AVANTEL LIMITED

Our Company was originally incorporated in the name and style of "Dialog Communications Private Limited" as a private limited company under the Companies Act, 1956 pursuant to a Certificate of Incorporation granted by the Registrar of Companies, Andhra Pradesh (RoC) (presently Registrar of Companies, Telangana) at Hyderabad on May 30, 1990. The name of our Company was changed to 'Avantel Communications Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh (presently Registrar of Companies, Telangana), on 11th August, 1993. Subsequently, our Company was converted into a Public Limited Company and a fresh certificate of incorporation in this regard is obtained from Registrar of Companies, Andhra Pradesh (RoC) (presently known Registrar of Companies of Telangana) with effect from 20th December, 1994. Subsequently, the name of our Company has been changed to Avantel Softech Limited on 24th December, 1998 and has been once again changed to Avantel Limited on 25th September, 2008. The Registered Office was shifted from the Hyderabad to Vishakhapatnam on September 5, 2013. For details of changes in Name of our Company and our Registered Office of our Company, please see "*General Information*" on page 40 of this Draft Letter of Offer.

Registered Office: Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India.
Tel: 91 891 2850000 **Fax:** +91 891 2850004
Contact Person: Mr. D. Rajasekhar Reddy, Company Secretary & Compliance Officer
Email: cs@avantel.in **Website:** https://www.avantel.in/
Corporate Identity Number: L72200AP1990PLC011334

OUR PROMOTERS & PROMTER GROUP: ABBURI VIDYASAGAR, ABBURI SARADA, ABBURI SIDDHARTHA SAGAR, ABBURI SAILAJA, ABBURI VENKATESWARA RAO AND LAKSHMEE FOUNDATION

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR "COMPANY" ONLY

Issue of up to [●] fully paid-up equity shares of face value of ₹2/- each of our company (the "rights equity shares") for cash at a price of ₹[●] per rights equity share (including a premium of ₹[●] per rights equity share) aggregating up to ₹ 4970 lakhs* on a rights basis to the eligible equity shareholders of our company in the ratio of [●] rights equity shares for every [●] fully paid-up equity shares held by the eligible equity shareholders on the record date, that is on [●], 20[●] (the "issue"). For further details, see "*Terms of the Issue*" on page 294 of this draft letter of offer.
**Assuming full subscription*

PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[●]	[●]	[●]
Total (₹)	2.00	[●]	[●]

** For further details on Payment Schedule, see "Terms of the Issue" on page 294 of this Draft Letter of Offer.*

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 21 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING
The existing Equity Shares are listed on BSE Limited (“**BSE**”) and National Stock Exchanges of India Limited (“**NSE**”) (the “**Stock Exchanges**”). Our Company has received the “in-principle” approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through its letter dated [●], 20**[●]**. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022. For the purposes of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE

KFIN Technologies Limited
Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Rangareddy, Telangana, India
Tel No: 1800 309 4001 Email: avantel.rights@kfintech.com Website: https://www.kfintech.com/
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221
CIN: L72400TG2017PLC117649

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●], 20[●]	**[●], 20[●]**	**[●], 20[●]**

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date. Our Board or the Securities Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

(This page has intentionally been left blank)

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Terms used in "Summary of Letter of Offer", "Financial Statements", "Statement of Special Tax Benefits", "Outstanding Litigations and Defaults" and "Terms of the Issue" on pages 19, 77, 56, 284 and 294 *respectively of this Draft Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.*

General Terms

Term	Description
"Company", "Our Company", "the Company", or "Avantel"	Avantel Limited incorporated under the Companies Act, 1956 and having its registered office at Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India.
"We", "Our", "Us", or "our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company as at and during the relevant Fiscal

Company Related Terms

Term	Description
"Articles of Association" or "Articles"	Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board
Audited Financial Statements	The audited financial statements as at and for the financial year ended March 31, 2024 of our Company prepared in accordance with Ind AS and the Companies Act, 2013 and which comprises the balance sheet as at March 31, 2024, and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, along with notes to the standalone financial statements, a summary of significant accounting policies and other explanatory information
"Auditors" or "Statutory Auditors"	The Statutory Auditors of our Company, namely M/s. Grandhy & Co., Chartered Accountants
"Board of Directors", or "Board" or "our Board"	The Board of Directors of our Company or any duly constituted committee thereof.
Chief Financial Officer	The Chief Financial Officer of our Company is Mrs. Abburi Sarada.
Director(s)	The Director(s) on our Board, as disclosed in "Our Management" on page 67 of this Draft Letter of Offer.
Executive Director(s)	Executive Director(s) of our Company are: a. Dr. Abburi Vidyasagar-Managing Director; b. Mr. Abburi Siddhartha Sagar-Whole Time Director; and c. Mrs. Abburi Sarada-Whole Time Director.
Equity Shares	Equity shares of face value of ₹2 each of our Company
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Directors	An Independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" on page 67 of this Draft Letter of Offer.

Term	Description
"Key Managerial Personnel" or "KMP"	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in "Our Management" on page 67 of this Draft Letter of Offer
Managing Director	Managing Director of our Company, being Dr. Abburi Vidyasagar.
Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
Non-Executive Director(s)	A Director, not being an Executive Director of our Company.
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "Capital Structure" on page 45 of this Draft Letter of Offer.
Promoters	The Promoters of our Company, being Dr. Vidyasagar Abburi, Mrs. Sarada Abburi, Mr. Abburi Siddhartha Sagar, Mrs. Sailaja Abburi and Mr. Venkateswara Rao Abburi
Promoter Group	M/s. Lakshmee Foundation
Registered Office	Registered Office of our Company is situated at Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India. For details of changes in registered office of our Company, see "General Information" on page 40 of this Draft Letter of Offer.
"Shareholders" or "Equity Shareholders"	The holders of the Equity Shares from time to time
Subsidiaries / Wholly Owned Subsidiary	Imeds Global Private Limited.

