>I. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in point no. I</li> </ol> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon “Login” which is available under 'Shareholder/ Member' section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e., KFinTech.</li> <li>V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e., KFinTech e-Voting portal.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. 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>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point I</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFinTech where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</li> <li>II. Once logged-in, 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.</li> <li>III. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>

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

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

Login type	Helpdesk details
Securities held with NSDL	Please 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
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 2305 8738 or 022 -2305 8542 / 43

**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>

- A. Select the Company name i.e., AVANTEL LIMITED
- B. Select the Holding type from the drop down i.e., NSDL / CDSL / Physical
- C. 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.
- D. 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.
- E. 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.
- F. Enter the email address and mobile number.
- G. 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.
- H. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
- I. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
- J. 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.
- K. 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.
- L. 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.

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

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

#### **GENERAL INSTRUCTIONS:**

1. Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.
2. Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps under heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.



3. The e-voting period commences from 9.00 Hours (IST) on June 20, 2023 to 17.00 Hours (IST) on June 22, 2023. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of June 16, 2023 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
4. The Company has appointed Mr. M B Suneel (Membership No. ACS 31197 and CP No. 14449) of M/s. P S Rao & Associates, Practising Company Secretaries as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.
5. The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/abstained, shall submit the Report to the Chairman of the Company.
6. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 33rd Annual General Meeting of the Company scheduled to be held on Friday, June 23, 2023, the results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.avantel.in/investors> and on the website of KFintech, <https://evoting.kfintech.com/> within 48 hours of conclusion of the Annual General Meeting.

**GENERAL INFORMATION:**

1. The Company's equity shares are Listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2022-2023.
2. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at KFIN Technologies Limited (Unit: Avantel Limited), Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Rangareddy, Telangana State, India.
3. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder, and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.
4. As required under Listing Regulations and Secretarial Standard - 2 on General Meetings, details in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is separately annexed hereto. Directors seeking appointment / re-appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

By order of the Board of Directors

For **Avantel Limited**

Sd/-

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

Place: Hyderabad  
Date: May 17, 2023

**EXPLANATORY STATEMENT**

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

**Item No.3**

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

<b>Annexure to the Notice dated May 17, 2023</b>		
<b>Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on Friday, June 23, 2023</b>		
<i>[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>		
<b>Sl. No.</b>	<b>Particulars</b>	<b>Name of the Director</b>
		Mrs. Abburi Sarada
1.	DIN	00026543
2.	Date of birth and Age	October 14, 1964; 58 Years
3.	Qualification	Post Graduate in MBA (Masters in Business Administration) from Madurai Kamaraj University. She did her Bachelor of Commerce from Osmania University and has also completed her Bachelors in Communication and Journalism from Padmavathi University.
4.	Experience and expertise in specific functional areas	More than 25 years of experience in Finance and Banking.
5.	Brief Profile	The profile of Mrs. Abburi Sarada is enclosed in the Corporate Governance Report forming part of Annual Report.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Spouse of Dr. Abburi Vidyasagar, Chairman & Managing Director and mother of Mr. Abburi Siddhartha Sagar, Whole-Time Director.
7.	Nature of appointment (appointment/re-appointment)	Retires by rotation and offers herself for re-appointment.
8.	Terms and Conditions of appointment / re-appointment	Appointment as a Whole-Time Director subject to retirement by rotation.
9.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Rs. 18,00,000 per annum
10.	Date of first appointment on the Board	01/08/1992
11.	Shareholding in the company including shareholding as a beneficial owner;	Holds 10,04,996 Equity Shares
12.	The number of Meetings of the Board attended during the year	4 out of 4
13.	Directorship Details of the Board	Nil
14.	Membership / Chairmanship of Committees of other Boards	Nil

#### **Item No: 4**

M/s. Grandhy & Co., Chartered Accountants, (ICAI Firm Registration No. 001007S), were appointed as the Statutory Auditors of the Company for a period of 5 years at the 31<sup>st</sup> Annual General Meeting of the Company held on June 5, 2021, to hold office till the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company to be held in the Financial Year 2026-27.

The management of the Company hereby proposes to increase the remuneration of the Statutory Auditors of the Company from the existing one to Rs.4,00,000/- per annum excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses and place the same before the members for their approval. Further, it is also proposed that the said remuneration of the Statutory Auditors of the Company may be revised by the board at such terms and conditions as may be mutually agreeable by the Board of Directors and the Statutory Auditors of the Company.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4 in the Notice attached herewith.

#### **Item No.5 & 6**

The Board of Directors of your Company, pursuant to the recommendation of the Audit Committee, at its meeting held on July 29, 2022, has appointed M/s. MPR & Associates, Cost Accountants, (Registration No. 000413) as the Cost Auditor of the Company for the F.Y. 2022-23, at a remuneration of Rs.1,00,000/- (One Lakh only). Further, based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on April 13, 2023, has reappointed M/s. MPR & Associates, Cost Accountants, (Registration No. 000413) as the Cost Auditors of the Company for the F.Y. 2023-24 also at a remuneration of Rs.1,00,000/- (One Lakh only).

In accordance with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence the resolutions at No.5 & 6 in the Notice attached herewith are put up for the consideration of the shareholders.

Hence the respective resolutions are recommended for your consideration and approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No.5 & 6 in the Notice attached herewith.

#### **Item No.7**

The Board of Directors at their meeting held on May 17, 2023 approved and recommended the invitation and acceptance of fixed deposits from the Shareholders pursuant to Sections 73 and other applicable provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 to meet the working capital needs.

In compliance with the above provisions of the Act and the Rules, the Company is required to obtain approval of its shareholders for acceptance of Fixed Deposits from the Shareholders of the Company and as such, approval of the Shareholders by way of an Ordinary Resolution is being sought. It may be noted that the deposits to be accepted will be unsecured.

Pursuant to the Companies (Acceptance of Deposits) Rules, 2014 proposed "circular or circular in the form advertisement" for Deposit Scheme will be valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statements are laid before the Company in Annual General Meeting.

Accordingly, consent of the Shareholders is sought for passing an ordinary resolution. This resolution enables the Board of Directors of the Company to accept/renew deposits from the Shareholders up to the permissible limits laid down in the Rules.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution except to the extent of any deposits that they may place with the Company under its approved Fixed Deposit Scheme.

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

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

Sd/-

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

Place: Hyderabad  
Date: May, 17 2023

**DIRECTORS' REPORT**

Dear Member(s),

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report and the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2023:

**I. Financial Highlights**

The Standalone and Consolidated performance for the Financial Year ended March 31, 2023 is as under:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Income from Operations	15,426.73	10,494.37	15,445.11	10,495.35
Other Income	47.41	136.71	47.86	137.04
<b>Total Income</b>	<b>15,474.15</b>	<b>10,631.08</b>	<b>15,492.97</b>	<b>10,632.39</b>
Cost of Materials Consumed	7,658.31	5,068.80	7,699.76	5,089.42
Change in Inventories	(1381.74)	(400.01)	(1381.74)	(400.01)
Employee benefit expenses	1,665.45	1,310.63	1,777.23	1,326.67
Finance Cost	486.08	151.12	486.29	151.30
Depreciation	515.65	397.19	576.76	402.79
Other expenses	2,537.43	1,739.17	2,667.84	1,815.38
<b>Total Expenses</b>	<b>11,481.19</b>	<b>8,266.92</b>	<b>11,826.14</b>	<b>8,385.56</b>
Profit/(Loss) – Before Tax & Exceptional Items	3,992.96	2,364.17	3,666.83	2,246.83
Current Tax	1,033.80	415.45	1,033.80	415.48
Deferred Tax	(44.44)	30.93	(50.76)	33.65
Profit/(Loss) – After Tax	3,003.59	1,917.79	2,683.79	1,797.70
Other comprehensive Income (Net Tax)	(25.34)	(7.62)	(25.34)	(7.62)
<b>Total Comprehensive Income</b>	<b>2,978.25</b>	<b>1,910.17</b>	<b>2,658.45</b>	<b>1,790.08</b>

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

During the financial year 2022-2023, your Company recorded a turnover of Rs.15,426.73 Lakhs and earned a net profit of Rs.2,978.25 Lakhs on a standalone basis and a turnover of Rs.15,445.11 Lakhs and net profit was Rs.2,658.45 Lakhs on consolidation basis.

**3. Transfer of amount to Reserves**

The Board of Directors do not propose to transfer any amount to the General Reserve for the Financial Year ended March 31, 2023.

**4. Dividend**

The Board of Directors has recommended a final dividend of Re.1/- per equity share of Rs.10/- (Ten rupees) each fully paid-up of the Company for the financial year 2022-23. Dividend is subject to approval of members at the ensuing Annual General Meeting and

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

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

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

## **6. Subsidiary Companies**

M/s. Imeds Global Private Limited, a Wholly Owned Subsidiary Company, continues to contribute to the overall growth in revenues and performance of the Company.

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statements of the Subsidiary Company in Form AOC-I is enclosed as **Annexure - I**.

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

As per Rule 8 of the Companies (Accounts) Rules, 2014, a Report on the financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended March 31, 2023 is annexed to this Board's Report as **Annexure - I**.

## **8. Consolidated Financial Statements**

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

The Consolidated Financial Statements for the financial Year ended March 31, 2023 forms part of the Annual Report.

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

## **9. Bonus Issue**

During the Financial Year a Bonus Issue had taken place wherein the Company had allotted 1,21,63,479 Equity Shares of Rs.10/- each as fully paid-up to the Members of the Company, whose names appear in the Register of Members as on the Record date June 20, 2022, in the proportion of 3 (Three) new fully paid-up equity shares of Rs.10/- each for every 1 (One) existing fully paid-up equity share of Rs.10/- each held by them (i.e., in the ratio of 3:1).

## **10. Share Capital**

The Paid-up Share Capital of the Company as on March 31, 2023 is Rs.16,21,79,720 divided into 1,62,17,972 Equity Shares of Rs.10 each fully paid up.

## **11. Variations in Net worth**

The Standalone Net worth of the Company for the Financial Year ended March 31, 2023 is Rs.11,188.03 Lakhs as compared to Rs.8,262.13 Lakhs for the previous Financial year ended March 31, 2022 and the Consolidated Net worth of the Company for the Financial Year ended March 31, 2023 is Rs.10,748.17 Lakhs as compared to Rs.8,142.08 Lakhs for the previous Financial year ended March 31, 2022.

## **12. Directors**

The Board of Directors of the Company at their meeting held on May 6, 2022, based on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. V. Ramchander (DIN: 03400005) as an Independent Director of the Company with effect from May 6, 2022. Further, the Shareholders of the Company had considered and approved his appointment at the 32<sup>nd</sup> AGM held on May 30, 2022, for a period of 5 years.

Except the above, there has been no change in the Board of Directors during the Financial Year ended March 31, 2023.

### 13. Appointment/Re-appointment

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

### 14. Key Managerial Personnel

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

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

During the Year, Mr. Tekuri Venkatesh, Company Secretary of the Company has resigned from the office with effect from October 21, 2022 and Mr. D. Rajasekhara Reddy has been appointed as the Company Secretary of the Company with effect from October 21, 2022.

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

During the financial year ended March 31, 2023, four Board meetings were held on the following dates: May 6, 2022, July 29, 2022, October 21, 2022 and January 23, 2023.

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

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

Name of the Director	Number of Board Meetings	
	Held	Attended
Dr. Abburi Vidyasagar	4	4
Mrs. Abburi Sarada	4	4
Mr. Abburi Siddhartha Sagar	4	4
Mr. Naveen Nandigam	4	4
Mr. Elluru Bala Venkata Ramana Gupta	4	4
Mr. Yalamanchili Kishore	4	3
Mr. Myneni Narayana Rao	4	4
Mr. Ramchander Vyasabhattu	3	3

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

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended March 31, 2023 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the same is annexed to the Board's Report as **Annexure – 2**.

### 17. Particulars of Contracts or Arrangements with Related Parties

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

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



The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended March 31, 2023 in prescribed Form AOC-2 is annexed to this Board's Report as **Annexure – 3**.

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

### 18. Annual Return

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

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

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

### 20. Audit Committee

During the financial year ended March 31, 2023, five Audit Committee meetings were held on the following dates: May 6, 2022, July 29, 2022, October 21, 2022, December 22, 2022 and January 23, 2023.

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

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

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

Name of the Director	Designation	Number Meetings	
		Held	Attended
Mr. Naveen Nandigam	Chairman	5	5
Mr. E BV Ramana Gupta	Member	5	5
Mr. Myneni Narayana Rao	Member	5	5
Mr. Yalamanchili Kishore	Member	5	3
Mr. Vyasabhattu Ramchander*	Member	NA	NA

\* Mr. Vyasabhattu Ramchander was appointed as a member of Audit Committee with effect from January 23, 2023.

### 21. Nomination and Remuneration Committee

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

formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

formulation of criteria for evaluation of performance of Independent Directors and the board of directors;

devising a policy on diversity of board of directors;

identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

recommend to the board, all remuneration, in whatever form, payable to senior management.

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

During the financial year ended March 31, 2023, three Nomination and Remuneration Committee meetings were held on the following dates: May 6, 2022, October 21, 2022 and January 23, 2023.

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

Name of the Director	Designation	Number Meetings	
		Held	Attended
Mr. Myneni Narayana Rao	Chairman	3	3
Mr. Naveen Nandigam	Member	3	3
Mr. E BV Ramana Gupta	Member	3	3
Mr. Yalamanchili Kishore	Member	3	2
Mr. Vyasabhattu Ramchander*	Member	NA	NA

\* Mr. Vyasabhattu Ramchander was appointed as a member of Nomination and Remuneration Committee with effect from January 23, 2023.

## 22. Corporate Social Responsibility (CSR)

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

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

During the F.Y. 2022-23 the Company was required to spend an amount of Rs.36,46,786/- for implementation of various CSR activities in terms of Section 135 of the Companies Act, 2013. In this regard the Company has spent an amount of Rs.48,38,255/- on CSR activities which is in excess of the minimum amount required to be spent by the Company.

During the financial year ended March 31, 2023, three Corporate Social Responsibility Committee meetings were held on the following dates: May 6, 2022, October 21, 2022 and December 22, 2022.

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

Name of the Director	Designation	Number Meetings	
		Held	Attended
Mrs. Abburi Sarada	Chairperson	3	3
Mr. Naveen Nandigam	Member	3	3
Mr. Yalamanchili Kishore	Member	3	2

### 23. Stakeholders Relationship Committee

During the year, one Meeting of the Stakeholders Relationship Committee was held on January 23, 2023.

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

Name of the Director	Designation	Number Meetings	
		Held	Attended
Mr. Myneni Narayana Rao	Chairman	1	1
Dr. Abburi Vidyasagar	Member	1	1
Mr. E BV Ramana Gupta	Member	1	1
Mr. Yalamanchili Kishore	Member	1	1

#### Terms of Reference

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

### 24. Share Allotment Committee

During the year, one Meeting of the Share Allotment Committee was held on June 21, 2022.

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

Name of the Director	Designation	Number Meetings	
		Held	Attended
Dr. Abburi Vidyasagar	Chairman	1	1
Mrs. Abburi Sarada	Member	1	1
Mr. Naveen Nandigam	Member	1	1

The Share Allotment Committee ('SAC') of the Company have allotted 1,21,63,479 equity shares of Rs.10 each, by way of Bonus Issue, to such members whose names appeared in the Register of Members as on June 20, 2022, being the Record Date fixed for the said purpose, in the proportion of 3 (Three) new fully paid-up equity share of Rs.10/- each for every 1 (One) existing fully paid-up equity share of Rs.10/- each held by them (i.e., in the ratio of 3:1).

### 25. Mechanism for Evaluation of the Board

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

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

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

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

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

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

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

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

## **26. Management Discussion and Analysis**

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

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

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

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2023 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

The Members of the Board of the Company have been provided opportunities to familiarize themselves with the Company, its Management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

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

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

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

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

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

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

### **30. Meeting of Independent Directors**

A separate meeting of the Independent Directors was held under the Chairmanship of Mr. Yalamanchili Kishore, Independent Director on January 23, 2023, inter-alia, to discuss evaluation of the performance of the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

### **31. Registration of Independent Directors in Independent Directors Databank**

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

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

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

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

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

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

### **34. Board Diversity**

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

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

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

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

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

**37. Code of Conduct**

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

**38. Deposits**

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

**39. Statutory Auditors**

The Company's Statutory Auditors, M/s. Grandhy & Co., Chartered Accountants, (ICAI Firm Registration No. 0010075), were appointed as the Statutory Auditors of the Company for a period of 5 years at the 31<sup>st</sup> Annual General Meeting of the Company held on June 5, 2021, to hold office till the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company to be held in the year 2026.

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

**40. Auditors Report**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Grandhy & Co., Chartered Accountants (ICAI Firm Registration No. 0010075), Statutory Auditors in their report for the Financial Year ended March 31, 2023.

**41. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. P. S. Rao & Associates, Practising Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2023.

The Secretarial Audit Report issued by M/s. P.S. Rao & Associates, Practising Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure - 7**.

**42. Internal Auditors**

The Board of Directors of the Company has appointed M/s. Ramesh & Co., Chartered Accountants (Firm Registration No. 0029795) as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended March 31, 2023.

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

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors pursuant to the recommendation of the Audit Committee, had appointed M/s. MPR & Associates, Cost Accountants (Firm Registration No. 000413), Hyderabad, as Cost Auditors of the Company, to carry out the audit of the cost records of the products manufactured by the Company during the financial year ending March 31, 2024 at a remuneration of Rs. 1,00,000/-.

The remuneration payable to the cost auditor is required to be placed before the Members in the general meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to M/s. MPR & Associates, Cost



Accountants, is included in the Notice convening the Annual General Meeting. The Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

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

The Company will file the cost audit report for the Financial Year ended March 31, 2023, with the Central Government before the due date.

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

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report or by the Cost Auditors in the Cost Audit Report.

Further, the Secretarial Auditors Report contains the following observations:

- 1) There was a delay in submission of the disclosure of Related Party Transactions for the half year ended on 31<sup>st</sup> March, 2022 in terms of Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) There was a delay in the closure of Trading Window in terms of the Code of Conduct of the company read with the SEBI (Prohibition of Insider Trading) Regulations, 2015, for the Quarter ended on 31<sup>st</sup> March, 2022 and 30<sup>th</sup> June, 2022.
- 3) There was a delay in submission of the Financial Statements in XBRL format for the Quarter ended 31<sup>st</sup> March, 2022 in terms of BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017.

Boards' response on observations of Secretarial Audit Report are as follows:

The delay was completely inadvertent in nature due to various administrative reasons. Further, the Company had implemented various systems and procedures to ensure that no such delay submission(s)/ non-compliances be taken place further.

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

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

#### **46. Corporate Governance**

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

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

#### **47. Vigil Mechanism (Whistle Blower Policy)**

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

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

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

#### **48. Insurance**

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

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

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

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

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

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

The Company recognizes Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

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

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

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

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

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

The BSE Limited levied a fine of Rs.41,300/- due to delay (5 days) in submission of the disclosure of Related Party Transactions for the half year ended on March 31, 2022, in terms of Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

**54. Material changes and commitments**

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended March 31, 2023 to which the Financial Statements relates and the date of signing of this report.

**55. Business Responsibility and Sustainability Report**

As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the 'Business Responsibility and Sustainability Report' (BRSR) is not applicable to your Company for the year ended March 31, 2023.

**56. Environment, Health and Safety**

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

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

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

### 57. Credit Rating

Acuité Ratings & Research Limited (“Acuité”) (“Credit Rating Agency”) has assigned long-term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) and short-term rating of 'ACUITE A2' (read as ACUITE A two). The Outlook is 'Stable'.

Brickwork Ratings India Limited (“Brickwork”) (“Credit Rating Agency”) has affirmed long-term rating for Fund based is 'BWR BBB+ /Stable' and short-term rating of Non-Fund based is “BWR A2”. Short-term rating of Non-Fund based is “BWR A2”.

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

### 58. Nomination and Remuneration Policy

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

Nomination and Remuneration policy of the Company forms part of this Annual Report as **Annexure – 8** and the policy is also available on the Company's website <https://www.avantel.in/>.

### 59. 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.

### 60. Human Resources

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

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

### 61. Prevention of Sexual Harassment

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

The Company has not received any complaints during the year.

The Company regularly conducts awareness programs for its employees.

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

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

**62. Investor Education and Protection Fund (IEPF)**

Pursuant to Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Members who have not encashed the dividend warrants / demand drafts so far in respect of the unclaimed and unpaid dividends declared by the Company for the Financial Year 2015-16 and thereafter, are requested to make their claim to M/s. KFIN Technologies Limited (Registrars & Share Transfer Agents) well in advance of the last dates for claiming such unclaimed and unpaid dividends as specified hereunder:

Sl. No.	For the Financial year ended	Dividend in Rs.	Percentage of Dividend	Date of Declaration	Last date for claiming unpaid Dividend
1	2015-16 (Final Dividend)	Rs.1/-	10%	25-06-2016	25-07-2023
2	2016-17 (Final Dividend)	Rs.2/-	20%	15-09-2017	14-10-2024
3	2017-18 (Final Dividend)	Rs.4/-	40%	27-07-2018	25-08-2025
4	2018-19 (Interim Dividend)	Rs.3/-	30%	28-01-2019	26-02-2026
5	2018-19 (Final Dividend)	Rs.2/-	20%	12-07-2019	10-08-2026
6	2019-20 (Interim Dividend)	Rs.2/-	20%	10-10-2019	08-11-2026
7	2019-20 (Final Dividend)	Rs.2/-	20%	25-06-2020	25-07-2027
8	2020-21 (Final Dividend)	Rs.4/-	40%	05-06-2021	04-07-2028
9	2021-22 (Final Dividend)	Rs.4/-	40%	30-05-2022	28-06-2029

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

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

**64. Compliance with Secretarial Standards**

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

**65. Prevention of Insider Trading Code**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. During the year, there has been no due compliance with the said code.