Issue Related Terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
"Allotment" or "Allot" or "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Accounts	The accounts opened with the Banker(s) to the Issue, into which the Application Money lying credit to the escrow account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application, *i.e.*, ₹ [●] per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue

Term	Description
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by Applicant(s) to make an application authorising the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, being [●]
Banker(s) to the Issue Agreement	Agreement dated [●], 2024 entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange in this Issue, as described in "*Terms of the Issue*" on page 294 of this Draft Letter of Offer.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited ("BSE")
Eligible Equity Shareholder(s)	Existing Equity Shareholders as at the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see "*Notice to Investors*" on page 14 of this Draft Letter of Offer
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being [●]
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
"Issue" or "Rights Issue"	This issue of up to [●] fully paid-up Equity Shares of face value of ₹2/- each of our Company for cash at a price of ₹[●] (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹[●] Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date. On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes 100% of the Issue. **Assuming full subscription with respect to Rights Equity Shares*
Issue Closing Date	[●], 20 **[●]**

Term	Description
Issue Materials	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●], 20 **[●]**
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their application, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Equity Share On Application, investors will have to pay ₹ [●] per Rights Equity Share which constitutes 100% of the Issue Price
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares aggregating to ₹49.70 Crores* **Assuming full subscription with respect to Rights Equity Shares*
Letter of Offer	The Letter of Offer dated [●] to be filed with the Stock Exchanges and SEBI
Listing Agreement	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see "*Objects of the Issue*" on page 50 of this Draft Letter of Offer
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Payment Schedule	Payment schedule under which 100% of the Issue Price is payable on Application, *i.e.* ₹ [●] per Rights Equity Share
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares in the Issue, being [●], 2024
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being Axis Bank.
Registrar Agreement	Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Company	KFIN Technologies Limited
Registrar to the Issue / Registrar	KFIN Technologies Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], 20 **[●]** in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares to be Allotted pursuant to this Issue

Term	Description
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue, and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	Stock Exchanges where the Equity Shares are presently listed, being, BSE Limited and National Stock Exchanges Limited (NSE Limited)
Transfer Date	The date on which the Application Money held in the escrow account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Business and Industry Related Terms

Term	Description
AAAU	Active Array Antenna Unit
AEW&CS	Airborne Early Warning & Control Systems
AESAR	Active Electronically Scanned Array Radar
AATRU	Active Array Transmitter Receiver Unit
ASPJ	Airborne Self Protection Jamming
AMPL missiles	Astra Missile
ARC	Astra-Rafael Comsys Private Limited
AWS	Automatic Weather Stations
BFSR	Battlefield Surveillance Radar
BTP	Built to Print
BTS	Built to Specs
CAR	Central Acquisition Radar
CASDIC	Combat Aircraft System Development and Integration Centre
CDMA	Code Division Multiple Access
CNC	Contract Negotiation Committee
CRISIL Report	The report titled "Assessment of Indian Defence Equipment Manufacturing Industry" dated February 2023 prepared by CRISIL Limited and commissioned by and paid for by our Company pursuant to an engagement with our Company
CSR	Corporate Social Responsibility
CSR radar	Costal Surveillance Radar
DCPP	Development cum production partner
Defence Offset Policy	The policy requires foreign vendors to plough back at least 30 percent of the contract value in the Indian defence sector to discharge their offset obligation
DRDO	Defence Research & Development Organisation

Term	Description
EMC	Electro Magnetic Compatibility
EMI	Electro Magnetic Interference
EOU	Export Oriented Unit
EO	Electro-Optics
EW	Electronic Warfare
GaAs	Galium Arsenide
GaN	Galium Nitride
GPRS	General Packet Radio Service
GSAT	Geosynchronous Satellite
GSM	Global System for Mobile
GSM/Ext	Extended Global System for Mobile
IC FPGA RTAX Series	Integrated Circuits
IMD	Indian Meteorological Department
INSAT MSS Terminals	Indian National Satellite Mobile Satellite Services
ISRO	Indian Space Research Organization
KIADB	Karnataka Industrial Areas Development Board
LCA	Light Combat Aircrafts
LRTR	Long range Tracking Radar
LRU	Line Replaceable Unit
MIC	Microwave Integrated Circuit
MMIC	Monolithic Microwave Integrated Circuit
MSS Terminals	Mobile Satellite Services Terminal
NFTR	Near Field Test Range
NGRAM	Next Generation Anti-Radiation Missile
OEM	Original Equipment Manufacturers
PAS Housing	Power Amplifier Housing
PATM-II	Phased Array Telemetry-II
PLDRO	Phase Locked Directional Resonator Oscillator
PPATR	Pulsed Phased Array Tracking Radar
PSU	Public Sector Undertaking
R&D	Research and Development
RISAT	Radar Imaging Satellite
RF systems	Radio Frequency System
RFID	Radio Frequency Identification
SDR	Software Defined Radio
SLCM	Submarine Launch Cruise Missile
SMT	Surface Mount Technology
SIGNIT	Signal Intelligence
TCXO	Temperature Compensated Crystal Oscillator
TRM	Transmit Receive Modules
UHF	Ultra-High Frequency
VHF	Very High Frequency

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the SEBI AIF Regulations
AS or Accounting Standards	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded annual growth rate

Term/Abbreviation	Description/ Full Form
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CGU	Cash Generating Unit
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder
Depositories Act	Depositories Act, 1996
Depository	A Depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant Identity
"DP" or "Depository Participant"	Depository Participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	External Commercial Borrowings
ECB Guidelines	The FEMA Borrowing and Lending Regulations, the ECB Master Directions and the FEMA Reporting Master Directions, taken together
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, issued by the RBI, as amended from time to time.
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EUR	Euro
FCCB Scheme	The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and the clarifications issued thereunder by the Government of India from time to time, including a notification dated November 27, 2008, issued by the Government of India.
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FDI Circular 2020	Consolidated FDI Policy Circular of 2020
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020, issued by DPIIT, effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999

Term/Abbreviation	Description/ Full Form
FEMA Borrowing and Lending Regulations	The Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time
FEMA Reporting Master Directions	The Master Direction on Reporting under the FEMA dated January 1, 2016, as amended from time to time
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time
"Financial Year" or "Fiscal Year" or "Fiscal" or "FY	Period of 12 months ending March 31 of that particular year
FIR	First Information Report
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
Gazette	Official Gazette of India
GDP	Gross Domestic Product
GIR	General Index Register
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	Goods and Service Tax
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
Income-tax Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
Ind AS 34	Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
LOC	Letter of Comfort
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
NEFT	National Electronic Fund Transfer
Net Retail NPA	Represents closing balance of the Net NPA of our Retail AUM as at the last day of the relevant year or period.
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NOF	Net Owned Funds
NPCI	National Payments Corporation of India
NR	Non-Resident or person(s) resident outside India, as defined under the FEMA
NRE	Non- Residential External

Term/Abbreviation	Description/ Full Form
NRE Account	Non-Resident External account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non- Resident Ordinary
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchanges of India Limited
OCBs or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
PSU	Public Sector Undertaking
RBI	Reserve Bank of India
RBI Stressed Asset Resolution Circular	The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by the RBI through its circular dated June 7, 2019, which sets out a framework for early recognition, reporting, and time bound resolution of stressed assets
Regulations	Regulations under the Securities Act
RoC	Registrar of Companies, Andhra Pradesh at Vijayawada
RoCE	Return on Capital Employed
ROE	Return on Equity
RoNW	Return on Net Worth
RoW	Rest of the World
"Rs." "₹" or "Rupees" or "INR"	Indian Rupee
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Term/Abbreviation	Description/ Full Form
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022, and any other circular issued by SEBI in this regard
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933
SRE 2410	Standard on Review Engagements (SRE) 2410, "Review of Interim Financial. Information Performed by the Independent Auditor of the Entity" issued by ICAI
State Government	Government of a State of India
STT	Securities Transaction Tax
TAN	Tax deduction Account Number
TDS	Tax Deductible at Source
Trademarks Act	Trademarks Act, 1999
"US" or "U.S." or "USA" or "United States"	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
"USD" or "U.S.$" or "US$" or "$"	United States Dollar, the official currency of the United States
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WDV	Written Down Value method of valuation

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. For details, see "*Restrictions on Purchases and Resales*" on page 321 of this Draft Letter of Offer.

The Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the "**Issue Materials**") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to us, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, and the Stock Exchanges.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials (including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form) in the event the Issue Materials have been sent on the registered e-mail addresses of such Eligible Equity Shareholders or if there are electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges and submitted to SEBI for information and dissemination. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other Issue Materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer have been derived from our Audited Financial Statements. For details, please see "*Financial Information*" on page 77 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ending on March 31 of the following calendar year.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Financial Statements of our Company for the Financial Years ended March 2024 and March 2023 have been prepared in accordance with Ind AS read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013. Our Company publishes its financial statements in Indian Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "Lakh" units or in whole numbers where the numbers have been too small to represent in Lakh. One Lakh represents 1,00,000 and one million represents 10,00,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page 77 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US$” or “$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units or in whole numbers. One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Lakh or in whole numbers where the numbers have been too small to present in Lakh. Any percentage amounts, as set forth in “*Risk Factors”,* “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Financial Information for the year ended March 31, 2024.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all. The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	November 29, 2024#	March 28, 2024*	March 31, 2023	March 31, 2022
1 USD	83.87	83.37	82.22	75.81
1 Euro	89.13	90.21	89.61	84.66

(Source: www.rbi.org.in and www.fbil.org.in)
 # November 30, 2024, being Saturday there is no exchange rate available.
** March 29, 2024, was a bank holiday on account of Good Friday celebration. Further, March 30, 2024, and March 31, 2024, being Saturday and Sunday respectively and exchange rate was not available.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’ ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Adverse effect of competition on our market share and profits;
- Volatility in the price of raw materials;
- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations of our manufacturing units;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
  - manage our growth effectively;
  - manage our credit risk;
  - manage our quality of services;
  - hire and retain senior management personnel and other skilled manpower;
  - manage cost of compliance with labour laws or other regulatory developments;
  - successfully implement our business strategies and expansion plans;
  - maintain effective internal controls;

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 21, 64 and 279 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, nor our Directors, our Promoters, or any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including "*Risk Factors*", "*Objects of the Issue*", "*Our Business*" and "*Outstanding Litigation and Defaults*" on pages 21, 50, 64 and 284 respectively of this Draft Letter of Offer.

PRIMARY BUSINESS OF OUR COMPANY

Our Company is engaged in the business of development of Satellite Communication Systems, Software Defined Radios, Radar Systems and Electronic sub-systems for Aerospace & Defence. Our company is well known for its capabilities in Design, Development, Manufacturing, Installation & Commissioning, System Integration, Testing & Evaluation of Defence Electronics, Satellite Communication Systems, Telecom Systems and Development of Embedded, Network Management & Application Software. Avantel core competencies include RF System Design, Wireless & Satellite Communication Systems, Embedded Systems, Digital Signal Processing, Network Management & Software Development and Engineering Services.

For further details, please refer to the chapter titled "Our Business" at page 64 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

Our Company intends to utilise the Net Proceeds from the Issue towards funding of the following objects:

Particulars	Estimated amount (up to) *(₹ Lakhs)*
Capital Expenditure	2,204.00
IDEX Projects	1,617.00
General Corporate Purpose	1,079.00
Total Net Proceeds**	**4,900.00**

** Subject to the finalisation of the Basis of Allotment and the Allotment, the amount utilised for general corporate purpose shall not exceed 25% of the gross Proceeds*
*** Assuming full subscription with respect to the Rights Equity Shares and subject to finalisation of the Basis of Allotment.*

For further details, please see *"Objects of the Issue"* on page 50 of this Draft Letter of Offer.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

Pursuant to letter dated 29th November, 2024 our Promoters have confirmed (i) that they shall subscribe to the full extent of their Rights Entitlement in the Issue and have also confirmed that they shall not renounce their Rights Entitlements; (ii) that they shall subscribe to Rights Equity Shares for the additional Rights Entitlements (over and above their Rights Entitlements), if any, which are renounced in their favour or purchased by them using the secondary market platform of the Stock Exchanges or through an off-market transaction in compliance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended; (iii) their intention to subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue or to ensure subscription to the extent of at least Minimum Subscription, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, being made to the extent that: (a) it does not result in any obligation on our Promoters and other members of our Promoter Group to make an "open offer" in accordance with the SEBI Takeover Regulations; and (b) the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10 (4) (b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations.

SUMMARY OF OUTSTANDING LITIGATONS

A summary of the outstanding legal proceedings involving our Company as on the date of this letter of offer are mentioned herein below:

Litigations involving our Company.

Cases filed against our Company: 1
Cases filed by our Company: 1
Cases filed against our Subsidiary Company: Nil
Cases filed by our Subsidiary Company: 5

For further details, please see "*Outstanding Litigation and Defaults*" on page 284 of this Draft Letter of Offer.