**66. Acknowledgements**

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

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

Sd/-

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

Place: Hyderabad  
Date: May, 17 2023

**FORM AOC- I**

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

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

**Part “A”: Subsidiaries**

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

S. No.	Particulars	Details
1.	Name of the subsidiary	M/s.Imeds Global Private Limited
2.	The date since when subsidiary was acquired	03/09/2021
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	FY 2022-23
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	1175.00
6.	Reserves & surplus	(439.86)
7.	Total assets	742.12
8.	Total Liabilities	6.98
9.	Investments	NIL
10.	Turnover	18.38
11.	Profit/ (Loss) before Taxation	(326.13)
12.	Tax Expense/ (Benefit)	(6.33)
13.	Profit/ (Loss) after Taxation	(319.80)
14.	Total Comprehensive Income	NIL
15.	Proposed Dividend	NIL
16.	% of Shareholding	100%

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

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

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

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

For and on behalf of the Board of Directors of **AVANTEL LIMITED**

Sd/-

**ABBURI VIDYASAGAR**

Chairman & Managing Director

DIN: 00026524

Sd/-

**NAVEEN NANDIGAM**

Director

DIN: 02726620

Sd/-

**ABBURI SARADA**

Whole-Time Director & CFO

DIN: 00026543

Sd/-

**D RAJASEKHARA REDDY**

Company Secretary

M.No. A61938

Place: Hyderabad  
Date: May 17, 2023



**ANNEXURE – 2**

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

(Rs. in Lakhs)

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition /guarantee	Time period for which it is made / given	Date of passing Board Resolution	Purpose of loan/ security/ acquisition /guarantee	For loans	
							Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Acquisition	From 01.04.2022 To 31.03.2023	Imeds Global Private Limited Address: Sy. No.141, Plot No. 47/P,APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India.	Rs.675 Lakhs was invested in M/s. Imeds Global Private Limited	NA	28.10.2021 & 23.01.2023	Investment in a Wholly owned Subsidiary	NA	NA

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

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

Place: Hyderabad  
Date: May, 17 2023

## ANNEXURE – 3

## Form No.AOC-2

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

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

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

(Rs. in Lakhs)

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value if any	Date(s) of approval by the Board if any	Amount paid as advances if any	Justification for entering into contracts
1	Mrs. Abburi Sarada  (Whole-Time Director & Spouse of Dr. Abburi Vidyasagar)	Provide premises on lease	April 1, 2022 to March 31, 2023	Rs. 11.72 Lakhs	October 30, 2009	NIL	Avantel Limited (the Company) is providing Rent free accommodation to the Managing Director. The rent paid by the Company is as per the lease rentals prevailing in surrounding buildings. The transaction entered by the Company is at Arm's length basis
2	Lakshmee Foundation  (Owned and managed by Promoters)	Donation of CSR funds to Lakshmee Foundation to undertake CSR activities	From December 22, 2022 to March 31, 2023	Rs. 46.46 Lakhs	January 23, 2023	NIL	Avantel Limited (the Company) has entered into a contract to undertake CSR activities through Lakshmee Foundation. The Lakshmee Foundation, a Trust registered under the Indian Trusts Act, 1882, having a track record of undertaking CSR activities since 2010. The transaction entered by the Company is at Arm's length basis

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

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

Place: Hyderabad  
Date: May 17, 2023

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

**A. Conservation of Energy:**

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

**B. Particulars with respect to Absorption of Technology, Research and Development (R&D) specific areas, in which R&D was carried out by the Company:**

**1. Technology Absorption Adoption and Innovation**

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

**2. Research and Development**

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

**3. Specific Areas in which R&D was carried out by the Company.**

**a) MSS for Helicopters:**

The Company has successfully developed Mobile Satellite Services Systems (MSS M-II) for Helicopter Platforms procured from Lockheed Martin by Indian Navy. The system has the Salient features like Digital Beam Forming technology for enhanced data rates without alignment of antenna towards satellite, Low Density Parity Check (LDPC) coding to meet requirements of Voice and Data communications from Geo Stationary Satellite. The Design of the system has been accomplished to meet stringent Helicopter platform qualification requirements for Environmental tests as per RTCA-DO-160/MIL-STD-810, EMI/EMC tests as per MIL-STD461 and Power quality tests as MIL-STD-704.

**b) Development of 5 KW HF Systems:**

The Company has successfully developed and delivered 5KW HF Transmitter System in the frequency range of 2 to 30 MHz with rated output power of 5 KW. The 5 KW HF system is designed for both voice and data applications. While many of the existing VHF and UHF radios are commonly deployed for short-range Line-Of-Sight (LOS) communications, the present 5 KW HF System facilitates long distance communication to ranges of more than 2000 km. One of the most critical aspects of good HF communications is the choice of Antenna and its deployment. The antenna is realized with single tower monocone architecture. The antenna is vertically polarized Omni directional antenna which is suitable in particular to shore to ship and ground to air broadcast applications in HF band. The antenna offers Max VSWR of 2.5:1 over the operating frequency range of 1.5 to 30MHz. The height of the Monocone antenna is 35.0m, requires installation area of 70 meters Dia (approx) for good ground plane. The power handling capability of the antenna is more than 5KW. The antenna is designed to withstand high wind speeds up to 300 kmph.

**c) HF SDR:**

The HF Software Defined Radio (SDR) is designed with SCA 4.1 compliant software-defined transceiver for half duplex communication of voice and data in the short wave (HF) frequency band of 1.5 to 30 MHz. The SDR has been designed considering the frequency hopping requirements of 6 Hops per sec as specified in MIL-STD-188-141B Appendix F. The SDR supports Mode of operation CW, DATA, AM, ISB and SSB with wide band operation of 24KHz. It supports Modulations as per MIL-STD-188-141B Annex-B, MIL-STD-188-110B and MIL-STD-188-110C Annex-C. SDR supports Automatic Link Establishment ALE3G and ALE2G standards. The SDR has additional interfaces for External MODEM, ACCS and Crypto.

**d) RTIS Terminals:**

The system for Real Time Train Information System (RTIS) is a GNSS based navigation system integrated with the MSS terminals in the locomotive for tracking the position of locomotives, generation of events like station Approach /Arrival /Departure /Run through /Unscheduled Stoppage. The positional information is forwarded to MSS earth station over MSS network to Central Location Server (CLS) in CRIS' DC in Chanakyapuri, New Delhi over 4G networks (fallback with 3G/GPRS). The information received by MSS earth station will also be forwarded to CLS. The information received by CLS will be updated in Control Office Application (COA) of Indian Railways for automated control charting. The locomotive equipment will also have MSS Receive capability for emergency/warning messages and acknowledgements for messages sent from locomotive. The system implements automatic beam switching of Satellite beams across the footprint of satellite. Significant design changes have been undertaken to integrate with RTIS Phase I network. Several modifications were incorporated in the design to mitigate supply chain issues and availability of components. Avantel has successfully manufactured and delivered 2,014 Loco devices as on March 31, 2023 and remaining 4,286 Loco devices are under manufacture.

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

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

**5. Future plan of Action:**

Avantel has taken up design and development of variants of SCA compliant SDR in HF /VHF / UHF / L Band frequencies for marine as well as land based solutions. Your Company is also designing MSS systems for multiple beams, dual polarization and multiple satellites for different platforms. Avantel initiated design & development of Air Defence Radars for Indian Army.

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

Particulars	Rs. in Lakhs
Capital	67.57
Recurring	704.51
Total	772.08
Total R & D expenditure % as of Turnover	5.00%

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

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

Particulars	Standalone (Rs. in Lakhs)	
	2022-23	2021-22
Used	5,124.36	4,300.95
Earned	35.64	59.19

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

Sd/-

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

Place: Hyderabad  
Date: May, 17 2023

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

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

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

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

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

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

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

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

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

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Abburi Sarada	Chairperson	3	3
2	Mr. Naveen Nandigam	Member	3	3
3	Mr. Yalamanchili Kishore	Member	3	3

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

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

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

The impact assessment is not applicable to the Company.

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

Net Profit	For the Financial Year ended March 31 (amount in Rs.)		
	2021-22	2020-21	2019-20
	23,49,89,913	18,42,32,831	12,77,95,133
Average Net Profit for the preceding three Financial Years	18,23,39,292		

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

Rs. 36,46,786/-

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

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

- (e) Total CSR obligation for the financial year [(b)+(c) -(d)]: Rs.36,46,786/-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (Rs.)	Amount spent in the current financial Year (Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Total</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (Rs.)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Donated to Bala Vikas Social Services & Sri Velidandla Hanumantharaya Grandhalayam	Promotion of Education	No	Warangal district, Telangana State, India.  NTR district, Andhra Pradesh, India.		Rs.1,50,000	Yes	Spent Directly	
2	Donated to Lakshme Foundation towards Education	Promotion of Education	No	Eluru district Andhra Pradesh, India.  Mumbai District, Maharashtra, India.  Ranga Reddy district, Telangana State, India.  NTR district, Andhra Pradesh, India.  Gwalior district, Madhya Pradesh, India.		Rs.4,39,755	No	The amount was spent through Lakshme Foundation, a Trust registered under the Indian Trusts Act, 1882.	CSR00010333
3	Donated to Lakshme Foundation towards Health	Promotion of Health	No	NTR district, Andhra Pradesh, India.		Rs.41,00,000	No	The amount was spent through Lakshme Foundation, a Trust registered under the Indian Trusts Act, 1882.	CSR00010333
4	Donated to Amma Oddi and Adarsha Foundation towards Food for Needy	Eradication of Hunger	Yes	Hyderabad district, Telangana State, India.		Rs.42,500	Yes	Spent Directly	
5	Donated to Lakshme Foundation towards Women Empowerment	Empowering Women	No	NTR district, Andhra Pradesh, India.		Rs.1,06,000	No	The amount was spent through Lakshme Foundation, a Trust registered under the Indian Trusts Act, 1882.	CSR00010333
<b>Total</b>						<b>Rs.48,38,255</b>			

- (b) Amount spent on Administrative Overheads: Nil  
(c) Amount spent on Impact Assessment, if applicable: Nil  
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 48,38,255  
(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs.)	Amount Unspent (Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 48,38,255	Nil	NA	NA	Nil	NA

(f) Excess amount for set off if any

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	Rs.36,46,786/-
(ii)	Total amount spent for the Financial Year	Rs.48,38,255/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs.11,91,469/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.11,91,469/-

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

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs.)	Balance Amount in Unspent CSR Account under section 135(6) (Rs.)	Amount spent in the reporting Financial Year (Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years. (Rs.)	Deficiency, if any
					Amount (Rs.)	Date of transfer		
1.	FY 2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil



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

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

NIL

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

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

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

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

Sd/-

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

Place: Hyderabad  
Date: May, 17 2023

## ANNEXURE – 6

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

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

**(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year**

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Dr. Abburi Vidyasagar (Chairman and Managing Director)	38.71
2	Mrs. Abburi Sarada (Whole-Time Director and CFO)	32.21
3	Mr. Abburi Siddhartha Sagar (Whole-Time Director)	7.87
4	Mr. Naveen Nandigam (Independent Director)	0.33
5	Mr. E BV Ramana Gupta (Independent Director)	0.28
6	Mr. Yalamanchili Kishore (Independent Director)	0.22
7	Mr. Myneni Narayana Rao (Independent Director)	0.28
8	Mr. Ramchander Vyasabhattu (Independent Director)	0.07

\*Median remuneration of Employees: Rs.4,57,600 /-

**(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year**

S.No.	Name of the Director / KMP	Percentage Increase in Remuneration
1	Dr. Abburi Vidyasagar (Chairman and Managing Director)*	41.31%
2	Mrs. Abburi Sarada (Whole-Time Director and CFO)*	53.19%
3	Mr. Abburi Siddhartha Sagar (Whole-Time Director)	0.00%
4	Mr. Naveen Nandigam (Independent Director)	25.00%
5	Mr. E BV Ramana Gupta (Independent Director)	30.00%
6	Mr. Yalamanchili Kishore (Independent Director)	-16.67%
7	Mr. Myneni Narayana Rao (Independent Director)	30.00%
8	Mr. Ramchander Vyasabhattu (Independent Director)	-
9	Mr. D. Rajasekhara Reddy (Company Secretary)	-

\*The marginal increase is in line with the operations of the Company for the year 2022-23.

**(iii) The number of permanent employees in the rolls of Company:** There are 175 permanent employees on the rolls of the Company.**(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The Average percentile increase already made in the salaries of employees is 16.67%

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

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

Sd/-

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

Place: Hyderabad  
Date: May 17, 2023

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

Sl. No.	Name and Designation	Remuneration received during the period from April 1, 2022 to March 31, 2023	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
1	Dr. Abburi Vidyasagar  Managing Director	Rs. 36,00,000	Regular	M.Tech, MBA, PhD & 30 years	03-01-1993	62	HAL (Design Engineer), APSFC (Manager), Satyam Computers Ltd (GM)	Spouse of Mrs. A. Sarada, Whole-Time Director & CFO and Father of Mr.A Siddhartha Sagar, Whole-Time Director	30,56,900 (18.85%)
2	Mr. Abburi Siddhartha Sagar  Whole-Time Director	Rs. 36,00,000	Regular	MS (CS); MBA & 10 years	08-03-2021	35	-	Son of Dr. Abburi Vidyasagar Managing Director and Mrs. A. Sarada, Whole-Time Director & CFO	12,67,764 (7.82%)
3	Mrs. A Sarada  Whole-Time Director & CFO	Rs. 18,00,000	Regular	B.Com and MBA & 30 years	14-05-2014	58	-	Spouse of Dr.Abburi Vidyasagar Managing Director and Mother of Mr.A Siddhartha Sagar, Whole-Time Director	10,04,996 (6.20%)

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

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

Sd/-

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

Place: Hyderabad  
Date: May, 17 2023

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

**List of Top 10 salaried employees for the Financial Year ended March 31, 2023**

Sl. No.	Name and Designation	Remuneration received during the period from April 1, 2022 to March 31, 2023	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
1	Mr. N Srinivas Rao Vice President - Technical	Rs. 28,62,835	Regular	B.Sc & 26 years	10-02-1997	50	Radio and TV Centre, Electronics Corporation of India	N.A.	N.A.
2	Mr. P Bala Bhaskar Rao Vice President (Marketing & Customer Support)	Rs. 27,40,000	Regular	AMIETE & 28 years	13-02-1995	47	-	N.A.	N.A.
3	Gp Capt P Srinivas (Retd) Vice President – Q A & Projects	Rs. 27,18,400	Regular	B.Tech, M.E & 29 years	04-12-2017	51	Indian Air Force	N.A.	N.A.
4	Wg Cdr PRL Prakash (Retd) Vice President - Strategy & Business Development	Rs. 25,41,400	Regular	M.Tech & 33 years	01-04-2014	56	Brahmos Aerospace Private Limited, Indian Air Force	N.A.	N.A.
5	Mr. Nageswara Rao Tatikonda General Manager - Q A	Rs. 25,00,000	Regular	M.Tech, PGDM & 37 years	13-07-2012	58	M/s Aster Group Noida Customer Operations Pvt Ltd., Indian Air Force	N.A.	N.A.
6	Mr. Pusuluru Srinivasa Rao General Manager - Production	Rs. 24,18,400	Regular	M.Sc & 18 years	19-01-2005	48	Vikas Communications Pvt Ltd	N.A.	N.A.
7	Mr. G Bhaskar Senior Manager - R & D	Rs. 23,75,000	Regular	B.E (ECE) & 15 years	06-03-2008	37	-	N.A.	N.A.

Sl. No.	Name and Designation	Remuneration received during the period from April 1, 2022 to March 31, 2023	Nature of Employment	Qualifications and experience of the Employee	Date of commencement of Employment	Age	The last employment held before joining the Company	Whether is a relative of any Director or Manager of the Company	The percentage of equity shares held by the Employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5
8	Mr. M J S Kishore General Manager (Software Development)	Rs. 23,43,200	Regular	M.Sc & 17 years	26-03-2006	40	-	N.A.	N.A.
9	Mr. G V Jaganmohan Dy General Manager - Q A	Rs. 23,03,400	Regular	DECE, B.Sc, MS (IT) & 17 years	03-07-2001	46	-	N.A.	N.A.
10	Cdr Rajendra Sudhakar Dixit (Retd) General Manager - Customer Support	Rs. 22,33,400	Regular	M.E (E&T) & MBA & 27 years	01-08-2017	53	-	N.A.	N.A.

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

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

Place: Hyderabad  
Date: May, 17 2023

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

for the Financial Year ended March 31, 2023

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

To

The Members

**Avantel Limited**

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Avantel Limited** [CIN: L72200AP1990PLC011334] (hereinafter called “the Company”) for the financial year ended 31<sup>st</sup> March, 2023 (“Audit Period”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 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, 2023 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') are applicable:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;  
**(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;  
**(Not applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
**(Not applicable to the Company during the audit period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;  
**(Not applicable to the Company during the audit period)**
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:
- Telecom Regulatory Authority of India Act, 1997;
  - The Micro, Small and Medium Enterprises Development Act, 2006;
  - Industries (Development and Regulation) Act 1951;
  - Indian Telegraph Act, 1985.
  - Indian Wireless Telegraphic Act, 1993.

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

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

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

- 1) There was a delay in submission of the disclosure of Related Party Transactions for the half year ended on 31<sup>st</sup> March, 2022 in terms of Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) There was a delay in the closure of Trading Window in terms of the Code of Conduct of the company read with the SEBI (Prohibition of Insider Trading) Regulations, 2015, for the Quarter ended on 31<sup>st</sup> March, 2022 and 30<sup>th</sup> June, 2022.
- 3) There was a delay in submission of the Financial Statements in XBRL format for the Quarter ended 31<sup>st</sup> March, 2022 in terms of BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017.

**We further report that:**

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

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

Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

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

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

- i. the Company had allotted 1,21,63,479 equity shares of Rs.10/- each, by way of Bonus Issues, to the existing shareholders of the company.

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

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

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR: 710/2020

ICSI Unique Code: P2001TL078000

UDIN: F010322E000311051

Place : Hyderabad  
Date : May 17, 2023

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.



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

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

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

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

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR: 710/2020

ICSI Unique Code: P2001 TL078000

UDIN: F010322E000311051

Place : Hyderabad  
Date : May 17, 2023

## Nomination and Remuneration Policy

### I. Introduction

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Avantel Limited (the Company) is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, the Key Managerial Personnel (KMP) and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

### 2. Objective of the Policy

- (a) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent director(s) on the Board, KMP(s) and the Senior Management Personnel of the quality required, AvanteL allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
- (i) guiding the Board in relation to appointment and removal of Director(s), Key Managerial Personnel and Senior Management;
  - (ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
  - (iii) recommending to the Board the remuneration payable to the Director(s) and setting forth a policy for determining remuneration payable to KMP and Senior Management Personnel.
- (b) While determining the remuneration for the Director(s) (including non-executive directors) and KMPs and Senior Management Personnel, regard should be had to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.
- (c) While designing the remuneration package it should be ensured:
- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
  - (ii) There is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (d) Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.
- (e) The Committee may consult with the chairman of the Board as it deems appropriate.
- The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 (“Act”) (including Section 178 thereof), rules framed there under and clause 49 of the Listing Agreement including, *inter-alia*, principles pertaining to determining qualifications, positive attributes, integrity and independence.
- (f) In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

### 3. Effective Date

This policy shall be effective from the date of its adoption by the Board.

### 4. Definitions

- (a) In this Policy unless the context otherwise requires:
- (i) **'Board of Directors'** or **'Board'**, in relation to the Company, means the collective body of the directors of the Company.
  - (ii) **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
  - (iii) **'Company'** means "AVANTEL LIMITED".
  - (iv) **'Independent Director'** means a director referred to in Section 149(6) of the Companies Act, 2013 read with clause 49 of the Listing Agreement.
  - (v) **'Key Managerial Personnel' (KMP)** shall have the meaning ascribed to it in the Act and the Rules made thereunder.
  - (vi) **'Non-Executive Directors'** includes Independent Directors.
  - (vii) **'Policy'** means Nomination and Remuneration policy.
  - (viii) **'Senior Management Personnel'** for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.
- (b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 5. Applicability

This Policy is applicable to:

- (i) Directors, including Non- Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

### 6. Membership

- (a) The Committee shall consist of such number of directors as is required under applicable laws.
- (b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
- (c) Term of the Committee shall be continuous unless terminated by the Board of Directors.

### 7. Chairman

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.
- (c) Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### 8. Frequency of Meetings

The meeting of the Committee shall be held at such intervals as may be required.