RISK FACTORS

For details, please see "*Risk Factors*" on page 21 of this Draft Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

CONTINGENT LIABILITIES

For details regarding our contingent liabilities as per Ind AS 37 for the Fiscal 2024, please see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Contingent Liabilities*" on pages 77 and 279 respectively of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscal 2024, please see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Related party transactions*" on pages 77 and 279 respectively of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

SECTION II-RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 59, 64 *and* 279 *respectively of this Draft Letter of Offer. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue have independently verified the information in the industry report or other publicly available information cited in this section.*

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 18 *of this Draft Letter of Offer.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Audited Financial Information, prepared in accordance with Ind AS and the Companies Act and in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:
- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another. In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

INTERNAL RISK FACTORS

1. ***Our business is largely dependent on contracts from Government of India ('GoI') related entities including defence public sector undertakings and government organizations involved in space research. A decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes or any adverse change in the GoI's defence or space related policies will have a material adverse impact on our business.***

We are engaged in the business of Development of Satellite communications systems, Software Defined Radios, Radar Systems and Electronic sub-systems for Aerospace & Defence sectors. Further, our Company is engaged in developing and manufacturing of microwave and radio frequency systems, sub-systems and components, including but not limited to innovative, customized network centric solutions through products that comply with MIL standards for defence platforms including Ships / Submarines / Aircraft / Helicopters for defence and space applications. Consequently, our business is highly dependent on projects and programmes undertaken by GoI and associated entities, such as defence public sector undertakings and government organizations involved in space research (collectively, the "GoI Entities"). We derived 95.47%, 51.84%, and 65.43% of our revenue from operations for the six months period ended September 30, 2024 and Fiscals 2024 and 2023, respectively from sales made to the GoI Entities.

Further, our contracts depend upon the continuing availability of budgets extended to the Ministry of Defence ("MoD") and the Department of Space ("DoS"). While there is an increase in the total defence and space allocations over a period of time, the level of defence and space spending and changes in the tax policies by the GoI in the future is difficult to predict and may be impacted by numerous factors such as the evolving nature of the national security concerns, foreign policy, domestic political environment and macroeconomic conditions. A decline or reprioritisation of the Indian defence or space budget, changes in GoI Entities defence or space requirements and geo-political circumstances, reduction in orders, termination of existing contracts, delay of existing contracts or programmes will have a material adverse impact on our business.

2. ***We depend on our senior management and other key managerial personnel with technical expertise, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate and grow our business may be adversely affected.***

Our performance and success depend to a large extent on the continued services of our experienced senior management team, executive directors and other key managerial personnel with technical expertise who have made significant contributions to the growth of our business. We believe that the input and experience of our professionals is valuable for the development of our business and operations, and the strategic decisions taken by our Company. We cannot assure you that these individuals or any other member of our management team will not leave us or join a competitor and in the event that they no longer work with us. There is no assurance that we will be able to find suitable replacements for such key managerial personnel in a timely manner or at all and implement a smooth transition of responsibilities to any newly appointed key managerial personnel. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect the results of operations.

We are a technology-driven company with a significant focus and investment in our in-house research and development capabilities. Our future success, amongst other factors, will depend upon our ability to continue to attract and retain qualified personnel, particularly for our Research & Development Facility, know-how and skills that are capable of helping us develop technologically advanced systems and support key customers and products. The specialized skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. We may require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations and our revenue could decline. This could have an adverse effect on our business and the results of operations. We will also have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us which may adversely impact our profitability and results of operations.

3. ***We may suffer uninsured losses or experience losses exceeding our insurance limits. Further, any deficiency in the quality of our products may expose us to claims and penalties which could have an adverse effect on our financial condition.***

Our Company's operations at our manufacturing facilities are subject to inherent risks such as fires, natural disasters, theft, personal injury, damage to our machinery and/ or destruction to our premises due to factors out of our control. While we believe that the amount of our insurance coverage is adequate based on management assessment, our insurance policies do not cover all risks and are subject to exclusions and deductibles, and may not be sufficient to cover all damages, whether foreseeable or not. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage of the loss. If any or all of our manufacturing facilities and warehouses are damaged in whole or in part, our operations may get interrupted, totally or partially, for a temporary period.

If any of our products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. From time to time, due to human or operational error, products may not meet the specifications required by those customers and may therefore be rejected by customers. In addition, we may incur liability for defective products, product recalls, and delays in delivery or fulfilling contracts. There can be no assurance that our customers or unrelated third parties will not make claims against us in the future that may result in negative profitability and adverse publicity. In case of any such product liability claims in the future, there can be no assurance that any product liability insurance we may obtain will be sufficient to indemnify us against such liabilities which may adversely impact our cash flow, results of operations and financial condition.

4. ***Our manufacturing facilities are subject to stringent quality checks, environmental laws and regulations that could cause us to incur significant costs. Any non-compliances on our part may adversely impact our operations, business and financial conditions.***

Our manufacturing facilities are subject to a broad range of safety, health, environmental, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of certain substances, noise emissions and air and water discharges Material future expenditures may be necessary if compliance standards change, if material unknown conditions that require remediation are discovered or if required remediation of known conditions becomes more extensive than expected. Environmental laws could also restrict our ability to expand our facilities or could require us to acquire costly equipment or to incur other significant expenses in connection with our manufacturing processes. Additionally, our manufacturing facilities are certified by international standards of quality management systems such as ISO 140001:2015 and 1400:2018. Any loss of such certifications could lead to loss of future projects.

Given that we derive a significant portion of our total sales from contracts with GoI related agencies and that we will continue to cater to GoI related agencies, we are exposed to various risks inherent in doing business with GoI related agencies. These risks, including participation in GOI Entities contracts could subject us to stricter regulatory requirements which may increase our compliance costs and adversely impact our profitability and results of operations.

5. ***We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for our business operations from time to time. Any failure or delay to obtain or renew them may adversely affect our operations.***

We are required to obtain and maintain certain statutory and regulatory permits, licenses and approvals under central, state and local government rules in India to carry out our business operations and applications for their renewal need to be made within certain timeframes such as, inter alia, license to work a factory under the 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, and Factories Act, 1948, certificate of registration from Department of Scientific and Industrial Research, Ministry of Science and Technology. While we maintain a robust internal system to ensure compliance with such regulations, some of our licenses and approvals may expire in the ordinary course of business for which our Company is in the process of renewing the same. We cannot assure you that we will receive these approvals in a timely manner or at all which may adversely impact our operations and our ability to complete our projects in a timely manner.