**9. Committee Members' Interests**

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**10. Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

**11. Quorum**

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

**12. Voting**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**13. Responsibility of the Committee**

- (a) The Committee is responsible for:
  - (i) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
  - (ii) advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
  - (iii) monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year; for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
  - (iv) monitoring and evaluating the application of this Policy;
  - (v) monitoring and evaluating current remuneration structures and levels in the Company; and
  - (vi) any other responsibility as determined by the Board.

**14. Appointment of Directors, KMP or Senior Management Personnel**

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel.
- (b) A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (c) Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance of provisions of the Companies Act, 2013 and compliance of clause 49 of the Listing Agreement.
- (d) The appointment of a Director or a KMP, as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

**15. Remuneration****(a) Remuneration to Executive Directors, Directors other than Executive Director:**

- (i) The remuneration/ compensation/ commission etc. to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- (ii) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- (iii) Increments to the existing remuneration/ compensation structure of Directors shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.
- (iv) Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## 16. Remuneration to Executive Director

### Fixed pay:

Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### Variable components:

The Executive Director(s) may be paid performance linked commission within the overall limits as approved by the shareholders.

### **Remuneration to Directors other than Executive Director:**

#### Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

## 17. Remuneration to KMP and Senior Management Personnel

- (i) The remuneration payable to KMP and Senior Management Personnel including their increments will be determined by the Managing Director and recommend to the Nomination and Remuneration Committee for approval.
- (ii) Where any insurance is taken by the Company on behalf of its KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- (iii) **Remuneration:**

#### (i) Fixed pay:

KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Committee.

(ii) Variable components:

Based on the performance KMP and Senior Management Personnel will be paid incentives.

**18. Policy On Board Diversity**

- (a) The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like [production, management, quality assurance, finance, sales and marketing, research and development, Human Resources etc] or as may be considered appropriate.
- (b) The Board shall have at least one Board member who has accounting or related financial management expertise.

**19. Removal**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director(s), KMP(s) and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

**20. Disclosure of Information**

This Policy shall be disclosed in the Board's report.

**21. Deviation from the Policy**

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

**22. Amendments to the Policy**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

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

Sd/-

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

Place: Hyderabad

Date: May, 17 2023

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### **Business Overview:**

#### **1) Review of Operations**

Your company, Avantel has yet again recorded highest turnover since inception for the F.Y. 2022-23 and crossed the 150 Crores milestone. The Company has been witnessing an impressive growth year on year and certain high value projects have been executed / are under execution during F.Y. 2022-23. Your Company has successfully completed all the deliveries of the 1 KW HF project of Indian Navy and the installations of HF Radio sets are currently under progress. The RTIS project with Indian Railways is currently under execution and shall be completed by October 2023. We have also designed, developed and supplied 5 Kw HF Transmitter systems which will be an import substitute for Indian Navy requirements. Your Company has successfully completed development of SATCOM System for Multi Utility Helicopters of Lockheed Martin being supplied to Indian Navy. Keeping in mind the future business prospects, this year your Company has also embarked on development of HF Software Defined Radios (SDRs) with 2G/3G ALE & ECCM Capability and different variants of MSS for submarines.

Imeds Global Private Limited, subsidiary of Avantel Limited offering innovative medical solutions has commenced its operations from AMTZ, Vizag and the license for manufacture of Surgical Staplers and Removers has been granted. Imeds has also embarked on development of a non-invasive ventilator which is at an advanced stage and developing a patient monitor & syringe pump through Technology Transfer.

The Company has recorded a Profit (before tax) of Rs.3,993 Lakhs against Rs.2,364 Lakhs in the previous year with an increase in profit by (before tax) 68.91% compared to last fiscal.

#### **2) Outlook for the next year**

The Union Budget for F.Y. 2024 envisages a total outlay of US\$ 550 billion (Rs.45,03,097 Crores). The Ministry of Defence has been allocated a total Budget of US\$ 72 billion (Rs.5,93,537.64 Crores), which is 13.18 % of the total budget. The total Defence Budget represents an enhancement of US\$ 8.35 billion (Rs. 68,371.49 crores), which is 13% more than the Budget for 2022-23.

In order to be able to cater to the sustenance of weapon systems, platforms including ships/aircraft and their logistics, boost fleet serviceability, etc., the non-salary revenue/operational allocation has been increased from US\$ 7.63 billion (Rs.62,431 Crores) in Budget Estimates 2022-23 to US\$ 11 billion (Rs.90,000 crores) in BE 2023-24. The Capital Allocation pertaining to modernisation and infrastructure development of the Defence Services has been increased to US\$ 19.88 billion (Rs. 1,62,600 crores) representing a rise of 6.7% over F.Y. 2023. **(Source: <https://www.ibef.org/news/defence-gets-us-72-billion-rs-5-94-lakh-crores-in-budget-2023-24-registering-a-jump-of-13-over-the-previous-year>)**

Your Company mainly offers fully indigenous solutions and caters to the emerging needs of MoD under the “Atmanirbhartha” - self-reliance mission of Govt of India. The sustained increase of the capital outlays in the defence budget indicates positive outlook from customer side for new inductions / new purchases by the Defence Forces and offers sufficient market space for your company to forge ahead and expand its footprint in the strategic sector.

Apart from the positives of the defence budget allocations, the recent initiatives launched by Indian National Space Promotion and Authorization Center (IN-SPACe) and Indian Space Association (ISpA) has garnered great interest in NGEs (Non-Government Entities) participation in Indian Space technology domain. These Institutions have been advocating private industry participation in the Space Technologies sector and tremendous opportunities are in the offing. The recent announcement of Union Cabinet approval of the “**Indian Space Policy 2023**” is a great step in the direction and your Company expects to utilize the emerging opportunities to enhance its SATCOM and Space Technology portfolio.

In F.Y. 2023-24, your Company focus would be around development of HF /VHF /UHF SDRs for ship borne as well as land-based platforms and design & development of Air Defence Radar systems for Indian Army.

### 3) Risks And Concerns

#### a) Risks

Though there is considerable improvement in COVID 19 pandemic situation, there are still many challenges in the supply chains due to non-availability as well as long lead times for semiconductors, severely affecting project schedules.

#### b) Risk Mitigation

Avantel could mitigate the Risks posed by COVID pandemic with close involvement of all the stakeholders of the Company. We could also identify alternate supply chains and make design changes, wherever feasible. Avantel 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.

### 4) Opportunities and Threats

#### a) Opportunities

Avantel is at the cusp of turning into a reckonable OEM in India is the strategic space with its portfolio of products. The Company's strength is indigenous development of various technologies in-house. Currently, most of the projects from MoD are being progressed under Buy (IDDM) category and your Company has an edge in the competitive bidding process due to its fully indigenous solutions. The new DAP (Defence Acquisition Procedure) 2020 focuses on indigenization to enhance self-reliance and the project under Make route will be very beneficial in future for the Company. In the Space domain, there is a great push from the Govt of India by approving the Indian Space Policy 2023 (Space Policy has been unveiled for the first time in the country) and creation of In Space, an organisation to look after the interests of private sector in space domain. Your company shall utilise the emerging opportunities to enhance its Space Technology portfolio further.

In the medical segment, in view of the emerging demand for indigenous medical devices, iMeds is poised to introduce various indigenous products in the Surgical and Respiratory domain in the coming FY to enhance its product mix.

#### b) Threats

The business projections for the next two to three years are very optimistic and the company is expected to consolidate its top line and maintain profitability. Therefore, no major threats are envisaged as of now for company's business performance in the next FY.

### 5) Internal Control Systems and their adequacy

Your Company has well defined internal control systems. The company has the following certifications:

AS9100:2016 and ISO 9001:2015 certified Quality Management System

ISO/IEC 27001:2013 certified Information Security Management System.

ISO/IEC 17025:2017 certified and NABL accredited in-house Environmental Test Laboratory.

ISO 14001:2015 certified Environmental Management System

ISO 45001:2018 certified Occupational Health and Safety Management System

The Company has a robust Internal & external audit mechanisms which are regularly monitored through the ERP system "Funwork".

All the internal and external audits are completed in time. There are no non-compliances in respect of the processes / systems in place and the Companies internal control systems are very well appreciated.

An effective control is exercised by the top management who monitors various key performance indicators regularly through Management reviews & other means and ensures that all the critical business functions exceed expectations with timely interventions as required.

### 6) Industrial Relations and Human Resources Management

Your Company enjoys an excellent rapport and standing among its Customers & Suppliers. There are no pending disputes with any of the stakeholders and the company enjoys very cordial and harmonious relations across the business



environment. The company's strength lies in its Human resources and its HR policies. The employees are highly motivated and technically equipped to meet the organizational goals at all times.

**7) Variations in Net worth**

The Standalone Net worth of the Company for the Financial Year ended March 31, 2023 is Rs. 11,188.03 Lakhs as compared to Rs. 8,262.13 Lakhs for the previous Financial year ended March 31, 2022 and the Consolidated Net worth of the Company for the Financial Year ended March 31, 2023 is Rs. 10,748.17 Lakhs as compared to Rs. 8,142.08 Lakhs for the previous Financial year ended March 31, 2022.

**8) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation**

The significant changes in the financial ratios of the Company are summarised in notes to financial statements on a standalone basis Note No.49 and on consolidation basis Note No.48.

**9) Cautionary Statement**

Statements in the management discussion analysis describing the Company's objectives, projections, estimates, expectations are forward looking within the meaning of applicable security-laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual results may differ materially from these expressed in the statement. Important factors that could make difference to Company's operations include economic conditions, changes in the Government priorities/policies/ regulations, tax laws and other statutes and other incidental factors affecting the business environment. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events.

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

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

Place: Hyderabad  
Date: May, 17 2023

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Code of Governance:

Corporate Governance is based on the principles of equity, fairness, integrity, transparency, accountability and commitment to values. AvanteL adopts a business process which is aimed at enhancing an organization's wealth while being committed to high ethical values and conduct.

At AvanteL, we believe in complying with the spirit of the law and not just the letter of the law. We follow the policy of continual disclosure of accurate financial and governance information on our website to ensure investors awareness and protection. Our Board consists of experienced and participative independent directors, which ensures an independent and unbiased decision-making process.

At AvanteL, we ensure the application of best governance practices, adherence to high ethical values, healthy stakeholder relations and achievement of our objectives while meeting the stakeholder's needs.

The Company has also adopted Code of Conduct for the Board of Directors and other Senior Level Management and also Whistle Blower Policy to enable the employees and Directors to report their concerns directly to the Chairman of the Audit Committee.

At AvanteL, we have always sought to be a value driven organization, where our growth and success is directed by our values. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

### **GOVERNANCE STRUCTURE**

The Corporate Governance structure of M/s. AvanteL Limited is as follows:

#### **1) Board of Directors**

The composition of the Board of Directors of the Company is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As of March 31, 2023, the Company's Board of Directors consists of Eight Directors, out of which Five are Non-Executive Independent Directors. The Board of Directors of the Company do not serve as Independent Director in more than Seven Listed Companies or in case he is serving as a Whole-Time Director in any listed Company, does not hold such position in more than three listed Companies, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management.

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

The Board has unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

#### **The composition and category of the Board of Directors is as follows:**

The Board comprises of Eight Directors as on March 31, 2023.

Name of Director	Category	Designation	No. of shares held in the Company (%)	Names of the Listed companies holding directorship & category of such directorship held
Dr. Abburi Vidyasagar	Promoter-Executive	Chairperson & Managing Director	30,56,900 (18.85%)	AvanteL Ltd. (Managing Director) Director in Imeds Global Pvt. Ltd., and Wiki Kids Pvt. Ltd.,
Mrs. Abburi Sarada	Promoter-Executive	Whole-Time Director	10,04,996 (6.20%)	AvanteL Ltd. (Whole Time Director)

Name of Director	Category	Designation	No. of shares held in the Company (%)	Names of the Listed companies holding directorship & category of such directorship held
Mr. Abburi Siddhartha Sagar	Promoter-Executive	Whole-Time Director	12,67,764 (7.82%)	Avantel Ltd. (Whole Time Director) Director in Imeds Global Private Limited and Wiki Kids Private Limited
Mr.Yalamanchili Kishore	Non-Executive	Independent Director	Nil	• Avantel Ltd. (Independent Director)
Mr. Naveen Nandigam	Non-Executive	Independent Director	Nil	• Avantel Ltd. • Kapston Services Limited (Independent Director)
Mr. Elluru Bala Venkata Ramana Gupta	Non-Executive	Independent Director	Nil	• Avantel Ltd. (Independent Director)
Mr. Myneni Narayana Rao	Non-Executive	Independent Director	Nil	• Avantel Ltd. • Welspun Speciality Solutions Ltd (Independent Director)
Mr. Vyasabhattu Ramchander	Non-Executive	Independent Director	Nil	• Avantel Ltd. • Bambino Agro Industries Limited (Independent Director)

## 2) Selection criteria of Board Members

The Nomination and Remuneration Committee in accordance with the Company's Policy for determining the qualifications, positive attributes and independence of director and the requirements of the skill-sets on the Board considers eminent persons having an independent standing in their respective field and who can effectively contribute to the Company's business, for appointment of new Directors on the Board. The Policy for determining the qualifications, positive attributes and independence of director is available on the website of the Company.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted Guidelines on selection criteria of Board members, which are available on the website of the Company.

## 3) Skills of Directors

Your Board aims to be comprised of Directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's responsibilities. The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfill its role and in light of the Company's strategic direction;
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future Director Appointments.

Your Board considers the following key skills set out in the matrix collectively, which it considered to be desired of the Board of Avantel:

**Board skills and experience**

<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;

**Board Competency Matrix:**

<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	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Abburi Sarada	✓	✓	✓	✓	x	✓	x	✓
Mr. Abburi Siddhartha Sagar	✓	✓	✓	✓	✓	✓	x	✓
Mr. Yalamanchili Kishore	✓	✓	✓	✓	✓	x	x	✓
Mr. Naveen Nandigam	x	✓	✓	✓	✓	x	✓	✓
Mr. Elluru Bala Venkata Ramana Gupta	x	✓	✓	✓	✓	x	✓	✓
Mr. Myneni Narayana Rao	✓	✓	✓	✓	x	✓	x	✓
Mr. Vyasabhattu Ramchander	✓	✓	✓	✓	✓	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.

**4) Relationship among Directors**

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

**5) Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship / Membership of Board / Committees in other Public / Listed Companies are as under:**

Name	Attendance in the Board meetings		Attendance at AGM held on May 30, 2022	Directorships*	In other Public Companies #	
	Held	Present			Committee	
					Membership	Chairman
Dr. Abburi Vidyasagar	4	4	Y	2	0	0
Mrs. Abburi Sarada	4	4	Y	0	0	0
Mr. Abburi Siddhartha Sagar	4	4	Y	2	0	0
Mr. Naveen Nandigam	4	4	Y	1	0	1
Mr. Elluru Bala Venkata Ramana Gupta	4	4	Y	3	0	0
Mr. Yalamanchili Kishore	4	3	Y	0	0	0
Mr. Myneni Narayana Rao	4	4	Y	2	1	0
Mr. Ramchander Vyasabhattu	3	3	Y	1	1	1

- \* Includes Directorships in the other Companies incorporated under the Companies Act, 1956/2013.
- # Includes only Audit Committee and Stakeholders Relationship Committee (Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies act, 1956).

None of the Directors on the Board hold directorships in more than ten public companies. None of the Independent Director serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors. None of the Directors on the Board are member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

None of the Independent Directors are Promoters or related to Promoters. They do not have a pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company. None of the independent directors of the Company is a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

In the opinion of the Board, all the independent directors fulfill the conditions specified in the Companies Act, 2013, including amendments there under and SEBI Listing Regulations, 2015, as amended from time to time, and are independent of the management.

Pursuant to section 150 read with of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013, your Company's Independent Directors have registered themselves on the portal of "Indian Institute of Corporate Affairs" as Independent Director within the prescribed timelines.

#### **6) Statement on Declaration given by Independent Directors under Section 149**

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

#### **7) Profile of Board of Directors**

Brief profile of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold Directorship and the membership of the Committees of the Board are furnished hereunder:

##### **Dr. Abburi Vidyasagar, Chairman & Managing Director**

Dr. Abburi Vidyasagar (62 Years) is a Post Graduate in Electronics and Communication Engineering. He did his B.Tech from JNTU, Kakinada, Andhra Pradesh from 1977 to 1981 and did his Master of Engineering from IIT, Kharagpur from 1981 to 1983. He also did Master of Business Administration from Osmania University, Hyderabad in the year 1989-1991. Dr. A. Vidyasagar received Doctorate from JNTU, Hyderabad for his outstanding work on E-Learning Methodologies.

Dr. A. Vidyasagar promoted Avantel Limited in 1990, a technology driven research-oriented Company and developed world-class infrastructure for design, manufacture and development of Wireless Products for Defence, Satellite Communications and Export Markets. Avantel with a team of engineers developed satellite communication products for voice and data communication working on Indian Satellites for various platforms like ships, submarines, aircrafts and helicopters. These products and solutions enhanced self-reliance of the Indian defence services and enabled network centric communication between mobile platforms of Indian Navy complying with military standards.

Following are few of his career achievements:

Designed Circuits and Micro Electronic Modules for Fighter Aircrafts and Electronic Warfare Systems.

Designed Communications Equipment for Ground-to-Air and Air-to-Air Communications in Fighter Aircrafts.

Project Appraisal for Techno-Economic feasibility of Technology driven SMEs in the areas of Electronics, Telecom, information Technology and Medical Services, Software Development and Project Management.

Dr. A. Vidyasagar is Chairman and Managing Director in Avantel Limited, Director in Imeds Global Private Limited and Wiki Kids Private Limited.

Dr. A. Vidyasagar holds 30,56,900 (18.85%) equity shares in the Company.

Dr. A. Vidyasagar is spouse of Mrs. A.Sarada, WholeTime Director & CFO of the Company and father of Mr. Abburi Siddhartha Sagar, Whole Time Director. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

**Mrs. Abburi Sarada, WholeTime Director & Chief Financial Officer (CFO)**

Mrs. Abburi Sarada (58 Years) Whole-Time Director and Chief Financial Officer of the Company. She holds master's degrees in Business Administration from Madurai Kamaraj University. She did her Bachelor of Commerce from Osmania University and has also completed her bachelor's in communication and journalism from Padmavathi University.

Mrs. Sarada is associated with Avantel Limited since 1992. She has over 25 Years of experience in Finance and Banking. She has made a significant contribution to the growth of Avantel Limited during her tenure as Director of the Company.

Mrs. Sarada is the Chairman of Corporate Social Responsibility Committee of Avantel Limited.

Mrs. Sarada holds 10,04,996 (6.20%) equity shares in the Company.

Mrs. Sarada is the spouse of Dr. Abburi Vidyasagar, Chairman & Managing Director and mother of Mr. Abburi Siddhartha Sagar, Whole-Time Director. Other than the said Directors, she is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

**Mr. Siddhartha Sagar, Whole-Time Director (Strategy & Business Development)**

Mr. Abburi Siddhartha Sagar (35Years) with an impressive academic portfolio including a Master's degree in Computer Science and an MBA, Siddhartha Abburi brings to the table over ten years of refined expertise as a solution architect for some of the S&P 500's most esteemed corporations.

In his current professional endeavors, Siddhartha plays a pivotal role as the Director of Business Development and Strategy at Avantel, a front-running establishment in the field of defense electronics. Parallel to this, he also holds the position of Director at iMeds Global Private Limited, a company that contributes significantly to the medical equipment industry.

Expanding his sphere of influence in the educational sector, Siddhartha co-founded Simply Science, an initiative that strongly advocates for the democratization of education, striving to make it more accessible and financially feasible for all.

Beyond his professional commitments, Siddhartha has a fervent passion for sports and technology. His pursuits in these arenas not only enrich his personal life, but they also contribute to his persona as a multifaceted and dynamic professional. His comprehensive interests foster a holistic perspective, an attribute that sets him apart in his professional journey.

Mr. Siddhartha Sagar is a Whole-Time Director (Strategy & Business Development) in Avantel Limited, Director in Imeds Global Private Limited and Wiki Kids Private Limited.

Mr. Siddhartha Sagar holds 12,67,764 (7.82%) equity shares in the Company.

Mr. Siddhartha Sagar is the son of Dr. Abburi Vidyasagar, Chairman & Managing Director and Mrs. Abburi Sarada, Whole Time Director & CFO. Other than the said Directors, he is not related to any other Director or Manager or the Key Managerial Personnel of the Company.

**Mr. Naveen Nandigam, Independent Director**

Mr. Naveen Nandigam (61 Years) is a fellow member of Institute of Chartered Accountants of India (ICAI) and he has been in CA practice since 1990 and in the year 1993 having a passionate interest in making a difference to the student community he started DIGVIJAY Coaching Canter at Hyderabad to provide professional coaching to students pursuing CA, CS, CWA courses in India. Over the past 30 years, his committed passion with his team of faculties has produced more than 1200 CA, CS and CWA fully qualified professionals in India. Mr. Naveen expertise in financial reporting and management.

Mr. Naveen continuously balances his CA profession as well as his coaching assignments with each other.

He is presently a Director on the Board of Avantel Limited and Kapston Services Limited.