6. ***Increased cost of raw materials and inadequate supply may affect our business and the results of operations. Further, we are dependent on third parties for the timely supply of raw materials to our facilities and delivery of our products to our customers, which are subject to uncertainties and risks.***

We are dependent on third party suppliers outside India for the supply of certain of our raw materials especially High-power capacitors, Substrates, semirigid cables, connectors, integrated circuits, FPGAs, Power supply Modules etc., Further, we spent the following amount on import of raw materials:

For the six months period ended September 30, 2024		Fiscal ended					
		March 31, 2024		March 31, 2023		March 31, 2022	
₹ in Lacs	Percentage of total raw materials acquired (%)	₹ in Lacs	Percentage of total raw materials acquired (%)	₹ in lacs	Percentage of total raw materials acquired (%)	₹ in Lacs	Percentage of total raw materials acquired (%)
4,903.39	38.03%	7,841.91	35.02%	9,247.86	59.95%	5,882.70	56.05%

The supply of these raw materials may be impacted due to export restrictions by foreign countries. Further, we faced certain delays in procurement of raw materials during the COVID-19 lockdowns. While these did not materially impact our timelines to complete projects, any such delays in the future could adversely affect our project timelines. Our ability to identify and build relationships with reliable suppliers contributes to our growth and the successful and timely completion of our projects. Further, the prices and supply of raw materials may depend on factors beyond our control, including, inter alia, availability, economic conditions, exchange rates, production levels, transportation costs and import duties. Any disruption of our suppliers' operations and/or inadequate availability of quality raw materials could result in delay in our manufacturing process and adversely affect our reputation, business and results of operations. There can be no assurance that we will be able to replace such suppliers on commercially acceptable terms, or at all, which could adversely affect our production schedule, volumes and profitability. Further, in case of increase in the cost of raw materials, if we are unable to pass such increased costs to our customers, this could have a material adverse effect on our results of operations.

Further we also use third-party transportation services for the supply of raw materials to our manufacturing facilities. Disruptions of transportation services due to reasons such as natural disasters, strikes by transport unions, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to source raw materials and our ability to supply our products to our customers in a timely manner. In addition, some of our raw materials and products are imported and therefore subject to risks associated with transhipment of such products. There can be no assurance that such disruptions will not take place in the future and any such disruptions may adversely impact our cash flows, profitability and results of operations. In addition, significant increases in transportation costs due to various reasons such as increase in crude oil prices may adversely impact our profitability and results of operations.

7. ***We provide products which are subject to technological obsolescence. Any failure to adapt to industry trends and evolving technology to meet our customers' demands, or the failure of our research and development efforts may materially hinder our growth and adversely affect our business and results of operations.***

Our industry is characterized by ongoing innovations and developments in designing, developing and manufacturing radio frequency systems, microwave chips, microwave-based components, subsystems and systems and associated digital electronics. Competitors could develop new or superior designs, subsystems and systems to increase their share of the markets, leading to the loss of projects by our Company. Our future success in addressing the needs of our customers will depend in part on our ability to continue to make timely and cost-effective product innovations and developments. In the event that we are unable to adequately fund our research and development efforts, which may lead to our technologies and machineries become obsolete or are unable to retain/hire skilled talent for our initiatives, or are unable to deliver superior or equal quality products in lines with our competitors or in a timely manner, we may be unable to achieve our growth plans and our revenues and results from operations may be adversely affected.

Further, in order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. During the six months period ended September 30, 2024, and Financial Years 2024, 2023 and 2022, our Company incurred ₹ 169.43 Lakhs, ₹ 223.17 Lakhs, ₹ 704.51 Lakhs and ₹ 604.69 Lakhs , respectively towards research and development. Additionally, we may not be in a position to finance our research and development expenditure in the future and our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. If such events occur in the future, it may adversely impact our profitability and results of operations.

8. ***We may be exposed to damages caused by fraud, theft or other misconduct by our employees, customers or other third parties which could adversely affect our profitability, results of operations and cash flows.***

Many of our contracts involve projects that are critical to the operations of our customer's business. Further, as our operations are linked to the Indian defence and space sector, certain documents and information are confidential because of national security related concerns. Any instances of fraud, theft or other misconduct in our Company, which are not detected in time and could subject us to financial losses and harm our reputation. We are exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud or theft by employees of our Company. Our management information systems are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. As a result, we may suffer monetary losses, which may not be covered by our insurance and may thereby adversely affect our profitability, results of operations and cash flows. Such a result may also adversely affect our reputation.

9. ***Any failure to comply with the provisions of the contracts entered with our customers, especially the GoI Entities, could have an adverse effect on our business, financial conditions and results of our operations. Additionally, imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.***

The contracts entered with our customers, especially GoI Entities, contain onerous obligations and are subject to laws which give them certain rights and remedies including without limitation the following

- terminate existing contracts for default, delays or force majeure conditions;
- demand encashment of warranty indemnity bonds/advance bank guarantee;
- reduce orders under, or otherwise modify, contracts or sub-contracts;
- claim intellectual property rights in products and systems produced by us; and
- control or prohibit the export of our products and services;

In the event that our customers enforce any of the above provisions, it could have an adverse effect on our business operations, financial conditions and results of our operations. Apart from the above, most of the contracts with our customers require our Company to pay liquidated damages in the event of a delay in delivery of products. For each of the six months ended September 30, 2024, and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred amounts of ₹ 3.59 Lakhs, ₹ 93.92 Lakhs, ₹ 137.53 Lakhs and ₹ 19.71 Lakhs towards liquidated damages. For further details, refer to the section "Management's Discussion and Analysis of Financial Conditions and Results of Operations- Factors Affecting Our Results of Operations- Imposition of liquidated damages and invocation of performance bank guarantees/indemnity bonds by our customers." on page 279.

We cannot assure you that, in the future, such contracts can be completed profitably or on terms that are commercially acceptable to us. Any time and/or cost overruns on our contract could have a material adverse financial business.

10. ***We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We have design capabilities across the entire spectrum of strategic defence and aerospace electronics solutions including processors, power, radio frequencies and microwave, embedded software and firmware and mechanical engineering. Therefore, we design, develop and manufacture complex and specialised products and systems for customers in defence and space sector based on specific requirements stipulated by them. Given the nature of our products and solutions, and the sector in which we operate, our customers typically have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in products and solutions manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products by our customer. This may lead to cancellation of supply orders or nonrenewal of agreements by our customers and in certain instances may impose additional costs in the form of product liability and/or product recall. Further, any failure to make timely deliveries of products and solutions as per our customers' requirements could result in the cancellation or non-renewal of purchase orders and at certain instances may also result in us bearing additional financial exposure. We have put in place quality control procedures and processes to ensure that our products will be able to satisfy our customers' quality standards. However, it is possible that our procedures and processes may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or component recalls. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