He is a Chairman of Audit Committee, member of Nomination & Remuneration Committee, Corporate Social Responsibility Committee of Avantel Limited and Chairman of Audit Committee, member of Nomination & Remuneration Committee of Kapston Services Limited.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

**Mr. Y. Kishore, Independent Director**

Mr. Yalamanchili Kishore (64 Years) has more than 30 years of rich experience in product development and implementation including Presales, Solution architecture, Consulting, Implementation, Quality & Governance, Engineering and R&D.

Mr. Kishore prior to his role as Senior Vice President of Delivery of Products and Services, he held various technical leadership roles in design and development of products in a multi-shore environment. The products developed include for insurance industry, legacy modernization, GIS and cloud native products. He was Head of Offshore Delivery Team where he managed the product development and implementation of services around Intellect SEEC products. He also served as Senior Manager at ERA Software Systems where he was involved in product and application development including document management, medical imaging and defence applications.

Mr. Kishore holds Bachelor of Technology in Electronics and Communication Engineering, 1981, JNTU, Kakinada and Master of Technology in Controls and Instrumentation, 1984, IIT, Bombay.

He is presently a Director on the Board of M/s. Avantel Limited.

He is a member of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of M/s. Avantel Limited.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

**Mr. EBV Ramana Gupta, Independent Director**

Mr. Elluru Bala Venkata Ramana Gupta (62 Years) is an experienced banker and first generation corporate treasury professional with total experience of 35 years. He was part of largest corporate treasury of the country for 20 years. He has participated across the market development curve in Indian financial market with hands on experience of structuring, dealing and management of risk and accounting aspects of all transactions. He has implemented integrated global best risk management policies and systems across asset, liability and derivative segments spanning all financial risks.

Mr. Gupta has done B.Sc (Maths) from Silver Jubilee Government College, Kurnool June 1978 – May 1980 and has completed B.A (Economics) from Osmania University, Hyderabad in the year 1982.

Mr. Gupta has two decades of impeccable market reputation with an eye on details and strong fundamentals of risk management. The key strength of Mr. Gupta is optimization of costs and identifying value in every process and creating entire institutional set up for execution.

During early stage of his career, he worked with State Bank of Hyderabad as Deputy Manager (July 1980 – December 1994), Reliance Industries Limited, Mumbai as Senior Manager Forex (January 1995 – April 2001), Reliance Industries Limited, Mumbai as Head – Derivatives Segment (April 2001 – May 2004), Reliance Industries Limited, Mumbai as Treasury Head (May 2004 – April 2009), Reliance Industries Limited, Mumbai as Head of Group Treasury (April 2009 – Mar 2013) and in Reliance Jio Infocomm Limited, Mumbai as Treasurer (March 2013 – October 2015).

He is presently Director in M/s. Avantel Limited, Hyderabad and Designated Partner in Wealth First Finserv LLP, Organic Biosystems LLP, Farm Biosys LLP.

He is a member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Avantel Limited.

Mr. Gupta is not holding any equity shares of the Company and he is not related to any Director, Manager and other Key Managerial Personnel of the Company.

**Mr. M. Narayana Rao, Independent Director**

Mr. Myneni Narayana Rao (67 Years) an Engineer, with his 39 years of rich experience in making, shaping and treating of exotic ferrous and non-ferrous metals such as Special Steels, Superalloys has remarkably contributed to the applications of strategic

industries of Atomic Energy, Space, Aerospace, Defence and Energy sectors.

Mr. Narayana Rao is a dynamic leader and an astute of technocrat scientist, who had spent his service in the development of strategic materials, gained expertise and lead Mishra Dhatu Nigam Limited (MIDHANI), a Public Sector Undertaking under Ministry of Defence, as its Chairman & Managing Director for 9 years. After completion of his service in MIDHANI, he has taken up as CEO of M/s. MTAR Technologies, Hyderabad for three years.

He took over as President of M/s. KCP Industries (Heavy Engineering unit) in the year 2020, which is in the field of manufacturing of cast products, Machining and Fabrication of large size components for cement and mineral processing plants. The company also produces the oil and gas - process equipment and also strategic requirements of space and defence such as Rocket motor casing etc.

Mr. Narayana Rao was bestowed with the following awards: JRD Tata Award (2015), Young Scientist award (1989), Engineer of the year award (1991), Metallurgist of the year award (2006) and also a Fellow of Indian National Academy of Engineering (INAE) and Fellow of Andhra Pradesh state Academy of Sciences (APAS).

He is presently a Director on the Board of Avantel Limited, Welspun Specialty Solutions Limited and Bridge Gap Engineering India Private Limited.

He is a member of Audit Committee, Chairman of Nomination & Remuneration Committee, Stakeholders Relationship Committee of Avantel Limited and member of Audit Committee, Nomination & Remuneration Committee of Welspun Specialty Solutions Limited.

He is not holding any equity shares of the Company and he is not related to any Director or Manager or the Key Managerial Personnel of the Company.

#### **Mr. Ramchander Vyasabhattu, Independent Director**

Mr. Ramchander Vyasabhattu (69 years) is a Post Graduate in Management from Institute of Public Enterprise and a Graduate in Mechanical Engineering from Osmania University Hyderabad with Specialization in Foundry Engineering from National Institute of Foundry and Forge Technology, Ranchi.

He has over four decades of rich and varied experience in Project Finance, implementing and monitoring, support, promotion and development of small and medium scale industries and service sector units by extending need-based credit, nurturing entrepreneurship and generating employment, having been a General Manager in APSFC.

He also has significant experience in Technical as being a shop floor engineer in Singareni Collieries Ltd & in the General Administration. He retired as a Managing Director of APITCO Limited.

He is presently a Director on the Board of M/s. Avantel Limited and M/s. Bambino Agro Industries Limited.

He is a member of Audit Committee and Nomination & Remuneration Committee of M/s. Avantel Limited and Chairman of Audit Committee, member of Nomination & Remuneration Committee and Shareholders' Grievance Committee of M/s. Bambino Agro Industries Limited.

He is not holding any equity shares of the Company and is not related to any Director or Manager or the Key Managerial Personnel of the Company.

#### **8) Number of Meetings of the Board of Directors**

During the year, four Board meetings were held. The dates on which the Board meetings were held are May 6, 2022, July 29, 2022, October 21, 2022 and January 23, 2023.



Name of the Director	Designation	Number of Board Meetings	
		Held	Attended
Dr. Abburi Vidyasagar	Chairman	4	4
Mrs. Abburi Sarada	Member	4	4
Mr. Abburi Siddhartha Sagar	Member	4	4
Mr. Naveen Nandigam	Member	4	4
Mr. Elluru Bala Venkata Ramana Gupta	Member	4	4
Mr. Yalamanchili Kishore	Member	4	3
Mr. Myneni Narayana Rao	Member	4	4
Mr. Ramchander Vyasabhattu	Member	3	3

### 9) Shareholding of Non-Executive Directors

Particulars	No of Shares Held
Mr. Yalamanchili Kishore	Nil
Mr. Naveen Nandigam	Nil
Mr. Elluru Bala Venkata Ramana Gupta	Nil
Mr. Myneni Narayana Rao	Nil
Mr. Ramchander Vyasabhattu	Nil

### 10) Committees of the Board

Currently, there are 4 Board Committees – The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Share Allotment Committee (For allotment of Bonus Shares). The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

#### 11) Audit Committee

Your Company has in place, an Audit Committee, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, comprising of members in compliance of the said regulations. The Committee is entrusted with the powers / role as prescribed under Section 177 of the Companies Act, 2013 and regulation 18 read with Part C of Schedule II to SEBI (LODR) Regulations, 2015, The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

#### Terms of reference of Audit Committee

The terms of reference of the Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

#### Powers of the Audit Committee includes:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it 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.

**The composition of the Audit Committee and attendance by each Member of the Audit Committee:**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Naveen Nandigam	Chairman	5	5
Mr. E BV Ramana Gupta	Member	5	5
Mr. Myneni Narayana Rao	Member	5	5
Mr. Yalamanchili Kishore	Member	5	3
Mr. Vyasabhattu Ramchander*	Member	NA	NA

\* Mr. Vyasabhattu Ramchander was appointed as a member of Audit Committee with effect from January 23, 2023.

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management. The Company Secretary of the Company acts as the Secretary of the said Committee. The Chief Financial Officer of the Company, Internal Auditors and Statutory Auditors are invitees to the meetings of the Audit Committee.

**Meetings during the year**

The Audit Committee met 5 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. The said committee met on the following dates:

The Audit Committee meetings were held on May 6, 2022, July 29, 2022, October 21, 2022, December 22, 2022 and January 23, 2023.

**12) Nomination and Remuneration Committee**

Your Company has in place a Nomination and Remuneration Committee, constituted in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, comprising of members in compliance of said regulations. The Committee is entrusted with the powers as prescribed under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to SEBI (LODR) Regulations, 2015. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

**Terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of 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 may be entrusted by the Board from time to time.

The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company <https://www.avantel.in/>

The Company has paid Remuneration, Profit related Commission and Sitting Fee during the Financial Year 2022-23. The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board/Committee meetings.

**The composition of the Nomination and Remuneration Committee and the attendance by each member of the Committee:**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Myneni Narayana Rao	Chairman	3	3
Mr. Naveen Nandigam	Member	3	3
Mr. E BV Ramana Gupta	Member	3	3
Mr. Yalamanchili Kishore	Member	3	2
Mr. Vyasabhattu Ramchander*	Member	NA	NA

\* Mr. Vyasabhattu Ramchander was appointed as a member of the Nomination and Remuneration Committee with effect from January 23, 2023.

**Meetings during the year**

During the Financial Year, Nomination and Remuneration Committee Meetings were held on May 6, 2022, October 21, 2022 and January 23, 2023.

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration of both the Executive and the Non-Executive Directors to the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

### **13) Mechanism for Evaluation**

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

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

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

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

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

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

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

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

### **14) Stakeholders Relationship Committee**

The Company has in place a Stakeholders Relationship Committee, constituted in accordance with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, comprising of members in compliance of said regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

#### **Terms of reference**

The terms of reference of the Stakeholders Relationship Committee are as under:

- a. Redressal of grievances of shareholders, debenture holders and other security holders.
- b. Transfer and transmission of securities.
- c. Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
- d. Issuance of duplicate shares certificates.
- e. Review of dematerialization of shares and related matters.
- f. Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority. In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e., M/s. KFIN Technologies Limited, to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/investors under the supervision of Company Secretary & Compliance Officer of the Company.

The Committee, along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued, and paid-up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2023, 1,60,84,404 Equity Shares of Rs.10/- each representing 99.18% of the total number of Shares are in dematerialized form.

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with Section 124 of the Companies Act, 2013, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the unclaimed dividend and corresponding shares held by them shall be transferred to IEPF Authority.

As required under Section 124 of the Companies Act, 2013 read with the IEPF Rules as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

**The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Myneni Narayana Rao	Chairman	1	1
Dr. Abburi Vidyasagar	Member	1	1
Mr. E B V Ramana Gupta	Member	1	1
Mr. Yalamanchili Kishore	Member	1	1

During the Financial Year, Stakeholders Relationship Committee Meeting was held on January 23, 2022.

The Stakeholders Relationship Committee specifically look into various aspects of interest of shareholders, debenture holders (if any) and other security holders.

Mr. D. Rajasekhara Reddy, Company Secretary is appointed as the Compliance Officer of the Company. The Board has authorized the Company Secretary, who is also the Compliance Officer, to approve share transfers/transmission and comply with other formalities in relation thereto. All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

A total of 329 queries/complaints were received during the year and were totally resolved to the satisfaction of the shareholders. There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March 2023.

**15) Corporate Social Responsibility Committee**

The Company has in place a Corporate Social Responsibility Committee, constituted in accordance with Section 135 of the Companies Act, 2013, comprising of members in compliance of the said Act. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

**Composition of the Corporate Social Responsibility Committee and attendance by each Member of the Committee**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mrs. Abburi Sarada	Chairperson	3	3
Mr. Naveen Nandigam	Member	3	3
Mr. Yalamanchili Kishore	Member	3	3

The Corporate Social Responsibility Committee meetings were held on May 6, 2022, October 21, 2022 and December 22, 2022.

The terms of reference of the Corporate Social Responsibility Committee are as under:

- i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

### Corporate Social Responsibility Policy

The Company has adopted the Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR policy is disclosed on the website of the Company <https://www.avantel.in/>

### 16) Share Allotment Committee

During the year, one Meeting of the Share Allotment Committee was held on June 21, 2022.

#### Composition and attendance by each Member of the Committee

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Dr. Abburi Vidyasagar	Chairman	1	1
Mrs. Abburi Sarada	Member	1	1
Mr. Naveen Nandigam	Member	1	1

The Share Allotment Committee ("SAC") of the Company have allotted 1,21,63,479 equity shares of Rs.10 each, by way of Bonus Issue, to such members whose names appeared in the Register of Members as on June 20, 2022, being the Record Date fixed for the said purpose, in the proportion of 3 (Three) new fully paid-up equity share of Rs.10/- each for every 1 (One) existing fully paid-up equity share of Rs.10/- each held by them (i.e., in the ratio of 3:1).

### 17) Remuneration of Directors

The details of remuneration to the Directors for the financial year ended March 31, 2023:

- a. There were no pecuniary relationship or transactions with any Non-Executive Director of the Company.
- b. The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., <https://www.avantel.in/>

Name of the Director	Salary	Perquisites and other benefits <sup>1</sup>	Commission <sup>2</sup>	Sitting fee	Total
Dr. Vidyasagar Abburi #	36.00	11.72	129.40	N.A	177.12
Mrs. Abburi Sarada #	18.00	-	129.40	N.A	147.40
Mr. A Siddhartha Sagar #	36.00	-	-	-	-
Mr. Yalamanchili Kishore	-	-	-	1.00	1.00
Mr. Naveen Nandigam	-	-	-	1.50	1.50
Mr. EBV Ramana Gupta	-	-	-	1.30	1.30
Mr. Myneni Narayana Rao	-	-	-	1.30	1.30
Mr. V. Ramachander	-	-	-	0.30	0.30

1. Perquisites and other benefits include Provident Fund

2. Represents commission for the year ended March 31, 2023, which will be paid, subject to deduction of tax after adoption of the accounts and necessary approvals at the AGM.

#There were no severance fees or stock option plan. The appointment of the Managing Director and Whole-Time Directors are for a period of three years on the basis of terms and conditions laid down in the respective resolutions passed by the Members in the General Meetings. Service contract of Managing Director and Whole-Time Directors are 3 years each with 3 months' notice period.

**18) 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.

**19) 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.

**20) General Body Meetings**

Annual General Meetings (AGMs) for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 were held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) mode and details regarding time, date, location and special resolutions passed in the respective AGMs are as tabled below:

Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
March 31, 2022	Monday, May 30, 2022 at 11:00 A.M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 issued by Ministry of Corporate Affairs (MCA Circulars).	To consider and approve the re-appointment of Dr. Abburi Vidyasagar (DIN: 00026524) as the Managing Director of the Company. To consider and approve the re-appointment of Mrs. Abburi Sarada (DIN: 00026543) as Whole-Time Director of the Company. To consider the appointment of Mr.V Ramchander (DIN: 03400005) as an Independent Director of the Company for a term of five consecutive years, in terms of Section 149 of the Companies Act, 2013. To consider the increase in authorized share capital and consequent Amendment to Memorandum of Association of the Company. To Consider the Approval of issue of Bonus Shares.
March 31, 2021	Saturday, June 5, 2021 at 2:00 P.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars).	Appointment of Mr. EBV Ramana Gupta (DIN: 07402341) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013. Appointment of Mr. M Narayana rao (DIN: 00577494) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.



Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
March 31, 2020	Thursday, June 25, 2020 at 10:00 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 issued by Ministry of Corporate Affairs (MCA Circulars).	To consider and approve the re-appointment of Mrs. Abburi Sarada (DIN:00026543) as the Whole-Time Director of the Company. Increase in borrowing powers of the Board of Directors. Creation of the Charge / Providing of security of the assets of the Company.

No Extraordinary General Meeting was held during the past 3 years.

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

Mr. M B Suneel, Company Secretary in Practice (M/s. P.S. Rao & Associates), conducted the e-voting process and the Poll during the previous Annual General Meeting in accordance with the law and in a fair and transparent manner.

## 21) Means of Communication

### (a) Quarterly results:

The quarterly, half-yearly and annual results of the Company were published by your Company in the newspapers within 48 hours from the conclusion of the Board meeting. Annual reports with audited financial statements are sent to the shareholders through permitted mode.

### (b) Newspapers wherein results normally published:

The results are normally published by your Company in the newspapers (Business Standard) in English version, circulating in the whole of India and in regional newspaper (Prajasakti) in the vernacular language in all editions.

### (c) Any website, where displayed:

The results are also displayed on your Company's website: <https://www.avantel.in/>

### (d) Whether it also displays official news releases:

Official press releases/ news is sent to the Stock Exchange i.e., BSE Limited, where the shares of your Company were listed and the same are hosted on the website of your Company.

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

## 22) General Shareholder Information

The 33<sup>rd</sup> Annual General Meeting of the Company will be held on Friday, June 23, 2023 at 11.00 A.M through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), for details, please refer to the Notice of the AGM.

Financial Calendar : 1<sup>st</sup> of April 2023 to 31<sup>st</sup> of March 2024

## 23) Results for the Quarter Ending

30<sup>th</sup> June 2023 : On or before 14<sup>th</sup> August 2023.

30<sup>th</sup> September 2023 : On or before 14<sup>th</sup> November 2023.

31<sup>st</sup> December 2023 : On or before 14<sup>th</sup> February 2024.

31<sup>st</sup> March 2024 : On or before 30<sup>th</sup> May 2024.

Dividend Payment Date : On or before July 21, 2023

Record Date : June 16, 2023

Listing on Stock Exchange : BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.

Stock Code (BSE Ltd) : 532406

ISIN : INE005B01019

The Annual Listing fees for the year 2022-23 have been paid to the Stock Exchange.

#### 24) 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, 2023, 99.18% of the Company's Shares are dematerialized.

#### 25) Dematerialization mandatory for effecting share transfers

SEBI has vide proviso to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, the Company shall not process any requests for transfer of shares in physical mode. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for share transfers.

#### 26) Share Transfer System

The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are noted at Board Meetings.

The shares of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

#### 27) Commodity Price Risk or Foreign Exchange risk and hedging activities

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

#### 28) Market Price Data

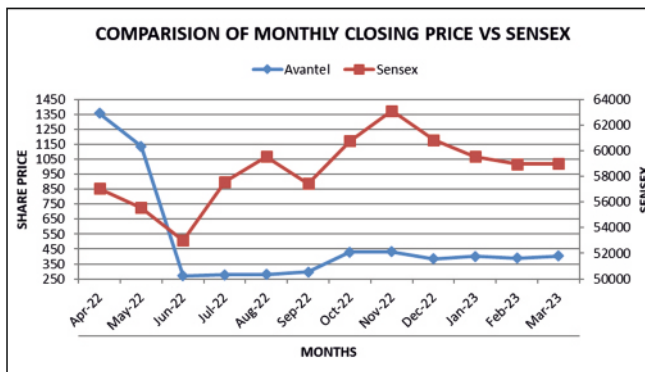
High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2022-23 at the BSE Limited (BSE) areas under:

Month	BSE		
	High	Low	Traded Quantity
April, 2022	1388.00	1020.00	2,39,287
May, 2022	1459.80	1050.10	2,23,098
June, 2022	1370.00	258.00	2,74,175
July, 2022	311.00	236.90	4,01,757
August, 2022	298.00	245.00	4,81,259
September, 2022	328.00	249.00	10,81,980
October, 2022	459.90	288.10	12,36,171
November, 2022	474.00	401.20	8,64,502
December, 2022	456.00	330.00	5,94,805
January, 2023	432.00	373.60	4,75,986
February, 2023	423.45	381.15	2,57,587
March, 2023	415.00	363.00	3,81,078

**Note:** During the FY, 2022-23, i.e., on June 22, 2022, the Company issued Bonus Shares in the ratio of 3:1 (3 new Equity Shares for every 1 Equity Share held). In view of the said, the share price performance as depicted in the above graph may be read and interpreted accordingly.

The securities of the Company are not suspended from trading during the financial year ended March 31, 2023.

29) Share Price Performance:



**Note:** During the FY, 2022-23, i.e., on June 22, 2022, the Company issued Bonus Shares in the ratio of 3:1 (3 new Equity Shares for every 1 Equity Share held). In view of the said, the share price performance as depicted in the above graph may be read and interpreted accordingly.