Prior to awarding us contracts, certain of our customers undertake a detailed review process, which involves inspection of our production facilities, review of our manufacturing processes, raw materials, technical review of the designs and specification of the proposed product and solutions, inspection and review of prototypes of the product and solutions. This extensive review process is generally periodic in nature and firm orders are placed only after the review process. The finished product delivered by us is further subject to validation by our customers upon delivery to their facilities. We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. In request for proposal from services (Army, Air Force and Navy), the customer carries out Technical Evaluation and subsequently Field Evaluation Trial is done on selected vendors before the commercial bid is opened. Site visits are also done in MOD contracts in addition to evaluation at the factory. In most of the services contracts, the product is accepted only after installation at the customer location. If the customer site is not ready, then it will lead to delays in delivery and hence the payments and resulting cash flow issues. We typically provide a standard warranty period for our products, however in many cases we are required to provide a warranty period of 12 to 36 months, depending on the tender conditions, for new products from the date of delivery. Due to the length of the warranty period extended by us, we may be subject to claims from our customers, and we may incur additional costs and additional warranty period if rectification work is required in order for us to satisfy our obligations during the warranty period. Though our past warranty cost obligation was relatively low, we cannot assure you that in future, our warranty obligations may continue to be low or will not require any provisions to be made to our financials. If the costs of any rectification work exceed the warranty provisions, our business, financial condition, results of operations and prospects may be adversely affected. Further, to ensure minimal defects, we may be required to incur significant expenses to maintain our quality assurance systems, which may affect our financial condition.

In certain cases, where our customers provide a warranty to their end users and incur warranty costs for nonconform it of their products to agreed specifications or standards, our supply arrangements with our customers typically allow us to review warranty claims in order to determine if the failure was caused by a manufacturing defect in our components. If it is determined that the failure was on account of a manufacturing defect in our components, we may be required to promptly correct or replace those defective components at our own expense. failing which we may be required to reimburse our customers at part acquisition cost, with additives to cover administrative, labour, material and other such costs. Further, our customers generally have the right to inspect and audit our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facilities. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed, and our customers may terminate/modify their contractual arrangements and/ or refuse to renew their contractual arrangements or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

11. We are subject to government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected.

We are required to obtain and maintain a number of statutory and regulatory licences, registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facilities. In addition, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek new approvals, licenses, registrations and permits from time to time, as and when required in the ordinary course of our business.

Obtaining licences, registrations, permits and approvals or their renewals are time consuming processes and subject to frequent delays. We have obtained a number of licences, registrations, permits and approvals from the relevant authorities and are renewing such statutory approvals periodically for the existing facility. There is no assurance that such licences, registrations, permits and approvals or renewals will be issued or granted to us or updated in a timely manner, or at all. If we do not receive such licences, registrations, permits and approvals or renewals in a timely manner, it could result in cost and time overrun or our business and operations may be adversely affected. Moreover, certain approvals granted to us by statutory authorities may be revoked at any point of time due to circumstances which may or may not be within our control and this could have an adverse impact on our business and operations. Our licences, registrations, permits and approvals are also subject to certain conditions, some of which may be onerous and require us to incur expenditure towards compliance with such conditions. We may also not be aware of certain approvals or permissions, which we may be required to maintain or acquire for undertaking our operations, under any new regulation or amended regulation made by any local or State Government. Any inability to obtain, maintain or renew licences, registrations, permits and approvals required for our operations may adversely affect continuity of our operations.

Further, in order to sell our products, our products must be approved by government agencies in the countries in which we do business. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, it may reduce our revenues, increase costs, adversely affect our business, financial condition and results of operations.

12. ***We have significant working capital requirements. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.***

Our business requires significant working capital including in connection with our manufacturing operations, financing our inventory, purchase of raw materials, day-to-day operations, production processes and our development of new products which may be adversely affected by changes in terms of credit and payment. We are required to maintain a high level of working capital because our business activities are characterized by long product development periods and production cycles. In many cases, we are required to incur such working capital expenditure prior to receiving payments from customers, which may come through several months after we commence work on particular projects. Even where milestone payments are allowed, these have to be backed by bank guarantees. Delays in payment under on-going contracts or reduction of advance payments due to tender conditions or lower order intake or inventory and work in progress increases and/or accelerated payments to suppliers, could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded through external debt financings.

We typically meet our working capital requirements through financing arrangements availed by us. Our ability to arrange working capital financing in the future is dependent on numerous factors, including credit availability from banks, investor confidence, the continued success of our current projects and laws that are conducive to our raising capital in this manner. Our attempts to complete future financing may not be successful or on favorable terms or may include several restrictive covenants and require us to furnish bank guarantees. We may also be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as delay in disbursements under our financing arrangements, increased interest rates, insurance or other costs, or borrowing and lending restrictions or finance our working capital requirements on commercially acceptable terms or at all, each of which may have a material adverse effect on our business, financial condition, prospects and results of operations. These factors may result, or have resulted, in an increase in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have an adverse effect on our financial condition and results of operations.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, technological changes and additional market developments. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

Our business requires working capital for day-to-day operations, procurement of raw materials, and production processes. In many cases, we are required to incur such working capital expenditure prior to receiving payments from customers, which may come through several months after we commence work on particular projects. While our typical debtor cycle is 120 days, in certain instances, we receive payments (i) on milestone basis; (ii) once accepted at the end of the OEM; (iii) within 30 days after receipt of material at the site, (iv) certain percentage of payment of the order value will be paid against submission of a bank guarantee(v) in case of projects with customers from the metrology sector, payments are only realised over a period of five years from the date of final acceptance of products. During the six months period ended September 30, 2024, and Financial Years 2024, 2023 and 2022, our Company incurred ₹ 1165.49 Lakhs, ₹ 1150.39 Lakhs, ₹ 2790.34 Lakhs and ₹ 1286.65 Lakhs , respectively, towards its working capital requirements. Our working capital requirements may increase if, under certain orders from our customers, payment terms do not include advance payments, or such orders have payment schedules that shift payments toward the end of the order or otherwise increase our working capital requirements. We typically meet our working capital requirements through financing arrangements availed by us. As of September 30, 2024, our total working capital loans and cash credit facility amounted to ₹ 12.00 crore. Our ability to arrange working capital financing in the future is dependent on numerous factors, including credit availability from banks, investor confidence, the continued success of our current projects and laws that are conducive to our raising capital in this manner. If we are unable to complete future financings successfully or on terms favourable to us, it may have an adverse impact on our profitability and results of operation.

13. ***If we are unable to manage our growth effectively, our business, future financial performance and results of operations could be materially and adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including by expansion of product portfolio with complex technology-based products, focusing on repeat large volume production orders, augmenting our Design and Engineering capabilities and expanding manufacturing infrastructure and focusing on increasing revenues by leveraging core competencies and grow our services business. For details, see “Our Business –Strategies” on page 64.