30) Distribution of Shareholding

Sl.No.	Category	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1	1 - 5000	16192	98.56	36,62,448	3,66,24,480	22.58
2	5001 - 10000	122	0.74	8,68,915	86,89,150	5.36
3	10001 - 20000	50	0.30	7,05,356	70,53,560	4.35
4	20001 - 30000	21	0.13	5,09,550	50,95,500	3.14
5	30001 - 40000	10	0.06	3,48,496	34,84,960	2.15
6	40001 - 50000	10	0.06	4,42,251	44,22,510	2.73
7	50001 - 100000	9	0.05	5,92,951	59,29,510	3.66
8	100001 & Above	14	0.09	90,88,005	9,08,80,050	56.04
	<b>Total:</b>	<b>16,428</b>	<b>100.00</b>	<b>1,62,17,9721</b>	<b>6,21,79,720</b>	<b>100.00</b>

31) Categories of Shareholders as on March 31, 2023

Sl.No.	Category of Shareholders	No. of Shares	No. of Shares	Percentage %
1	Promoter & Promoter Group	5	65,09,828	40.14
2	Bodies Corporate	75	6,80,260	4.19
3	Resident Individuals	15,662	77,46,117	47.76
4	Non-Resident Individuals	350	3,71,855	2.29
5	Clearing Members	9	8,332	0.05
6	IEPF	1	2,10,412	1.30
7	HUF	325	6,90,808	4.26
8	Trusts	1	360	0.00
	<b>Total</b>	<b>16,428</b>	<b>1,62,17,972</b>	<b>100.00</b>

**32) 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.

**33) 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.

**34) Permanent Account Number (PAN)**

Shareholders holding shares in the physical form are mandatorily required to furnish copy of PAN Card in the following transactions:

- i) Transfer of shares – Transferee and Transferor
- ii) Transmission of shares - Legal heirs' or Nominees'
- iii) Transposition of shares - Joint holders' and
- iv) In case of decease of shareholder - Surviving joint holders'

There are no outstanding Global Depository Receipts / American Depository Receipts or Warrants or any convertible instruments as on March 31, 2023.

**35) Plant Locations:**

1. Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India; and
2. E-City, Raviryala Village, Maheshwaram Mandal, Ranga Reddy District, Telangana State, India (Under Construction).

Address for Correspondence : The Company Secretary  
Avantel Limited  
Corporate Office: Sy No.66 & 67, Plot No. 68 & 69, 4th Floor, Jubilee Heights, Jubilee Enclave, Madhapur, Hyderabad – 500081, Telangana State, India.  
E-mail: cs@avantel.in  
Phone: +91 – 40 6630 5000  
Website: <https://www.avantel.in/>

Registrar and Transfer Agents : KFIN Technologies Limited  
Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Rangareddy, Telangana State, India.  
E-mail: einward.ris@kfintech.com  
Toll Free: 1800 309 4001  
WhatsApp Number: (91) 910 009 4099  
Website: <https://www.kfintech.com>  
Support: <https://ris.kfintech.com/clientservices/isc>

Contact Person	:	KFIN Technologies Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Rangareddy, Telangana State, India. E-mail: einward.ris@kfintech.com shyam.kumar@kfintech.com Phone: 040 – 6716 2222
Share Transfer System	:	The Share transfers are affected within one month from the date of lodgment for transfer, transmission, Sub-division, consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.
Compliance Certificate	:	Certificate from M/s. P.S Rao & Associates, Company Secretaries, confirming compliance with the Conditions of Corporate Governance as stipulated Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 33rd Annual Report.

### 36) Secretarial Audit

1. M/s. P.S Rao & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the year 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Director's Report.
2. Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s. P.S. Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
3. M/s. P.S Rao & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
4. Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Practicing Company Secretaries Certificate on Corporate Governance is attached herewith.

### 37) Compliance Officer

Mr. D. Rajasekhara Reddy, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities Laws, Listing Agreements with the Stock Exchanges and SEBI Listing Regulations, 2015. He acts as the Secretary to all the mandatory sub-committees of the Board.

### 38) Code of Conduct

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

### 39) Meeting of Independent Directors

During the year, the Independent Directors met on January 23, 2023, 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.

#### **40) Familiarization Programme for Board Members**

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

The details of such familiarization programs for Independent Directors are posted on the website of the Company <https://www.avantel.in/>

#### **41) Prohibition of Insider trading**

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for regulating, monitoring and reporting of trading by insiders.

This Code also provides for periodical disclosures from the designated Persons and their immediate Relatives as well as pre-clearance of transactions by such persons as per the thresholds mentioned in the code. The code is applicable to designated persons and their immediate relatives who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

#### **42) Credit Rating**

Acuité Ratings & Research Limited ("Acuité") ("Credit Rating Agency") has assigned long-term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) and short-term rating of 'ACUITE A2' (read as ACUITE A two) of the Company. The Outlook is 'Stable'.

Brickwork Ratings India Limited ("Brickwork") ("Credit Rating Agency") has affirmed long-term rating for Fund based is 'BWR BBB+ /Stable' and short-term rating of Non-Fund based is "BWR A2". Short-term rating of Non-Fund based is "BWR A2".

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

#### **43) Risk Management**

The Company's risk management approach comprises of the following:

Governance of Risk

Identification of Risk

Assessment and control of Risk

The risks have been prioritized through a company-wide exercise. Members of senior management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees. The risks are identified and are discussed by the representatives from various functions.

#### **44) Subsidiary Companies**

M/s. Imeds Global Private Limited, a wholly owned subsidiary of M/s. Avantel Limited. The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings and Financial Statements of subsidiaries of the Company are placed before the Audit Committee and Board of Directors of the Company for their review.

#### 45) CEO and CFO Certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

#### 46) Transfer of Shares to Investor Education and Protection Fund

As per the provisions of Section 124 of the Companies Act, 2013, shares of the shareholders, who have not claimed dividends for a continuous period of 7 years, shall be transferred to Investor Education and Protection Fund Authority account. Accordingly, the Company has transferred 36,004 equity shares to Investor Education and Protection Fund during the Financial Year ended March 31, 2023.

#### 47) The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

#### 48) Other Disclosures

- a. Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arms' length and in compliance with transfer pricing regulations. Consideration is paid/received through cheque/online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on an Arms' length basis.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

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

##### Material Related Party Transactions

During the year ended March 31, 2023, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in Note No.37 to the Annual Accounts.

- b. The disclosure of Related Party Transactions for the Half Year ended on 31st March, 2022 in terms of Regulation 23(9) of SEBI (LODR) Regulations, 2015 was submitted with a delay of 5 days. BSE Limited has levied a fine of Rs.41,300/- . Except that 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 <https://www.avantel.in/>
- d. The Company does not have any Material Subsidiary.
- e. 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, 2023.
- f. A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.
- g. There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.
- h. The Company and its subsidiaries have not granted loans and advances in the nature of loans to firms / companies in which directors of the Company are interested.
- i. 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.
- j. There are no Shares lying in Demat Suspense Account.
- k. The Company is not carrying on any commodity price risks and commodity hedging activities.
- l. Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- m. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2023.
- n. During the year ended March 31, 2023, there were no proceeds from public issues, rights issues, preferential issues, etc.,
- o. Total fees for all services paid by the Company to the statutory auditor FY 2022-23 is set out in Note No.34 of the Standalone Financial Statements, forming part of the Annual Report.
- p. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee, to address the concerns and complaints of sexual harassment and to recommend appropriate action. Your Company has not received any complaint on sexual harassment during the year.



q. The Company also complies with the following non-mandatory requirements Regulation 27 of the SEBI Listing Regulations, 2015.

- There are no audit qualifications during the year under review.
- The Internal auditors report to the Audit Committee every quarter.

The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <https://www.avantel.in/>

The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company:

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

Sd/-

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

Place: Hyderabad  
Date: May, 17 2023

## CODE OF CONDUCT DECLARATION

As provided under Schedule -V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2023.

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

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

Place: Hyderabad  
Date: May 17, 2023

## CEO/CFO CERTIFICATION

We hereby certify that:

- a. We have reviewed the Audited Financial Statements for the **Financial Year ended March 31, 2023** and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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: April 13, 2023

**CERTIFICATE**

(Pursuant to Schedule V(C)(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. **Avantel Limited** having CIN: L72200API990PLC011334 and having a registered office situated at Sy. No. 141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam - 531163, Andhra Pradesh, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S.No.	Name of the Director	Designation	DIN
1.	Dr. Abburi Vidyasagar	Chairman & Managing Director	00026524
2.	Mrs. Abburi Sarada	Whole-Time Director & Chief Financial Officer	00026543
3.	Mr. A Siddhartha Sagar	Whole-Time Director	02312563
4.	Mr. Yalamanchili Kishore	Non-Executive Director (Independent Director)	01633048
5.	Mr. Naveen Nandigam	Non-Executive Director (Independent Director)	02726620
6.	Mr. Elluru Bala Venkata Ramana Gupta	Non-Executive Director (Independent Director)	07402341
7.	Mr. Myneni Narayana Rao	Non-Executive Director (Independent Director)	00577494
8.	Mr. Vyasabhattu Ramchander	Non-Executive Director (Independent Director)	03400005

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

**P S Rao**

Sr. Partner

FCS No.: 10322

C.P. No.: 3829

PR : 710/2020

UDIN: F010322E000311172

Place: Hyderabad  
Date: May 17, 2023

## CERTIFICATE ON CORPORATE GOVERNANCE

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

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

We have examined the compliance of conditions of Corporate Governance by M/s. Avantel Limited ('the Company') for the year ended 31st March, 2023 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: F010322E000311150

Place: Hyderabad  
Date: May 17, 2023

## 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 2023, 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, 2023, 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 50 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note 39 to the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or

entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement

v. As stated in Note 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.

vi. Provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. However, as per rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 the auditors are required to comment on audit trail (edit log) for the year 2022-23. As the maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the Company for the year 2022-23, hence we are unable to report under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 for the financial year ending March 31, 2023.

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: 23201754BGXHYA8830

Place : Hyderabad  
Date : April 13, 2023

## **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 2023 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 2023, 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: 23201754BGXHYA8830

Place : Hyderabad  
Date : April 13, 2023

## 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, 2023 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, 2023 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which the amount Relates	Amount Rs. Lakhs
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment year 2021-22 (Previous year 2020-21)	219.05

## viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. a) The Company has not defaulted in repayment of loans taken from the banks. The Company has not taken loans from financial institutions and Government.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(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: 23201754BGXHYA8830

Place : Hyderabad  
Date : April 13, 2023

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(In ₹ Lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	2,374.78	2,248.99
(b) Capital work-in-progress	3	865.59	700.82
(c) Right-to-use Asset	4	179.64	221.10
(d) Financial Assets			
(i) Investments	5	1,175.00	500.00
(ii) Others	6	185.85	367.67
(e) Deferred tax Assets (net)	7	-	-
<b>Current Assets</b>			
(a) Inventories	8	4,418.32	1,668.47
(b) Financial Assets			
(i) Trade Receivables	9	3,973.95	3,615.67
(ii) Cash & Cash Equivalents	10	0.45	0.32
(iii) Bank Balances other than (iii) above	11	100.60	81.31
(iv) Others (Int accrued on employee loans & term deposits)	12	14.95	33.84
(c) Current Tax Assets (Net)	13	2.25	2.25
(d) Other Current Assets	14	2,088.64	1,572.63
<b>Total Assets</b>		<b>15,380.01</b>	<b>11,013.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	1,621.86	405.51
(b) Other Equity	16	9,566.17	7,966.45
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Lease Liabilities	17	244.08	278.47
(b) Provisions	18	62.00	22.09
(c) Deferred Tax Liability (Net)	7	50.42	97.92
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,790.34	1,286.65
(ii) Trade payables	20		
(a) Total outstanding dues of Micro enterprises and small enterprises		264.62	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		34.02	68.86
(iii) Other Financial Liabilities	21	353.54	802.50
(b) Current Tax Liabilities (Net)	22	173.70	1.76
(c) Other current liabilities	23	219.27	82.85
<b>Total Equity and Liabilities</b>		<b>15,380.01</b>	<b>11,013.06</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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**  
(In ₹ Lakhs)

Particulars	Note No	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Income</b>			
i) Revenue From Operations	24	15,426.73	10,494.37
ii) Other Income	25	47.41	136.71
<b>Total Income</b>		<b>15,474.15</b>	<b>10,631.08</b>
<b>Expenses</b>			
i) Cost of materials consumed	26	7,658.31	5,068.80
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,381.74)	(400.01)
iii) Employee benefits expense	28	1,665.45	1,310.63
iv) Manufacturing Expenses	29	1,186.94	693.58
v) Research and Development Expenses	30	704.51	595.06
vi) Selling and Distribution Expenses	31	226.32	122.06
vii) Depreciation and amortisation expense	32	515.65	397.19
viii) Finance Cost	33	486.08	151.12
ix) Administrative & Other Expenses	34	419.65	328.47
<b>Total expenses</b>		<b>11,481.19</b>	<b>8,266.92</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>3,992.96</b>	<b>2,364.17</b>
Exceptional Items			
<b>Profit Before Tax</b>		<b>3,992.96</b>	<b>2,364.17</b>
Tax Expenses			
- Current Tax		989.37	446.38
- Prior Period Adjustments		1,023.24	415.45
- Deferred Tax		10.56	-
		(44.44)	30.93
<b>Profit/(loss) for the period from continuing operations</b>		<b>3,003.59</b>	<b>1,917.79</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>3,003.59</b>	<b>1,917.79</b>
<b>II Other Comprehensive Income</b>			
i) <b>Items that will not be reclassified to profit or loss</b>			
Remeasurment of defined benefit plan		(40.08)	(14.27)
Tax on the above		14.73	6.65
		<b>(25.34)</b>	<b>(7.62)</b>
ii) <b>Items that will be reclassified to profit or loss</b>			
Other Comprehensive Income		(25.34)	(7.62)
<b>III Total Comprehensive Income for the period</b>		<b>2,978.25</b>	<b>1,910.17</b>
<b>IV Earnings per equity share :</b>			
<b>Equity Shares of par value ₹ 10/- each</b>			
(1) Basic (₹)		<b>18.52</b>	11.83
(2) Diluted (₹)		<b>18.52</b>	11.83

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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	3,992.96	2,364.17
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>3,992.96</b>	<b>2,364.17</b>
Adjustments for		
Depreciation and amortisation expense	515.65	397.19
Gain on disposal of property, plant and equipment	-	-
Written off assets	3.29	2.48
Dividend and interest income classified as investing cash flows	(11.77)	(68.89)
Finance costs	486.08	151.12
Other Comprehensive Income	(40.08)	(14.27)
	<b>4,946.14</b>	<b>2,831.80</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	(358.28)	(2,299.53)
(Increase)/decrease in inventories	(2,749.85)	(1,417.04)
(Increase)/decrease in other financial assets	18.89	32.75
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	(516.01)	(1,042.62)
Increase/(decrease) in trade payables	229.78	36.10
Increase/(decrease) in provisions	39.91	13.67
Increase/(decrease) in other current liabilities	136.41	10.54
Increase/(decrease) in financial liabilities	(448.97)	(758.97)
Increase/(decrease) in other non current liabilities	-	-
<b>Cash generated from operations</b>	<b>1,298.04</b>	<b>(2,593.29)</b>
Income taxes paid	(853.14)	(396.72)
<b>Net cash inflow from operating activities</b>	<b>444.90</b>	<b>(2,990.01)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(600.34)	(1,264.75)
Increase in Capital Work in Progress	(164.76)	(627.18)
Increase in Term deposits	162.53	4,287.63
Proceeds from sale of property, plant and equipment	-	-
Increase in Investments	(675.00)	(500.00)
Interest received	11.77	68.89
<b>Net cash outflow from investing activities</b>	<b>(1,265.80)</b>	<b>1,964.59</b>

<b>Cash flows from financing activities</b>		
Increase/(decrease) in borrowings	1,503.69	1,286.65
Interest paid	(456.05)	(117.59)
Payment of lease obligations	(64.41)	(61.34)
Dividends paid to Company's share holders	(162.18)	(162.18)
<b>Net cash inflow (outflow) from financing activities</b>	<b>821.04</b>	<b>945.53</b>
Net increase (decrease) in cash and cash equivalents	0.14	(79.89)
Cash and cash equivalents at the beginning of the financial year	0.32	80.20
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>0.45</b>	<b>0.32</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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

## Standalone Statement of changes in Equity for the period ended 31.03.2023

## A. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
	Opening Equity Shares	40,54,493	405.45	40,54,493
Changes in Equity Share Capital (Bonus Share Issued) during the year	1,21,63,479	1,216.35	-	-
Add: Forfeited Shares (Amount originally paid up)		0.06		0.06
<b>Closing balance</b>	<b>1,62,17,972</b>	<b>1,621.86</b>	<b>40,54,493</b>	<b>405.51</b>

During the current year, the company has issued 1,21,63,479 Equity Shares of Rs. 10/- each as fully paid-up bonus shares representing a ratio of 3 (three) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of Capital Reserve, Security Premium, General Reserve and profit and loss account pursuant to a bonus issue approved by the Shareholders in the 32<sup>nd</sup> Annual General Meeting held on May 30, 2022. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

## B. Other Equity as at March 31, 2023

	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	7,431.35	7,966.45
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	2,978.25	2,978.25
Dividend	-	-	-	-	-	(162.18)	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes : Capitalisation of Profits by giving Bonus Shares	-	-	(345.98)	(109.82)	(79.06)	(681.48)	(1,216.35)
Balance at the end of the reporting period	-	-	-	-	0.24	9,565.93	9,566.17

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

(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	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	7,431.35	7,966.45

**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 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 13<sup>th</sup> April, 2023.

**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, 2023

## Note: 2 Property, Plant and Equipment

(In ₹ Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block as at April 1, 2022	573.53	975.97	45.74	102.91	719.43	191.94	152.40	150.62	646.23	3,558.78
Additions	-	72.53	-	35.85	304.00	49.51	64.31	6.56	67.57	600.34
(Deduction/ Adjustment) During the year	-	-	-	-	(0.38)	-	-	-	(1.58)	(1.96)
<b>Gross Block as at March 31, 2023</b>	<b>573.53</b>	<b>1,048.50</b>	<b>45.74</b>	<b>138.76</b>	<b>1,023.05</b>	<b>241.45</b>	<b>216.71</b>	<b>157.18</b>	<b>712.23</b>	<b>4,157.16</b>
Accumulated Depreciation as at April 1, 2022	-	229.04	40.63	63.02	390.90	110.62	124.08	60.78	290.71	1,309.79
Depreciation for the Year	-	55.41	5.11	15.42	157.02	45.08	16.98	30.11	149.07	474.20
(Deduction/ Adjustments) During the year	-	-	-	-	(0.04)	-	-	-	(1.58)	(1.61)
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>-</b>	<b>284.45</b>	<b>45.74</b>	<b>78.44</b>	<b>547.89</b>	<b>155.70</b>	<b>141.06</b>	<b>90.90</b>	<b>438.20</b>	<b>1,782.38</b>
<b>Net Block as at March 31, 2023</b>	<b>573.53</b>	<b>764.06</b>	<b>0.00</b>	<b>60.33</b>	<b>475.16</b>	<b>85.75</b>	<b>75.65</b>	<b>66.29</b>	<b>274.03</b>	<b>2,374.78</b>

(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, 2021	174.34	685.09	45.74	72.89	620.28	126.30	129.27	104.15	335.95	2,294.03
Additions (Deduction/ Retirement) During the year	399.19	290.88	-	30.02	99.15	65.64	23.12	46.46	310.28	1,264.75
<b>Gross Block as at March 31, 2022</b>	<b>573.53</b>	<b>975.97</b>	<b>45.74</b>	<b>102.91</b>	<b>719.43</b>	<b>191.94</b>	<b>152.40</b>	<b>150.62</b>	<b>646.23</b>	<b>3,558.78</b>
Depreciation/ Amortization 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	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>-</b>	<b>229.04</b>	<b>40.63</b>	<b>63.02</b>	<b>390.90</b>	<b>110.62</b>	<b>124.08</b>	<b>60.78</b>	<b>290.71</b>	<b>1,309.79</b>
<b>Net Block as at March 31, 2022</b>	<b>573.53</b>	<b>746.93</b>	<b>5.11</b>	<b>39.89</b>	<b>328.53</b>	<b>81.32</b>	<b>28.32</b>	<b>89.83</b>	<b>355.52</b>	<b>2,248.99</b>

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022	
	Project 2	Project 3	Project 4	Project 1	Project 2
Capital Work-in-Progress at the beginning of the reporting period	700.82	-	-	73.64	
Add: Additions During the year	-	56.90	107.86	193.51	700.82
Less: Capitalised During the year	-	-	-	267.16	-
Capital Work-in-Progress (Construction of Buildings)	<b>700.82</b>	<b>56.90</b>	<b>107.86</b>	-	<b>700.82</b>

**Capital Work-in-progress ageing Schedule for the year ending March 31, 2023 & March 31, 2022** (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, 2023</b>					
Projects in Process	164.76	700.82	-	-	865.59
Projects Temporarily Suspended	-	-	-	-	-
<b>March 31, 2022</b>					
Projects in Process	<b>700.82</b>	-	-	-	<b>700.82</b>
Projects Temporarily Suspended	-	-	-	-	-

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right to Use Lease	221.10	262.55
Less: Depreciation	41.46	41.46
<b>Total</b>	<b>179.64</b>	<b>221.10</b>

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Subsidiaries at cost		
IMEDS Global Private Limited	1,175.00	500.00
1,17,49,999 (P.Y: 49,99,999) Equity Shares Shares face value of Rs. 10/ each		
<b>Total</b>	<b>1,175.00</b>	<b>500.00</b>
Aggregate amount of un-quoted Investments	1,175.00	500.00
Aggregate amount of impairment in value of investment	-	-

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	185.85	325.87
Deposits	-	41.79
<b>Total</b>	<b>185.85</b>	<b>367.67</b>