This could place significant demands on our operational, credit, financial and other internal risk controls. In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. As our product portfolio and product pipeline grow, we may require additional personnel on our project management, in-house quality assurance and Design and Engineering teams to work with our partners on quality assurance, regulatory affairs and product development. As a result, our operating expenses and capital requirements may increase significantly. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. We may also be exposed to certain other risks, including difficulties arising from operating a larger and more complex organisation; the failure to (i) efficiently and optimally allocates management, technology and other resources across our organisation, (ii) compete effectively with competitors and (iii) increase our production capacity; the inability to control our costs; and unforeseen legal, regulatory, property, labour or other issues.

Further, our future business plan is dependent on our ability to raise funds through debt or equity, and we may have difficulty obtaining funding on acceptable terms. Adverse developments in the Indian credit markets may significantly increase our debt service costs and the overall cost of our funds. Moreover, even if we secure the required funding, there is no assurance that we will be able to successfully expand our production capacity or diversify our product and solutions portfolio. We may also face difficulties in effectively implementing new technologies required in designing, developing and manufacturing new products and solutions and may not be able to recover our investments. An inability to implement our future business plan, manage our growth effectively or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

14. ***Our success depends significantly on our Promoters, Key Management Personnel and other senior management and skilled personnel. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.***

Our performance depends largely on the efforts and abilities of our Promoters, Key Management Personnel, and other senior management and skilled personnel. We believe that their inputs and experience in the fields of, inter alia, design and development, project management, operations management and manufacturing technologies along with their past experience in the defence sector are valuable for the development of business and operations and the strategic steps taken by our Company.

The average period of time the KMPs have been associated with our Company is approximately 20 years in engineering products and solutions for defence application. We are dependent on our Promoters to manage our current operations and to meet future business challenges. The active involvement of our Promoters in our operations, including the strategy, direction and customer relationships have been integral to our development and business. We cannot assure you that their services will continue to be available to us, or that we will be able to find a suitable replacement if required. Further, the successful completion of our projects, the day-to-day operations and the planning and execution of our business strategy depends significantly on our Key Management Personnel and other senior management and skilled personnel. Although we have initiated a structured training programme for the middle management executives, we cannot assure you that we will be able to adequately replace such skilled and experienced personnel. This may lead to a lack of domain expertise for key positions in our Company which may adversely affect our business. Moreover, our ability to execute projects depends on our ability to attract, train, motivate and retain senior management and skilled personnel due to the complex nature of our products. We cannot assure you that we will be able to retain these professionals or find adequate replacements in a timely manner, or at all. To the extent we lose such skilled personnel, we will be required to find ways to successfully manage the transfer of confidential information from them to their replacements. An inability to retain any key managerial personnel may impair our ability to bid on and obtain new projects and therefore will have an adverse effect on our operations.

Furthermore, the loss of any of the members of our KMPs and other senior management and skilled personnel or an inability on our part to manage the attrition levels, may lead to loss of technical knowledge which may materially and adversely impact our business, results of operations, and financial condition.

The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. We may require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations and our revenue could decline. This could have an adverse effect on our business and results of operations. We will also have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources and impose significant costs on us.

15. ***The cost of development of new products is based on management estimates and has not been independently verified by any third party.***

Avantel undertakes development of new products from time to time based on market assessment, customer requirements and emerging demands of our line of business. Our company is primarily an R &D driven organisation and new product development is a continuous process at Avantel to enhance its product offerings in line with market expectations and the company’s growth strategy. The management commits an impressive 12% (on an average since inception) of its earnings on R & D year on year on new product development and these projects align with Avantel's strategic vision of contributing to India's self-reliance in defence technology. The cost of such products to be developed by us and the timelines for such development are based entirely on management estimates, our past experience and has not been independently verified by any third party.

16. ***We design, develop and manufacture products and solutions that incorporate advanced technologies. Many of our contracts contain performance obligations that require innovative design capabilities, are technologically complex or involve developmental costs.***

We design, develop and manufacture technologically advanced products and solutions applied by our customers in a variety of environments. Problems and delays in development or delivery as a result of issues with respect to design, technology, concurrent engineering, licensing, labour, learning curve assumptions or raw materials could prevent us from achieving contractual requirements. The business environment in many of our principal operating segments requires extensive design and development expenses. We devote substantial resources to our design and engineering functions and also make improvements in Design and Engineering, in particular, to create new products and solutions which are customised to meet customer expectations and end-user preferences and to also enhance our production processes and quality of our existing products and solutions, which we believe are factors crucial for our future growth and prospects. As on September 30, 2024, our Design and Engineering team comprise of 85 engineers and officers. Our ability to realize the anticipated benefits of our Design and Engineering capabilities depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability of supplier and internally-produced parts and materials, performance of suppliers and sub-contractors, hiring and training of qualified personnel, achieving cost and production efficiencies, identification of emerging technological trends in our target end markets, validation of technologies, level of customer interest in new technologies and products, and customer acceptance of our products and products that incorporate technologies we develop. In addition, due to the design complexity of our products, we may in the future experience delays in completing the development and introduction of new products.

17. ***Our ability to complete our projects in a timely manner and maintain quality standards is subject to the performance of our sub-contractors.***

From time to time, we sub-contract certain activities or ‘main works’ to be undertaken for our projects to other parties depending on various factors, including, manpower availability and complexity required for execution of projects. Although our contractors are qualified, we do not have control over their day-to-day performance. We cannot ensure that there will be no delay in performance of duties by our sub-contractors, which may cause a delay in completion of our projects. We may also be exposed to risks relating to the quality of their services, equipment and supplies. In the event that our cost and work estimates are not in line with our budgets or there is an increase in the price of materials, the fixed price sub-contract may adversely affect our profit margins. Further, there is a risk that we may have disputes with our sub-contractors arising from, amongst other things, quality and timely execution of work performed by our sub- contractors, payments to be made to sub-contractors under our arrangement with them or our failure to extend existing work order to or issue a new work order to a sub-contractor under our arrangement with such sub-contractor. We cannot assure you that these disputes will be amicably resolved or will not culminate into arbitration, litigation or other dispute resolution proceedings.