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liability</b>		
Property, plant and equipment	(89.76)	(135.81)
Lease Asset	(52.31)	(64.38)
<b>Sub Total</b>	<b>(142.07)</b>	<b>(200.19)</b>
<b>Deferred tax Assets</b>		
Lease Liability	71.08	81.09
Employee benefits	8.91	12.58
Remeasurment of defined benefit plan	11.67	8.61
<b>Sub Total</b>	<b>91.66</b>	<b>102.28</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(50.42)</b>	<b>(97.92)</b>

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

(In ₹ Lakhs)

Particulars	Balance As at April 01, 2022	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2023
Property, plant and equipment	(135.81)	46.05		(89.76)
Employee benefits	12.58	(3.67)		8.91
Lease Liability	81.09	(10.01)		71.08
Lease Asset	(64.38)	12.07		(52.31)
Remeasurment of defined benefit plan	8.61	3.06		11.67
<b>Total</b>	<b>(97.92)</b>	<b>47.50</b>	-	<b>(50.42)</b>

**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)	(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>(26.78)</b>	-	<b>(97.92)</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, 2023	As at March 31, 2022
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 8. Inventories**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials		
- Indigenous	1,367.83	667.89
- Imported	1,216.00	547.83
Work in Progress	1,834.49	452.75
<b>Total</b>	<b>4,418.32</b>	<b>1,668.47</b>

**Note: 9. Trade Receivables Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Trade Receivables Considered Good - Good	3,973.95	3,615.67
b) Trade Receivables Which have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>3,973.95</b>	<b>3,615.67</b>

**Trade Receivable ageing Schedule for the year ending March 31, 2023 & March 31, 2022**

(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, 2023</b>							
(i) Undisputed Trade Receivable - Considered Good	3,470.88	503.07	-	-	-	-	3,973.95
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,470.88</b>	<b>503.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,973.95</b>

<b>March 31, 2022</b>							
(i) Undisputed Trade Receivable - Considered Good	3,369.86	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) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - 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>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.45	0.32
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	-	-
(b) in Cash Credit Account	-	-
<b>Total</b>	<b>0.45</b>	<b>0.32</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
For Unpaid Dividend	15.74	14.12
As Margin money/under lien		
In term deposit with original maturity more than 3 months but less than 12 months	84.86	67.19
<b>Total</b>	<b>100.60</b>	<b>81.31</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)	-	-
Accrued Interest	14.95	33.84
<b>Total</b>	<b>14.95</b>	<b>33.84</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax (Net)	2.25	2.25
TDS and TCS (Net)	-	-
<b>Total</b>	<b>2.25</b>	<b>2.25</b>

**Note: 14. Other Current Assets**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)	-	-
Prepaid Expenses	70.39	84.25
Advance to Suppliers	441.18	673.48
Other Advances	176.42	53.99
Balances with GST Department	314.69	127.50
Balance with GST credit ledger	1,085.96	633.42
<b>Total</b>	<b>2,088.64</b>	<b>1,572.63</b>

**Note: 15. Equity Shares**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized</b>		
Ordinary shares of par value of Rs. 10/- each Number	2,00,00,000	70,00,000
Amount in ₹ Lakhs	2,000.00	700.00
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.10/- each Number	1,62,17,972	40,54,493
<b>Amount In ₹ Lakhs</b>	1,621.80	405.45
Add Forfeited Shares (Amount originally paid up)	0.06	0.06
<b>Total In ₹ Lakhs</b>	<b>1,621.86</b>	<b>405.51</b>

**Reconciliation of number of shares:**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Equity Shares	40,54,493	40,54,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	1,21,63,479	-
Less: Deduction	-	-
<b>Closing balance</b>	<b>1,62,17,972</b>	<b>40,54,493</b>

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

(In ₹ Lakhs)

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% of Change during the year
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
Sri Vidya Sagar Abburi	30,56,900	18.85%	7,64,225	18.85%	-
Sri Siddhartha Sagar Abburi	12,67,764	7.82%	3,16,941	7.82%	-
Smt K Swapna	11,36,000	7.00%	3,00,000	7.40%	(0.40)
Ms. Sailaja Abburi	10,33,688	6.37%	2,58,422	6.37%	-
Smt. Sarada Abburi	10,04,996	6.20%	2,51,249	6.20%	-



**No. of Shares in the company held by Promoters**

(In ₹ Lakhs)

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% of Change during the year
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
Sri Vidya Sagar Abburi	30,56,900	18.85%	7,64,225	18.85%	-
Sri Siddhartha Sagar Abburi	12,67,764	7.82%	3,16,941	7.82%	-
Ms. Sailaja Abburi	10,33,688	6.37%	2,58,422	6.37%	-
Smt. Sarada Abburi	10,04,996	6.20%	2,51,249	6.20%	-
Sri Venkateswara Rao Abburi	1,46,480	0.90%	36,620	0.90%	-

During the current year, the company has issued 1,21,63,479 Equity Shares of Rs. 10/- each as fully paid-up bonus shares representing a ratio of 3 (three) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of Capital Reserve, Security Premium, General Reserve and profit and loss account pursuant to a bonus issue approved by the Shareholders in the 32<sup>nd</sup> Annual General Meeting held on May 30, 2022. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

The Company has one class of share capital, comprising ordinary shares of Rs. 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 March 31, 2023	As at March 31, 2022
<b>Capital Redemption Reserve</b>		
Opening balance	109.82	109.82
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	109.82	-
<b>Total</b>	<b>-</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	79.06	-
<b>Total</b>	<b>0.24</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	345.98	-
<b>Total</b>	<b>-</b>	<b>345.98</b>
<b>Surplus in Profit and Loss account</b>		
Opening balance	7,431.35	5,683.36
Add: Current Year Transfer	-	-
Profit and loss account	2,978.25	1,910.17
Less: Dividend Paid	(162.18)	(162.18)
Less: Capitalisation of Profit	(681.48)	-
<b>Total</b>	<b>9,565.93</b>	<b>7,431.35</b>
<b>Total Other Equity</b>	<b>9,566.17</b>	<b>7,966.45</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 March 31, 2023	As at March 31, 2022
Lease Liability	244.08	278.47
<b>Total</b>	<b>244.08</b>	<b>278.47</b>

**Note: 18. Provisions Non Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	62.00	22.09
<b>Total</b>	<b>62.00</b>	<b>22.09</b>

**Note: 19. Borrowings Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured*	2,790.34	1,286.65
(b) From Other parties	-	-
(iii) Deposits	-	-
<b>Total</b>	<b>2,790.34</b>	<b>1,286.65</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 @ 11.75% p.a.

b) The Carrying amount of Current and Non-current assets pledged as primary and collateral security for current borrowings are disclosed in Note No.48.

**Note: 20. Trade Payable Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables Due to Micro and Small Enterprises (MSME)	264.62	-
Trade Payables Due to Others	34.02	68.86
<b>Total</b>	<b>298.64</b>	<b>68.86</b>

**Trade Payables ageing Schedule for the year ending March 31, 2023 & March 31, 2022** (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, 2023</b>						
(i) MSME	264.62	-	-	-	-	264.62
(ii) Others	34.02	-	-	-	-	34.02
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>298.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298.64</b>
<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>

**Note: 21. Other Financial Liabilities Current** (In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for Expenses	35.43	20.83
Retention Money	-	3.54
Employees salaries and other payables	272.63	113.72
Unpaid Dividend	15.74	14.12
Advance from Customers	29.74	650.29
<b>Total</b>	<b>353.54</b>	<b>802.50</b>

**Note: 22. Provisions Current** (In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Taxation (Net)	173.70	1.76
<b>Total</b>	<b>173.70</b>	<b>1.76</b>

**Note: 23. Other Liabilities Current** (In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Statutory dues Payable	219.27	82.85
<b>Total</b>	<b>219.27</b>	<b>82.85</b>

**Note: 24. Revenue From Operations**

Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers"

**A. (i) Contract with Customers**

(a) Company has recognized the following revenue during the year from contracts with its customers

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products		
Domestic	14,998.06	10,080.72
Export	630.11	-
Sale of Services		
Domestic	1,342.36	1,160.76
Export	252.64	239.43
Scrap Sales	5.06	7.13
Less: GST	1,801.50	993.67
<b>Total</b>	<b>15,426.73</b>	<b>10,494.37</b>

(b) Company has recognized the Rs Nil as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

**(ii) Contract Balances**

(a) Receivables

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	3,615.67	1,312.70
Addition/deduction during the year	358.28	2,302.97
Closing Balance	3,973.95	3,615.67

**(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. 15,426.73 Lakhs ( P.Y. Rs. 10,494.37 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. 15,426.73 Lakhs ( P.Y. Rs. 10,494.37 Lakhs).

**(c) Contract Liabilities**

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities". The balances are Rs Nil

**(d) Practical expedients**

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

**B. Significant judgements in the application of this standard**

- (i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

- (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).
- (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

**C. Assets Recognised from costs to obtain or fulfill a contract with a customer**

The costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

**Note: 25. Other Income** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	11.77	68.89
Miscellaneous Receipts	-	8.63
Fluctuation In Foreign Currency	35.64	59.19
<b>Total</b>	<b>47.41</b>	<b>136.71</b>

**Note: 26. Cost of Materials Consumed** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cost of materials consumed</b>		
<b>Indigenous</b>		
Indigenous(Opening Stock)	532.71	83.03
Purchase	4,186.87	1,836.10
<b>Sub Total</b>	<b>4,719.57</b>	<b>1,919.12</b>
Indigenous(Closing Stock)	(1,345.46)	(532.71)
<b>Cost of Raw Materials Consumed</b>	<b>3,374.11</b>	<b>1,386.41</b>
<b>Imported</b>		
Imported(Opening Stock)	415.88	51.65
Purchase	5,060.99	4,046.60
<b>Sub Total</b>	<b>5,476.86</b>	<b>4,098.26</b>
Imported(Closing Stock)	(1,192.67)	(415.88)
<b>Cost of Raw Materials Consumed</b>	<b>4,284.20</b>	<b>3,682.38</b>
<b>TOTAL</b>	<b>7,658.31</b>	<b>5,068.80</b>

**Note: 27. Changes in Inventory** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Changes in inventories of finished goods and work-in-progress</b>		
Opening Balance	452.75	52.74
Closing Balance	(1,834.49)	(452.75)
Net (Increase) /Decrease	<b>(1,381.74)</b>	<b>(400.01)</b>

**Note: 28. Employees Benefit Expenses** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,141.95	934.84
Directors Remuneration	360.52	257.57
Bonus	6.37	9.63
Leave Encashment, Exgratia & Gratuity	38.77	31.64
Training & Recruitment	15.43	8.95
Contribution to P.F. and other Funds	28.26	28.09
Staff welfare Expenses	74.15	39.92
<b>TOTAL</b>	<b>1,665.45</b>	<b>1,310.63</b>

**Note: 29. Manufacturing Expenses** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Job work Charges	495.32	313.48
Power and fuel	81.62	56.78
Consumption of stores and spare parts	43.88	25.79
Freight Inwards	34.72	15.72
Repairs & Maintenance - Plant & Machinery	75.48	12.38
Testing Charges	81.64	33.76
Installation & Commissioning Charges	49.19	54.70
Man power hire charges	231.66	106.92
Traveling	42.39	27.06
Other Manufacturing Expenses	51.06	46.99
<b>TOTAL</b>	<b>1,186.94</b>	<b>693.58</b>

**Note: 30. Research and Development Expenses** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed	321.90	284.95
Salaries	332.73	268.54
Repairs & Maintenance	-	9.72
Professional & Consultancy Charges	35.40	25.00
Job Work & Other Expenses	14.48	6.86
<b>TOTAL</b>	<b>704.51</b>	<b>595.06</b>

**Note: 31. Selling and Distribution Expenses** (In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Freight Outwards	33.05	16.93
Packing Materials	34.51	15.24
Business Promotion	11.14	9.86
Travelling Expenses	14.94	7.37
Warranty Expenses	14.64	1.73
Customer Support Expenses	117.90	70.94
Insurance	0.15	-
<b>TOTAL</b>	<b>226.32</b>	<b>122.06</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Depreciation / Amortization for the year</b>		
Depreciation on PPE	474.20	355.74
Depreciation on Right-to-use Assets	41.46	41.46
<b>TOTAL</b>	<b>515.65</b>	<b>397.19</b>

**Note: 33. Finance Cost**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses	388.93	16.60
Bank Charges	67.12	100.99
Interest on Lease Liability	30.02	33.53
<b>TOTAL</b>	<b>486.08</b>	<b>151.12</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery and Others	5.80	24.45
Vehicles	19.25	11.66
Computers	5.75	11.30
Buildings	94.33	50.28
Rent, Fees, Taxes & Licenses	41.83	26.42
Insurance	9.46	24.74
Couriers, Telephones and others	16.62	14.98
Printing & Stationery	8.64	18.98
Payment to Auditors	4.10	3.55
Professional & Consultancy Charges	27.90	19.66
Travelling & Conveyance	22.49	19.17
Secretarial Expenses	27.83	11.01
Watch & Ward	24.95	21.01
Sitting Fee	5.40	4.40
Bad Debts written off	3.29	2.48
Office Maintenance	35.35	27.61
Donations	4.00	4.90
CSR Expenses	48.38	29.37
Miscellaneous Expenses	14.28	2.52
<b>TOTAL</b>	<b>419.65</b>	<b>328.47</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditor	3.25	3.25
For Taxation Matters/Tax Audit	-	-
For Other Services	0.10	0.30
For Reimbursement of Expenses	0.75	-
<b>TOTAL</b>	<b>4.10</b>	<b>3.55</b>

**Note: 35. Income Tax**

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:

Particulars	(In ₹ Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Profit before tax	3,992.96	2,364.17
Enacted Tax rates for the financial year	29.12%	17.47%
Expected tax expense (A)	1,023.24	415.45
Tax affect on allowable items (B)	(11.67)	(2.50)
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)	1,011.57	412.95
Interest on income tax for the year	-	-
Current tax for the year	1,011.57	412.95
Tax credits allowable	-	-
Deferred tax for the year	(47.50)	26.78
Tax expense of earlier years adjusted	10.56	-
Net tax expense for the year	974.64	439.73

**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. 35.02 Lakhs (Previous year Rs. 33.63 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, 2023 are as follows:

I. Change in Defined Benefit obligation :	(In ₹ Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Defined Benefit obligation as at the beginning	201.15	177.92
Interest Cost	14.80	11.82
Current Service Cost	21.14	16.81
Benefits paid from planned assets	-	(19.97)
Remeasurements - due to Financial Assumptions	(3.18)	(7.01)
Remeasurements - due to Experience Assumptions	25.91	21.57
<b>Defined Benefit obligation as at the end</b>	<b>259.81</b>	<b>201.15</b>



(In ₹ Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>II. Change in Fair value of plan assets</b>		
Fair value of Plan Assets at the beginning	170.96	164.40
Interest Income	12.91	11.48
Employer Contributions	22.09	17.39
Benefits paid from planned assets	(13.22)	(22.60)
Remeasurements - Return on Assets (Excluding Interest)	(3.64)	0.29
<b>Fair value of planned assets at the end</b>	<b>189.10</b>	<b>170.96</b>
<b>III. Components of Defined Benefit Cost:</b>		
Current Service Cost	21.14	16.81
Total Net Interest cost	1.41	0.34
<b>Defined Benefit Cost Included in Profit &amp; Loss</b>	<b>22.54</b>	<b>17.15</b>
Remeasurements - due to Financial Assumptions	(3.18)	(7.01)
Remeasurements - due to Experience Assumptions	39.62	21.57
Remeasurements - Return on Assets (Excluding Interest)	3.64	(0.29)
<b>Total Remeasurements in OCI</b>	<b>40.08</b>	<b>14.27</b>
<b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b>	<b>62.62</b>	<b>31.42</b>
<b>IV. Amounts recognized in the Statement of Financial Position</b>		
Defined benefit Obligation	259.81	201.15
Fair value of Plan Assets	183.55	170.96
Funded Status	76.27	30.18
Net Defined Benefit Liability/(Asset)	76.27	30.18
Of which Short Term Liability	42.87	24.22
<b>V. Net Defined Benefit Liability/(Asset) Reconciliation</b>		
Net Defined Benefit Liability/(Asset) at the beginning	30.18	10.90
Defined Benefit Cost Included in Profit & Loss	22.54	17.15
Total Remeasurement included in OCI	40.08	14.27
Employer Contributions	(22.09)	(17.39)
Credit to Reimbursements/Expenses Adjustment	-	5.25
Net Defined Benefit Liability/(Asset) at the end	70.71	30.18
<b>VI. Principal Assumptions</b>		
Discounting Rate	7.50%	7.36%
Salary Escalation Rate	3.00%	3.00%

The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.

**Note: 37. Related Party Disclosures:**

(In ₹ Lakhs)

**List of Related Parties** In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Subsidiary company, Company's Directors, Members of the Company's Management Council and company secretary are considered as Key Management Personnel. List of Key Management personnel of the company is as follows:

**A. List of Subsidiaries:****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**

v) Mr. D Rajasekhara Reddy

**Company Secretary****C. Relative of Key Management Personnel****NIL****D. Entities under same Management:****Wiki Kids Private Limited****Same Directors****Lakshmee Foundation****Controlled Trust****E. Transaction with Related Parties**

Particulars	Nature of Transaction	2022-2023	2021-2022
<b>a) Key Managerial Personnel:</b>			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commission on Profits	129.40	78.22
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commission on Profits	129.40	78.22
Mrs. Abburi Sarada	Rent	11.72	11.12
Mr. Abburi Siddhartha Sagar	Remuneration	36.00	36.00
Mr. D Rajasekhar Reddy	Salary	5.89	-
Mr. T Venkatesh	Salary	5.39	7.17
<b>b) Non-Whole time Directors:</b>			
Mr. Yalamanchili Kishore	Sitting Fee	1.30	1.20
Mr. Naveen Nandigam	Sitting Fee	1.50	1.20
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	1.30	1.00
Mr. Myneni Narayana Rao	Sitting Fee	1.00	1.00
Mr. V Ramachander	Sitting Fee	0.30	-
<b>c) Transactions with Subsidiaries:</b>			
<b>Imeds Global Private Limited</b>	Equity Investment	675.00	500.00
<b>d) Transactions with other Entities:</b>			
<b>Lakshmee Foundation</b>	CSR Funds	46.46	-

**Note: 38. Earnings per Share:**

(In ₹ Lakhs)

Particulars	(In ₹ Lakhs)	2022-2023	2021-2022
Profit/ (Loss) after Tax	In ₹ Lakhs	3,003.59	1,917.79
The weighted average number of ordinary shares for			
Basic EPS	Nos	1,62,17,972.00	1,62,17,972.00
Diluted EPS	Nos	1,62,17,972.00	1,62,17,972.00
The nominal value per Ordinary Share	In ₹	10.00	10.00
Earnings per Share			
Basic	In ₹	18.52	11.83
Diluted	In ₹	18.52	11.83

**Note: 39. Contingent liabilities and commitments  
(to the extent not provided for)**

(In ₹ Lakhs)

Particulars	2022-2023	2021-2022
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debt		
a) Claims against the company/disputed liabilities		
Income Tax	219.05	-
b) Guarantees		
Bank Guarantee	1,197.24	2,521.92
<b>Total</b>	<b>1,416.29</b>	<b>2,521.92</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, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	0.45	-	-	0.45	0.45
Trade Receivable	3,973.95	-	-	3,973.95	3,973.95
Deposits	270.70	-	-	270.70	270.70
Other Financial Assets	30.69	-	-	30.69	30.69
<b>Liabilities:</b>					
Trade Payable	298.64	-	-	298.64	298.64
Borrowings	2,790.34	-	-	2,790.34	2,790.34
Other Financial Liabilities	353.54	-	-	353.54	353.54

Amount in ₹ Lakhs as of March 31, 2022

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	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	1,286.65	-	-	1,286.65	1,286.65
Other Financial Liabilities	802.50	-	-	802.50	802.50

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, 2023 & March 31, 2022 is as follows:

Particulars	USD	EURO	USD	EURO
<b>Financial Assets:</b>	<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	48,242.00	20,254.93	2,24,500.00	-
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Financial Liabilities:</b>				
Trade Payable	34,789.31	-	44,830.00	39,884.00
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, 2023 (In ₹ Lakhs)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	3,973.95	3,973.95	-	-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	3,973.95	3,973.95	-	-	-

#### 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	-	-

### 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.

#### (In ₹ Lakhs)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
<b>As on March 31 2023</b>					
Trade Payables	298.64	298.64	-	-	-
Other Financial liabilities	353.54	353.54	-	-	-
<b>As on March 31 2022</b>					
Trade Payables	68.86	68.86	-	-	-
Other Financial liabilities	802.50	802.50	-	-	-

### Note: 42. Capital Management

The objective of the company when managing capital are to

- to safeguard the companys 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

<b>Dividends</b>		(In ₹ Lakhs)	
<b>Particulars</b>	<b>2022-2023</b>	<b>2021-2022</b>	
<b>(i) Final Dividend on Equity Shares</b>			
Final Dividend for the year March 31 2023 Rs 4/- (March 31 2022 Rs. 4/- ) per share of Rs. 10/- each	162.18	162.18	
<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. 1/- (March 31 2022 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	

<b>Note: 43. Consumption Of Raw Materials:</b>		(In ₹ Lakhs)		
<b>Raw Material</b>	<b>2022-2023</b>		<b>2021-2022</b>	
	%	₹	%	₹
Indigenous	44.06	3,374.11	27.35	1,386.41
Imported	55.94	4,284.20	72.65	3,682.38
<b>TOTAL</b>	<b>100.00</b>	<b>7,658.31</b>	<b>100.00</b>	<b>5,068.80</b>

<b>Note: 44. Value of Imports (Calculated in CIF Value):</b>		(In ₹ Lakhs)		
<b>Particulars</b>	<b>2022-2023</b>		<b>2021-2022</b>	
Materials	5,117.04		4,296.58	
Capital Equipment	90.48		116.56	
<b>Total</b>	<b>5,207.53</b>		<b>4,413.13</b>	

<b>Note: 45. Expenditure in Foreign Currency:</b>		(In ₹ Lakhs)		
<b>Particulars</b>	<b>2022-2023</b>		<b>2021-2022</b>	
Purchases (Imports)	5,121.91		4,300.95	
Foreign Travel	2.46		-	
<b>Total</b>	<b>5,124.36</b>		<b>4,300.95</b>	

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

Sundry Creditors includes Rs. 264.62/- Lakhs (previous year Rs. NIL Lakhs) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note: 47. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare, 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 F.Y 2022-23 & 2021-22 are as under:

(In ₹ Lakhs)

Particulars	2022-2023	2021-2022
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	5,470.18	4,352.15
Average of net profits	1,823.39	1,450.72
(i) Amount required to be spent by the Company during the year	36.47	29.01
(ii) Amount spent towards CSR Activities	48.38	29.37
(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	46.46	-

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

**Note 48. Assets Pledged as Security:**

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

(In ₹ Lakhs)

Particulars	As on March 31, 2023	As on March 31, 2022
<b>Current:</b>		
<b>Financial Assets:</b>		
<b>First Charge (Primary Security)</b>		
Trade Receivable	3,973.95	3,615.67
<b>Non-Financial Assets:</b>		
Inventories	4,418.32	1,668.47
<b>Total Current Assets Pledged as Primary Security</b>	<b>8,392.26</b>	<b>5,284.14</b>
<b>Non-Current Assets (Collateral Security)</b>		
Land	105.23	105.23
Plant & Machinery	475.16	328.53
Other Fixed Assets	1,072.32	1,341.82
<b>Total Non-Current Assets Pledged as Collateral Security</b>	<b>1,652.71</b>	<b>1,775.57</b>
<b>Total Assets Pledged as Primary &amp; Collateral Security</b>	<b>10,044.98</b>	<b>7,059.71</b>

**Note No. 49. Analytical Ratios**

Ratio	Numerator	Denominator	Current Year March 31, 2023	Previous Year March 31, 2022	Variance	Reasons
Current ratio (in times)	Total current Assets	Total current liabilities	2.76	3.11	-11%	
Debt-equity ratio (in times)	Long term liabilities +short term borrowings	Total equity	0.25	0.15	62%	During the year the company utilised additional working capital facilities from banks
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	9.56	49.19	-81%	During the year the company utilised additional working capital facilities from banks
Return on equity ratio (in %)	Profit for the year	Average total equity	30.71%	25.58%	20%	-
Inventory turnover ratio (in times)	Revenue from operations	Average total inventory	5.07	10.93	-54%	Effective utilisation of Raw Material
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.07	4.26	-5%	-
Trade payables turnover ratio (in times)	Raw material purchases + Fuel purchase+Other expenses	Average trade payables	50	116	-57%	Proper payment of Trade payables
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	2.28	2.22	3%	Increase in turnover
Net profit ratio (in %)	Profit for the year	Revenue from operations	19.47%	18.27%	7%	-
Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	28.65%	25.53%	12%	-
Return on Investment	Inome generated from invested funds	Average invested funds in treasury investmens	-	-	-	NIL returns as the subsidiary did not commence commercial Opera-tions at its full capacity

**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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of Avantel Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of M/s. Avantel Limited (hereinafter referred to as “the Holding Company”) and its subsidiary IMEDS Global Private Limited (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2023, 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, 2023, 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements;
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

- iv. (a) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. As stated in Note 4 I to the consolidated financial statements:
- (a) The dividend proposed in the previous year by the Holding Company, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and its subsidiaries incorporated in India with effect from April 1, 2023. However, as per rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 the auditors are required to comment on audit trail (edit log) for the year 2022-23. As the maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the Company for the year 2022-23, hence we are unable to report under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 for the financial year ending March 31, 2023.
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: : 23201754BGXHYB5238

Place : Hyderabad  
Date : April 13, 2023

## **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 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Avantel Limited** (“the Holding Company”) and its subsidiary, which is incorporated in India, as of 31st March, 2023 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, 2023, 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: 23201754BGXH5238

Place : Hyderabad  
Date : April 13, 2023



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023**

(In ₹ Lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	2,935.52	2,446.00
(b) Capital work-in-progress	3	865.59	700.82
(c) Right-to-use Asset	4	179.64	221.10
(d) Financial Assets			
(i) Investments		-	-
(ii) Others	5	189.69	371.51
(e) Deferred tax Assets (net)	6	-	-
<b>Current Assets</b>			
(a) Inventories	7	4,459.87	1,677.02
(b) Financial Assets			
(i) Trade Receivables	8	3,983.83	3,615.67
(ii) Cash & Cash Equivalents	9	24.57	52.01
(iii) Bank Balances other than (iii) above	10	100.60	81.31
(iv) Others (Int accrued on employee loans & term deposits)	11	14.95	33.84
(c) Current Tax Assets (Net)	12	2.28	2.28
(d) Other Current Assets	13	2,190.61	1,698.12
<b>Total Assets</b>		<b>14,947.14</b>	<b>10,899.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	1,621.86	405.51
(b) Other Equity	15	9,126.32	7,846.39
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease Liabilities	16	244.08	278.47
(b) Provisions	17	62.00	22.09
© Deferred Tax Liability (Net)	6	46.81	100.64
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	2,790.34	1,286.65
(ii) Trade payables	19		
(a) Total outstanding dues of Micro enterprises and small enterprises		270.53	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		34.84	70.61
(iii) Other Financial Liabilities	20	354.63	803.74
(b) Current Tax Liabilities (Net)	21	173.70	1.76
(c) Other current liabilities	22	222.03	83.81
<b>Total Equity and Liabilities</b>		<b>14,947.14</b>	<b>10,899.67</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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(In ₹ Lakhs)

Particulars	Note No	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Income</b>			
i) Revenue From Operations	23	15,445.11	10,495.35
ii) Other Income	24	47.86	137.04
<b>Total Income</b>		<b>15,492.97</b>	<b>10,632.39</b>
<b>Expenses</b>			
i) Cost of materials consumed	25	7,699.76	5,089.42
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(1,381.74)	(400.01)
iii) Employee benefits expense	27	1,777.23	1,326.67
iv) Manufacturing Expenses	28	1,216.91	705.12
v) Research and Development Expenses	29	704.51	604.67
vi) Selling and Distribution Expenses	30	234.81	130.62
vii) Depreciation and amortisation expense	31	576.76	402.79
viii) Finance Cost	32	486.29	151.30
ix) Administrative & Other Expenses	33	511.61	374.96
<b>Total expenses</b>		<b>11,826.14</b>	<b>8,385.56</b>
<b>Profit/(loss) before exceptional items and tax</b>		3,666.83	2,246.83
Exceptional Items			
<b>Profit Before Tax</b>		3,666.83	2,246.83
Tax Expenses		983.04	449.13
- Current Tax		1,023.24	415.48
- Prior Period Adjustments		10.56	-
- Deferred Tax		(50.76)	33.65
<b>Profit/(loss) for the period from continuing operations</b>		2,683.79	1,797.70
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>2,683.79</b>	<b>1,797.70</b>
<b>II Other Comprehensive Income</b>			
i) <b>Items that will not be reclassified to profit or loss</b>			
Remeasurment of defined benefit plan		(40.08)	(14.27)
Tax on the above		14.73	6.65
		<b>(25.34)</b>	<b>(7.62)</b>
ii) <b>Items that will be reclassified to profit or loss</b>		-	-
Other Comprehensive Income		<b>(25.34)</b>	<b>(7.62)</b>
<b>III Total Comprehensive Income for the period</b>		<b>2,658.45</b>	<b>1,790.08</b>
<b>IV Earnings per equity share :</b>			
<b>Equity Shares of par value ₹ 10/- each</b>			
(1) Basic (₹)		16.55	11.08
(2) Diluted (₹)		16.55	11.08

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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No. A61938

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	3,666.83	2,246.83
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>3,666.83</b>	<b>2,246.83</b>
<b>Adjustments for</b>		
Depreciation and amortisation expense	576.76	402.79
Gain on disposal of property, plant and equipment	-	-
Written off assets	3.29	2.48
Dividend and interest income classified as investing cash flows	(11.77)	(69.01)
Finance costs	486.29	151.30
Other Comprehensive Income	(40.08)	(14.27)
	<b>4,681.33</b>	<b>2,720.12</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase)/decrease in trade receivables	(368.16)	(2,299.53)
(Increase)/decrease in inventories	(2,782.86)	(1,425.58)
(Increase)/decrease in other financial assets	18.89	32.75
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	(492.49)	(1,168.10)
Increase/(decrease) in trade payables	234.77	37.85
Increase/(decrease) in provisions	39.91	13.67
Increase/(decrease) in other current liabilities	138.22	11.49
Increase/(decrease) in financial liabilities	(449.11)	(757.73)
Increase/(decrease) in other non current liabilities	-	-
<b>Cash generated from operations</b>	<b>1,020.50</b>	<b>(2,835.06)</b>
Income taxes paid	(853.14)	(396.74)
<b>Net cash inflow from operating activities</b>	<b>167.36</b>	<b>(3,231.81)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,025.17)	(1,467.36)
Increase in Capital Work in Progress	(164.76)	(627.18)
Increase in Term deposits	162.53	4,283.79
Proceeds from sale of property, plant and equipment	-	-
Increase in Investments	-	-
Interest received	11.77	69.01
<b>Net cash outflow from investing activities</b>	<b>(1,015.63)</b>	<b>2,258.25</b>

<b>Cash flows from financing activities</b>		
Increase/(decrease) in borrowings	1,503.69	1,286.65
Interest paid	(456.26)	(117.77)
Payment of lease obligations	(64.41)	(61.34)
Dividends paid to Company's share holders	(162.18)	(162.18)
<b>Net cash inflow (outflow) from financing activities</b>	<b>820.83</b>	<b>945.36</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(27.44)</b>	<b>(28.19)</b>
Cash and cash equivalents at the beginning of the financial year	52.01	80.20
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>24.57</b>	<b>52.01</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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No.A61938

### Consolidated Statement of changes in Equity for the period ended 31.03.2023

#### A. Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
	Opening Equity Shares	40,54,493	405.45	40,54,493
Changes in Equity Share Capital (Bonus Share Issued) during the year	1,21,63,479	1,216.35	-	-
Add: Forfeited Shares (Amount originally paid up)		0.06		0.06
<b>Closing balance</b>	<b>1,62,17,972</b>	<b>1,621.86</b>	<b>40,54,493</b>	<b>405.51</b>

During the current year, the company has issued 1,21,63,479 Equity Shares of Rs. 10/- each as fully paid-up bonus shares representing a ratio of 3 (three) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of Capital Reserve, Security Premium, General Reserve and profit and loss account pursuant to a bonus issue approved by the Shareholders in the 32<sup>nd</sup> Annual General Meeting held on May 30, 2022. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

#### B. Other Equity as at March 31, 2023

	Share application money pending allotment	Equity Components of compound financial instruments	Reserves and Surplus			Total
			General Reserve	Capital Reserve	Security Premium	
Balance at the beginning of the reporting period	-	-	345.98	109.82	79.30	7,966.45
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	2,658.45
Dividend	-	-	-	-	-	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Any other changes : Capitalisation of Profits by giving Bonus Shares	-	-	(345.98)	(109.82)	(79.06)	(1,216.35)
Balance at the end of the reporting period	-	-	-	-	0.24	9,246.37

(In ₹ Lakhs)

**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	-	-	-	-	-	1,910.17	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	7,431.35	7,966.45

## 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 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 13<sup>th</sup> April, 2023.

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

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (“the Companies Act”), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The accounting policies have been applied consistently to all periods presented in these financial statements.

#### 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, 2023**  
**Note: 2 Property, Plant and Equipment**

(In ₹ Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block as at April 1, 2022	573.53	975.97	45.74	120.12	889.76	193.31	163.78	150.62	648.57	3,761.39
Additions	348.48	72.53	-	37.18	365.92	53.60	73.31	6.56	67.57	1,025.17
(Deduction/ Adjustment) During the year	-	-	-	0.44	1.51	-	-	-	(3.91)	(1.96)
<b>Gross Block as at March 31, 2023</b>	<b>922.01</b>	<b>1,048.50</b>	<b>45.74</b>	<b>157.74</b>	<b>1,257.18</b>	<b>246.91</b>	<b>237.09</b>	<b>157.18</b>	<b>712.23</b>	<b>4,784.60</b>
Accumulated Depreciation as at April 1, 2022	-	229.04	40.63	63.54	395.67	110.69	124.29	60.78	290.75	1,315.39
Depreciation for the Year	-	55.41	5.11	19.16	209.70	46.15	20.60	30.11	149.07	535.31
(Deduction/ Adjustments) During the year	-	-	-	0.00	(0.00)	-	-	-	(1.61)	(1.61)
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>-</b>	<b>284.45</b>	<b>45.74</b>	<b>82.69</b>	<b>605.38</b>	<b>156.84</b>	<b>144.89</b>	<b>90.90</b>	<b>438.20</b>	<b>1,849.08</b>
<b>Net Block as at March 31, 2023</b>	<b>922.01</b>	<b>764.06</b>	<b>0.00</b>	<b>75.05</b>	<b>651.81</b>	<b>90.07</b>	<b>92.20</b>	<b>66.29</b>	<b>274.03</b>	<b>2,935.52</b>

(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, 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	-	-	-	-	-	-	-	-	-	-
<b>Gross Block as at March 31, 2022</b>	<b>573.53</b>	<b>975.97</b>	<b>45.74</b>	<b>120.12</b>	<b>889.76</b>	<b>193.31</b>	<b>163.78</b>	<b>150.62</b>	<b>648.57</b>	<b>3,761.39</b>
Depreciation/ Amortization 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	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>-</b>	<b>229.04</b>	<b>40.63</b>	<b>63.54</b>	<b>395.67</b>	<b>110.69</b>	<b>124.29</b>	<b>60.78</b>	<b>290.75</b>	<b>1,315.39</b>
<b>Net Block as at March 31, 2022</b>	<b>573.53</b>	<b>746.93</b>	<b>5.11</b>	<b>56.58</b>	<b>494.09</b>	<b>82.62</b>	<b>39.49</b>	<b>89.83</b>	<b>357.81</b>	<b>2,446.00</b>

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022	
	Project 2	Project 3	Project 4	Project 1	Project 2
Capital Work-in-Progress at the beginning of the reporting period	700.82	-	-	73.64	-
Add: Additions During the year	-	56.90	107.86	193.51	700.82
Less: Capitalised During the year	-	-	-	267.16	-
Capital Work-in-Progress (Construction of Buildings)	<b>700.82</b>	<b>56.90</b>	<b>107.86</b>	-	<b>700.82</b>

**Capital Work-in-progress ageing Schedule for the year ending March 31, 2023 & March 31, 2022** (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, 2023</b>					
Projects in Process	164.76	700.82	-	-	865.59
Projects Temporarily Suspended	-	-	-	-	-
<b>March 31, 2022</b>					
Projects in Process	<b>700.82</b>	-	-	-	<b>700.82</b>
Projects Temporarily Suspended	-	-	-	-	-

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right to Use Lease	221.10	262.55
Less: Depreciation	41.46	41.46
<b>Total</b>	<b>179.64</b>	<b>221.10</b>

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	189.69	329.71
Deposits	-	41.79
<b>Total</b>	<b>189.69</b>	<b>371.51</b>

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liability</b>		
Property, plant and equipment	(86.15)	(138.53)
Lease Asset	(52.31)	(64.38)
<b>Sub Total</b>	<b>(138.46)</b>	<b>(202.91)</b>
<b>Deferred tax Assets</b>		
Lease Liability	71.08	81.09
Employee benefits	8.91	12.58
Remeasurment of defined benefit plan	11.67	8.61
<b>Sub Total</b>	<b>91.66</b>	<b>102.28</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(46.81)</b>	<b>(100.64)</b>

**Movement in deferred tax balances during the year 2022-23**

(In ₹ Lakhs)

Particulars	Balance As at April 01, 2022	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2022
Property, plant and equipment	(138.53)	52.38		(86.15)
Employee benefits	12.58	(3.67)		8.91
Lease Liability	81.09	(10.01)		71.08
Lease Asset	(64.38)	12.07		(52.31)
Remeasurment of defined benefit plan	8.61	3.06		11.67
<b>Total</b>	<b>(100.64)</b>	<b>53.83</b>	<b>-</b>	<b>(46.81)</b>

**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)
Remeasurment 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>

**Unrecognised Deferred tax assets**

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

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 7. Inventories**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Raw Materials</b>		
- Indigenious	1,397.82	676.44
- Imported	1,227.56	547.83
Work in Progress	1,834.49	452.75
<b>Total</b>	<b>4,459.87</b>	<b>1,677.02</b>

**Note: 8. Trade Receivables Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Trade Receivables Considered Good - Good	3,983.83	3,615.67
b) Trade Receivables Which have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>3,983.83</b>	<b>3,615.67</b>

## Trade Receivable ageing Schedule for the year ending March 31, 2023 &amp; March 31, 2022 (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, 2023</b>							
(i) Undisputed Trade Receivable - Considered Good	3,480.76	503.07	-	-	-	-	3,983.83
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,480.76</b>	<b>503.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,983.83</b>

<b>March 31, 2022</b>							
(i) Undisputed Trade Receivable - Considered Good	3,369.86	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) Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - 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>

**Note: 9. Cash & Cash Equivalents** (In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.52	0.38
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	24.06	51.63
(b) in Cash Credit Account	-	-
<b>Total</b>	<b>24.57</b>	<b>52.01</b>



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

Particulars	As at March 31, 2023	As at March 31, 2022
For Unpaid Dividend	15.74	14.12
As Margin money/under lien		
In term deposit with original maturity more than 3 months but less than 12 months	84.86	67.19
<b>Total</b>	<b>100.60</b>	<b>81.31</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)		
Accrued Interest	14.95	33.84
<b>Total</b>	<b>14.95</b>	<b>33.84</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax paid (Net)	2.25	2.25
TDS and TCS (Net)	0.03	0.03
<b>Total</b>	<b>2.28</b>	<b>2.28</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)		
Prepaid Expenses	70.39	84.29
Advance to Suppliers	456.02	748.48
Other Advances	177.72	54.38
Balances with GST Department	314.69	127.50
Balance with GST credit ledger	1,171.80	683.46
<b>Total</b>	<b>2,190.61</b>	<b>1,698.12</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized</b>		
Ordinary shares of par value of Rs. 10/- each		
Number	2,00,00,000	70,00,000
Amount in ₹ Lakhs	2,000.00	700.00
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.10/- each		
Number	1,62,17,972	40,54,493
<b>Amount In ₹ Lakhs</b>	<b>1,621.80</b>	<b>405.45</b>
Add Forfeited Shares (Amount originally paid up)	0.06	0.06
<b>Total In ₹ Lakhs</b>	<b>1,621.86</b>	<b>405.51</b>

Reconciliation of number of shares:		(In ₹ Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Opening Equity Shares	40,54,493	40,54,493	
Add: -No. of Shares, Share Capital issued/ subscribed during the year	1,21,63,479	-	
Less: Deduction	-	-	
<b>Closing balance</b>	<b>1,62,17,972</b>	<b>40,54,493</b>	

**No. of Shares in the company held by shareholder holding more than 5 percent** (In ₹ Lakhs)

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% of Change during the year
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
Sri Vidya Sagar Abburi	30,56,900	18.85%	7,64,225	18.85%	-
Sri Siddhartha Sagar Abburi	12,67,764	7.82%	3,16,941	7.82%	-
Smt K Swapna	11,36,000	7.00%	3,00,000	7.40%	(0.40)
Ms. Sailaja Abburi	10,33,688	6.37%	2,58,422	6.37%	-
Smt. Sarada Abburi	10,04,996	6.20%	2,51,249	6.20%	-

**No. of Shares in the company held by Promoters** (In ₹ Lakhs)

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% of Change during the year
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	
Sri Vidya Sagar Abburi	30,56,900	18.85%	7,64,225	18.85%	-
Sri Siddhartha Sagar Abburi	12,67,764	7.82%	3,16,941	7.82%	-
Ms. Sailaja Abburi	10,33,688	6.37%	2,58,422	6.37%	-
Smt. Sarada Abburi	10,04,996	6.20%	2,51,249	6.20%	-
Sri Venkateswara Rao Abburi	1,46,480	0.90%	36,620	0.90%	-

During the current year, the company has issued 1,21,63,479 Equity Shares of Rs. 10/- each as fully paid-up bonus shares representing a ratio of 3 (three) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of Capital Reserve, Security Premium, General Reserve and profit and loss account pursuant to a bonus issue approved by the Shareholders in the 32<sup>nd</sup> Annual General Meeting held on May 30, 2022. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

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

<b>Note: 15. Other Equity</b>		(In ₹ Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022	
<b>Capital Redemption Reserve</b>			
Opening balance	109.82	109.82	
Add: Current Year Transfer	-	-	
Less: Written Back in Current Year	109.82	-	
<b>Total</b>	<b>-</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	79.06	-	
<b>Total</b>	<b>0.24</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	345.98	-	
<b>Total</b>	<b>-</b>	<b>345.98</b>	
<b>Surplus in Profit and Loss account</b>			
Opening balance	7,311.29	5,683.36	
Add: Current Year Transfer			
Profit and loss account	2,658.45	1,790.11	
Less: Dividend Paid	(162.18)	(162.18)	
Less: Tax on Dividend	(681.48)	-	
<b>Total</b>	<b>9,126.08</b>	<b>7,311.29</b>	
<b>Total Other Equity</b>	<b>9,126.32</b>	<b>7,846.39</b>	

**Note: 15(a) Nature and purpose of Reserves**

**Capital Redemption Reserve:**

A Statutory reserve created to the extent of sum equal to the nominal value of the Share Capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

**Security Premium:**

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

**Note: 16. Lease Liabilities** (In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	244.08	278.47
<b>Total</b>	<b>244.08</b>	<b>278.47</b>

**Note: 17. Provisions Non Current** (In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	62.00	22.09
<b>Total</b>	<b>62.00</b>	<b>22.09</b>

**Note: 18. Borrowings Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured*	2,790.34	1,286.65
(b) From Other parties	-	-
(iii) Deposits	-	-
<b>Total</b>	<b>2,790.34</b>	<b>1,286.65</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 @ 11.75% p.a.

b) The Carrying amount of Current and Non-current assets pledged as primary and collateral security for current borrowings are disclosed in Note No.47.

**Note: 19. Trade Payable Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables Due to Micro and Small Enterprises (MSME)	270.53	-
Trade Payables Due to Others	34.84	70.61
<b>Total</b>	<b>305.38</b>	<b>70.61</b>

**Trade Payables ageing Schedule for the year ending March 31, 2023 & March 31, 2022**

(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, 2023</b>						
(i) MSME	270.53	-	-	-	-	270.53
(ii) Others	34.84	-	-	-	-	34.84
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>305.38</b>	-	-	-	-	<b>305.38</b>
<b>March 31, 2021</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>

**Note: 20. Other Financial Liabilities Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for Expenses	35.79	21.42
Retention Money	-	3.54
Employees salaries and other payables	273.33	114.36
Unpaid Dividend	15.74	14.12
Advance from Customers	29.77	650.29
<b>Total</b>	<b>354.63</b>	<b>803.74</b>

**Note: 21. Provisions Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Taxation (Net)	173.70	1.76
<b>Total</b>	<b>173.70</b>	<b>1.76</b>

**Note: 22. Other Liabilities Current**

(In ₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Statutory dues Payable	222.03	83.81
<b>Total</b>	<b>222.03</b>	<b>83.81</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 March 31, 2023	For the year ended March 31, 2022
Sale of Products		
Domestic	15,018.65	10,081.82
Export	630.11	-
Sale of Services		
Domestic	1,342.36	1,160.76
Export	252.64	239.43
Scrap Sales	5.06	7.13
Less: GST	1,803.70	993.78
<b>Total</b>	<b>15,445.11</b>	<b>10,495.35</b>

(b) Company has recognized the Rs Nil as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

**(ii) Contract Balances**

**(a) Receivables**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	3,615.67	1,312.70
Addition/deduction during the year	368.16	2,302.97
Closing Balance	3,983.83	3,615.67

**(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. 15,445.11 Lakhs (P.Y. Rs. 10,495.35 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of 15,445.11 Lakhs (P.Y. Rs. 10,495.35 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 March 31, 2023	For the year ended March 31, 2022
Interest income	11.77	69.01
Miscellaneous Receipts	-	8.71
Fluctuation In Foreign Currency	36.09	59.32
<b>Total</b>	<b>47.86</b>	<b>137.04</b>

<b>Note: 25. Cost of Materials Consumed</b>		(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
<b>Cost of materials consumed</b>			
<b>Indigenous</b>			
Indigenous(Opening Stock)	540.67	83.03	
Purchase	4,245.86	1,864.68	
<b>Sub Total</b>	<b>4,786.54</b>	<b>1,947.71</b>	
Indigenous(Closing Stock)	(1,375.46)	(540.67)	
<b>Cost of Raw Materials Consumed</b>	<b>3,411.08</b>	<b>1,407.04</b>	
<b>Imported</b>			
Imported(Opening Stock)	415.88	51.65	
Purchase	5,077.03	4,046.60	
<b>Sub Total</b>	<b>5,492.91</b>	<b>4,098.26</b>	
Imported(Closing Stock)	(1,204.22)	(415.88)	
<b>Cost of Raw Materials Consumed</b>	<b>4,288.68</b>	<b>3,682.38</b>	
<b>TOTAL</b>	<b>7,699.76</b>	<b>5,089.42</b>	

<b>Note: 26. Changes in Inventory</b>		(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
<b>Changes in inventories of finished goods and work-in-progress</b>			
Opening Balance	452.75	52.74	
Closing Balance	(1,834.49)	(452.75)	
Net (Increase) /Decrease	<b>(1,381.74)</b>	<b>(400.01)</b>	

<b>Note: 27. Employees Benefit Expenses</b>		(In ₹ Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Salaries and wages	1,240.21	949.79	
Directors Remuneration	360.52	257.57	
Bonus	6.37	9.63	
Leave Encashment, Exgratia & Gratuity	38.77	31.64	
Training & Recruitment	15.43	8.95	
Contribution to P.F. and other Funds	32.75	28.70	
Staff welfare Expenses	77.96	40.40	
Internship	5.21	-	
<b>TOTAL</b>	<b>1,777.23</b>	<b>1,326.67</b>	

**Note: 28. Manufacturing Expenses**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Job work Charges	498.50	315.78
Power and fuel	90.96	60.51
Consumption of stores and spare parts	48.72	28.63
Freight Inwards	35.89	17.46
Repairs & Maintenance - Plant & Machinery	76.54	13.26
Testing Charges	84.84	33.81
Installation & Commissioning Charges	49.19	54.70
Man power hire charges	231.66	106.92
Traveling	49.55	27.06
Other Manufacturing Expenses	51.06	46.99
<b>TOTAL</b>	<b>1,216.91</b>	<b>705.12</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed	321.90	293.55
Salaries	332.73	269.08
Repairs & Maintenance	-	9.72
Professional & Consultancy Charges	35.40	25.00
Job Work & Other Expenses	14.48	7.35
<b>TOTAL</b>	<b>704.51</b>	<b>604.69</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Freight Outwards	33.05	16.93
Packing Materials	37.16	15.24
Business Promotion	13.48	16.61
Travelling Expenses	18.44	9.18
Warranty Expenses	14.64	1.73
Customer Support Expenses	117.90	70.94
Insurance	0.15	-
<b>TOTAL</b>	<b>234.81</b>	<b>130.62</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Depreciation / Amortization for the year</b>		
Depreciation on PPE	535.31	361.34
Depreciation on Right-to-use Assets	41.46	41.46
<b>TOTAL</b>	<b>576.76</b>	<b>402.79</b>



**Note: 32. Finance Cost**

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses	388.93	16.60
Bank Charges	67.33	101.17
Interest on Lease Liability	30.02	33.53
<b>TOTAL</b>	<b>486.29</b>	<b>151.30</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery and Others	6.87	27.21
Vehicles	19.25	11.66
Computers	6.05	11.42
Buildings	108.65	53.61
Rent, Fees, Taxes & Licenses	64.85	45.57
Insurance	9.65	24.76
Couriers, Telephones and others	17.83	15.45
Printing & Stationery	9.51	20.99
Payment to Auditors	4.43	3.88
Professional & Consultancy Charges	37.03	35.11
Travelling & Conveyance	26.48	19.97
Secretarial Expenses	42.39	11.30
Watch & Ward	26.41	21.58
Sitting Fee	5.40	4.40
Bad Debts written off	22.57	2.48
Office Maintenance	37.58	28.81
Donations	4.00	4.90
CSR Expenses	48.38	29.37
Miscellaneous Expenses	14.28	2.52
<b>TOTAL</b>	<b>511.61</b>	<b>374.96</b>

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

(In ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As Auditor	3.55	3.55
For Taxation Matters/Tax Audit	-	-
For Other Services	0.13	0.33
For Reimbursement of Expenses	0.75	-
<b>TOTAL</b>	<b>4.43</b>	<b>3.88</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 March 31, 2023	As at March 31, 2022
Profit before tax	3,666.83	2,364.17
Enacted Tax rates for the financial year (MAT)	29.12%	17.47%
Expected tax expense (A)	1,023.24	415.45
Tax affect on allowable items (B)	(11.67)	(2.50)
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	1,011.57	412.95
Tax credits allowable	-	-
Deferred tax for the year	(53.83)	29.53
Tax expense of earlier years adjusted	10.56	-
<b>Net tax expense for the year</b>	<b>968.30</b>	<b>442.48</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: 35. Employee Benefits**

(In ₹ Lakhs)

- Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of Rs. 38.81 Lakhs (Previous year Rs. 34.15 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.
- 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.
- 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, 2023 are as follows:

I. Change in Defined Benefit obligation :	(In ₹ Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Defined Benefit obligation as at the beginning	201.15	177.92
Interest Cost	14.80	11.82
Current Service Cost	1.14	16.81
Benefits paid from planned assets	-	(19.97)
Remeasurements - due to Financial Assumptions	(3.18)	(7.01)
Remeasurements - due to Experience Assumptions	25.91	21.57
<b>Defined Benefit obligation as at the end</b>	<b>239.81</b>	<b>201.15</b>

<b>II. Change in Fair value of plan assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Fair value of Plan Assets at the beginning	170.96	164.40
Interest Income	12.91	11.48
Employer Contributions	22.09	17.39
Benefits paid from planned assets	(13.22)	(22.60)
Remeasurements - Return on Assets (Excluding Interest)	(3.64)	0.29
<b>Fair value of planned assets at the end</b>	<b>189.10</b>	<b>170.96</b>
<b>III. Components of Defined Benefit Cost:</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Current Service Cost	21.14	16.81
Total Net Interest cost	1.41	0.34
<b>Defined Benefit Cost Included in Profit &amp; Loss</b>	<b>22.54</b>	<b>17.15</b>
Remeasurements - due to Financial Assumptions	(3.18)	(7.01)
Remeasurements - due to Experience Assumptions	39.62	21.57
Remeasurements - Return on Assets (Excluding Interest)	3.64	(0.29)
Total Remeasurements in OCI	40.08	14.27
<b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b>	<b>62.62</b>	<b>31.42</b>
<b>IV. Amounts recognized in the Statement of Financial Position</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Defined benefit Obligation	259.81	201.15
Fair value of Plan Assets	183.55	170.96
Funded Status	76.27	30.18
Net Defined Benefit Liability/(Asset)	76.27	30.18
Of which Short Term Liability	42.87	24.22
<b>V. Net Defined Benefit Liability /(Asset) Reconciliation</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Net Defined Benefit Liability/(Asset) at the beginning	30.18	10.90
Defined Benefit Cost Included in Profit & Loss	22.54	17.15
Total Remeasurement included in OCI	40.08	14.27
Employer Contributions	(22.09)	(17.39)
Credit to Reimbursements/Expenses Adjustment	-	5.25
Net Defined Benefit Liability/(Asset) at the end	70.71	30.18
<b>VI. Principal Assumptions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Discounting Rate	7.50%	7.36%
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**

v) Mr. D Rajasekhara Reddy

**Company Secretary****C. Relative of Key Management Personnel****NIL****D. Entities under same Management:****Wiki Kids Private Limited****Same Directors****Lakshmee Foundation****Controlled Trust****E. Transaction with Related Parties**

Particulars	Nature of Transaction	2022-2023	2021-2022
<b>a) Key Managerial Personnel:</b>			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commission on Profits	129.40	78.22
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commission on Profits	129.40	78.22
Mrs. Abburi Sarada	Rent	11.72	11.12
Mr. Abburi Siddhartha Sagar	Remuneration	36.00	36.00
Mr. D Rajasekhar Reddy	Salary	5.89	-
Mr. T Venkatesh	Salary	5.39	7.17
<b>b) Non-Whole time Directors:</b>			
Mr. Yalamanchili Kishore	Sitting Fee	1.30	1.20
Mr. Naveen Nandigam	Sitting Fee	1.50	1.20
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	1.30	1.00
Mr. Myneni Narayana Rao	Sitting Fee	1.00	1.00
Mr. V Ramachander	Sitting Fee	0.30	-
<b>c) Transactions with Subsidiaries:</b>			
<b>Imeds Global Private Limited</b>	Equity Investment	675.00	500.00
<b>d) Transactions with other Entities:</b>			
<b>Lakshmee Foundation</b>	CSR Funds	46.46	-

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

(In ₹ Lakhs)

Particulars	(In ₹ Lakhs)	2021-2023	2020-2022
Profit/ (Loss) after Tax	In ₹ Lakhs	2,683.79	1,797.70
The weighted average number of ordinary shares for			
Basic EPS	Nos	1,62,17,972	1,62,17,972
Diluted EPS	Nos	1,62,17,972	1,62,17,972
The nominal value per Ordinary Share	In ₹	10.00	10.00
<b>Earnings per Share</b>			
<b>Basic</b>	<b>In ₹</b>	<b>16.55</b>	<b>11.08</b>
<b>Diluted</b>	<b>In ₹</b>	<b>16.55</b>	<b>11.08</b>

**Note: 38. Contingent liabilities and commitments  
(to the extent not provided for)**

(In ₹ Lakhs)

Particulars	2022-2023	2021-2022
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debt		
a) Claims against the company/disputed liabilities		
Income Tax	219.05	-
b) Guarantees		
Bank Guarantee	1,197.24	2,521.92
<b>Total</b>	<b>1,416.29</b>	<b>2,521.92</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.

PARTICULARS	2022-2023	2021-2022
<b>I. Segment Revenue</b>		
(a) Communications and signal processing Products	15,474.15	10,631.08
(b) Health Care	18.82	1.31
<b>Gross Revenue from sale of Products and services</b>	<b>15,492.97</b>	<b>10,632.39</b>
<b>2. Segment Results</b>		
(a) Communications and signal processing Products	3,992.96	2,364.17
(b) Health Care	(326.13)	(117.34)
<b>Profit before tax</b>	<b>3,666.83</b>	<b>2,246.83</b>
<b>3. Segment Assets</b>		
(a) Communications and signal processing Products	14,560.53	10,513.06
(b) Health Care	386.61	386.61
<b>Total Assets</b>	<b>14,947.14</b>	<b>10,899.67</b>
<b>4. Segment Liabilities</b>		
(a) Communications and signal processing Products	4,192.00	2,641.13
(b) Health Care	6.97	6.66
<b>Total Liabilities</b>	<b>4,198.97</b>	<b>2,647.79</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, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	24.57	-	-	24.57	24.57
Trade Receivable	3,983.83	-	-	3,983.83	3,983.83
Deposits	274.54	-	-	274.54	274.54
Other Financial Assets	30.69	-	-	30.69	30.69
<b>Liabilities:</b>					
Trade Payable	305.38	-	-	305.38	305.38
Borrowings	-	-	-	-	-
Other Financial Liabilities	354.63	-	-	354.63	354.63

Amount in ₹ Lakhs as of March 31, 2022

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	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

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, 2023 & March 31, 2022 is as follows:

Particulars	USD	EURO	USD	EURO
<b>Financial Assets:</b>	<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	48,242.00	20,254.93	2,24,500.00	-
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Financial Liabilities:</b>	-	-	-	-
Trade Payable	35,791.31	-	44,830.00	39,884.00
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, 2023 (In ₹ Lakhs)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	3,983.83	3,983.83	-	-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	3,983.83	3,983.83	-	-	-

#### 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	-	-

### 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.

(In ₹ Lakhs)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
<b>As on March 31 2023</b>					
Trade Payables	305.38	305.38	-	-	-
Other Financial liabilities	354.63	354.63	-	-	-
<b>As on March 31 2022</b>					
Trade Payables	70.61	70.61	-	-	-
Other Financial liabilities	803.74	803.74	-	-	-

**Note: 41. Capital Management**

The objective of the company when managing capital are to

- to safeguard the companys ability to continue as going concern, So that they can continue to provide returns for the Share holder and benefits for other stake holders.
- maintain optimal capital structure to reduce cost of capital

**Dividends**

(In ₹ Lakhs)

Particulars	2022-2023	2021-2022
<b>(i) Final Dividend on Equity Shares</b>		
Final Dividend for the year March 31 2022 Rs 4/- (March 31 2021 Rs. 4/- ) per share of Rs. 10/- each	162.18	162.18
<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. 1/- (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: During the year 2022-23, the Company has issued bonus shares, three shares for every one share held, by utilisomg the accumulated reserves & profits.

**Note: 42. Consumption Of Raw Materials:**

(In ₹ Lakhs)

Raw Material	2022-2023		2021-2022	
	%	₹	%	₹
Indigenous	44.30	3,411.08	27.35	1,386.41
Imported	55.70	4,288.68	72.65	3,682.38
<b>TOTAL</b>	<b>100.00</b>	<b>7,699.76</b>	<b>100.00</b>	<b>5,068.80</b>

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

(In ₹ Lakhs)

Particulars	2022-2023	2021-2022
Materials	5,133.05	4,296.58
Capital Equipment	96.34	116.56
<b>Total</b>	<b>5,229.39</b>	<b>4,413.13</b>

**Note: 44. Expenditure in Foreign Currency:**

(In ₹ Lakhs)

Particulars	2022-2023	2021-2022
Purchases (Imports)	5,137.95	4,300.95
Foreign Travel	3.41	-
<b>Total</b>	<b>5,141.36</b>	<b>4,300.95</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 2022-23 are as under:

	(In ₹ Lakhs)	
Particulars	2022-2023	2021-2022
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	5,470.18	4,352.15
Average of net profits	1,823.39	1,450.72
(I) Amount required to be spent by the Company during the year	36.47	29.01
(ii) Amount spent towards CSR Activities	48.38	29.37
(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	46.46	-

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

**Note 47. Assets Pledged as Security:**

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

	(In ₹ Lakhs)	
Partuculars	As on March 31, 2023	As on March 31, 2022
<b>Current:</b>		
<b>Financial Assets:</b>		
<b>First Charge (Primary Security)</b>		
Trade Receivable	3,973.95	3,615.67
<b>Non-Financial Assets:</b>		
Inventories	4,418.32	1,678.47
<b>Total Current Assets Pledged as Primary Security</b>	<b>8,392.26</b>	<b>5,284.14</b>
<b>Non-Current Assets (Collateral Security)</b>		
Land	105.23	105.23
Plant & Machinery	475.16	328.53
Other Fixed Assets	1,072.32	1,341.82
<b>Total Non-Current Assets Pledged as Collateral Security</b>	<b>1,652.71</b>	<b>1,775.57</b>
<b>Total Assets Pledged as Primary &amp; Collateral Security</b>	<b>10,044.98</b>	<b>7,059.71</b>

**Note No. 48. Analytical Ratios**

Ratio	Numerator	Denominator	Current Year March 31, 2023	Previous Year March 31, 2022	Variance	Reasons
Current ratio (in times)	Total current Assets	Total current liabilities	2.80	3.19	-12%	
Debt-equity ratio (in times)	Long term liabilities +short term borrowings	Total equity	0.26	0.16	67%	During the year the company utilised additional working capital facilities from banks
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	8.94	46.91	-81%	During the year the company utilised additional working capital facilities from banks
Return on equity ratio (in %)	Profit for the year	Average total equity	28%	24%	17%	-
Inventory turnover ratio (in times)	Revenue from operations	Average total inventory	5.03	10.89	-54%	Effective utilisation of Raw Material
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.06	4.26	-5%	-
Trade payables turnover ratio (in times)	Raw material purchases + Fuel purchase+Other expenses	Average trade payables	50	114	-57%	Proper payment of Trade payables
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie., Total current assets less Total current liabilities)	2.23	2.14	4%	Increase in Turnover
Net profit ratio (in %)	Profit for the year	Revenue from operations	17.38%	17.13%	1.45%	-
Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	27.68%	24.66%	12.25%	-
Return on Investment	Inome generated from invested funds	Average invested funds in treasury investmens	-	-	-	NIL

**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 consolidated 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 consolidated 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: 13.04.2023

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

Sd/-  
**D RAJASEKHARA REDDY**  
Company Secretary  
M.No.A61938

The logo for Avantel, featuring the word "avantel" in a lowercase, sans-serif font. The background of the page is split into a dark blue left half and a light blue right half, with a white diagonal line separating them. The dark blue background has a pattern of white and light blue lines and dots, resembling a circuit board or network diagram. The light blue background has a large, curved white shape on the right side.

# avantel

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