18. ***We have had negative cash flows from Investing activities and financing activities for the six months period ended on 30th September, 2024 and for the Fiscal Year 2024 and may continue to have negative cash flows in the future.***

The following table sets forth net cash generated from / (used in) operating activities and financing activities for the periods indicated net cash flow in one the financial year:

(in ₹ Lakhs)

Particulars	For the Six Months ended September 30		For the Financial Year ended March 31	
	2024	2023	2024	2023
Net Cash Flow from/ (used in) Operating Activities (A)	6,517.90	167.36	1,839.68	2,488.62
Net Cash Flow from / (used) in Investing Activities (B)	(4,160.87)	(1,015.63)	(1,263.77)	(953.08)
Net Cash Flow from / (used) in Financing Activities (C)	(2,270.56)	820.83	(680.70)	(1,532.36)

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition. For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 77 and 279. We cannot assure you that our operating cash flows or net cash flows will be positive in the future.

19. Our Company is involved in certain legal proceedings which, if adversely determined, may materially impact our reputation, financial conditions and results of operations.

There are certain outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before certain courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. Further, an adverse judgment in any of these proceedings could have an adverse impact on our business, financial condition and results of operations. For further details, see "Legal Proceedings" on page 284.

20. Our Secretarial Auditor has included the following qualifications in his Audit Report for the year ended March 31, 2022

- There was a delay in submission of the disclosure of Related Party Transactions for the half year ended on 31 March 2022 in terms of Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 March 2022 and 30 June 2022.
- There was a delay in submission of the Financial Statements in XBRL format for the Quarter ended 31 March 2022 in terms of BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017.

21. Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors and will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. Investors should consult their own tax advisors about the consequences of investing in or trading in Equity Shares.

External risk Factors:

22. A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.

A large part of our business and customers are located in India or are related to and influenced by the Indian economy. The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavorable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

23. It may not be possible for investors to enforce any judgment obtained outside India against us, our Promoter, Directors, or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

The Company is a limited liability company incorporated under the laws of India. Our Company's assets are primarily located in India and our Company's Promoter, and majority of the Directors and Key Managerial Personnel are residents of India. The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and majority of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, United Arab Emirates Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the number of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

24. ***Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.***

Our financial statements included in this Placement Document are prepared and presented in conformity with Ind AS. Ind AS differs from accounting principles with which persons from other countries may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the effect of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which our financial statements included in this Placement Document provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting principles. Any reliance by persons not familiar with Indian accounting principles on the financial disclosures presented in this Placement Document should accordingly be limited.

25. ***Industry information included in this Placement Document has been derived from numerous sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

The statistical information, industry and market data, information regarding our position in the market, growth rates and other industry data pertaining to our business included in this Placement Document relating to the industry in which we operate has been extracted from publicly available documents from various sources including information made available by peers publicly. While we believe that the information contained has been obtained from sources that are reliable, the accuracy and completeness of this information is not guaranteed, and its reliability cannot be assured. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

26. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.***

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such a case, our business, results of operations, cash flows and financial condition may be adversely affected.

27. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

28. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could also adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

29. ***Our operations are dependent on the performance of the Indian economy and securities market.***

The growth in our business has been directly related to the growth in the Indian economy. There have been periods of slowdown in the economic growth of India or periods where inflation was high. Such economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall, which affects agricultural production. Any slowdown or reversal in the growth of the Indian economy could result in a reduction in wealth in the Indian economy that can be diverted to savings and investment, a reduced interest in investment in the securities market and reduced foreign investment. Additionally, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any adverse revisions to India's sovereign debt ratings may also adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business, prospects, financial condition and results of operations and our ability to obtain refinancing, as well as the trading price of the Equity Shares.

30. ***Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID- 19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

31. ***Any failure to comply with the provisions of the contracts entered with our customers, especially the GoI Entities, could have an adverse effect on our business, financial conditions and results of our operations. Additionally, imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.***

The contracts entered with our customers, especially GoI Entities, contain onerous obligations and are subject to laws which give them certain rights and remedies including without limitation the following:

- terminate existing contracts for default, delays or force majeure conditions;
- demand encashment of warranty indemnity bonds/advance bank guarantee;
- reduce orders under, or otherwise modify, contracts or sub-contracts;
- claim intellectual property rights in products and systems produced by us; and
- control or prohibit the export of our products and services;

In the event that our customers enforce any of the above provisions, it could have an adverse effect on our business operations, financial conditions and results of our operations. Apart from the above, most of the contracts with our customers require our Company to pay liquidated damages in the event of delay in delivery of products.

We cannot assure you that, in the future, such contracts can be completed profitably or on terms that are commercially acceptable to us. Any time and/or cost overruns on our contract could have a material adverse effect on our business, results of operations and financial condition. The incurring of such liabilities pursuant to the imposition of liquidated damages or the invocation of such performance bank guarantees indemnity bonds relation to our contracts could have an adverse effect on our business, results of operation, and financial condition.

32. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

33. ***Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

34. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

35. ***Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the US dollar and other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

36. Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.

India's sovereign rating is Baa2 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB-with a "stable" outlook (Fitch). Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business.

https://www.indianeconomy.net/splclassroom/what-is-sovereign-rating/

37. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

38. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act, 2002 ("Competition Act"), or the Competition Act seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have a material adverse effect on competition in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial, condition, results of operations and prospects.

39. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares. We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

40. Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition.

Our operations may be subject to cyber-attacks and other security breaches. There is an established Business Continuity Plan in place which adheres to international standards based on the plan-do-check-act methodology, to operate procedurally during disasters and to achieve this objective a Disaster Recovery Site is identified in a different city with all back-ups to ensure seamless operations. This ensures sustenance of business operations during all types of disruptions and calamities such as cyber threats, threats to the physical security of our facilities and employees, and terrorist acts, as well as the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and threat preventions systems to which helps us block or flag access to sites associated with any malware, spyware, spam URLs etc., however we may experience similar security threats at customer sites that we operate and manage as a contractual requirement. Prior cyber-attacks directed at us have not had a material impact on our financial results, and we believe our threat detection and mitigation processes and procedures are adequate. The threats we face vary from attacks common to most industries to more advanced and persistent, organised adversaries who target us because we protect national security information. If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, however, the impact of any future incident cannot be predicted. For instance, on July 13, 2017, we were a victim of a phishing attack wherein an email sent from spectraind.com to our purchase team was hacked by somebody from Nigeria.

Although we work cooperatively with our customers, suppliers and sub-contractors, to seek to minimise the impact of cyber threats, other security threats or business disruptions, we must rely on the safeguards put in place by these entities, which may affect the security of our information. These entities have varied levels of cyber security expertise and safeguards and their relationships with government contractors may increase the likelihood that they are targeted by the same cyber threats we face. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our design and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price.

41. Our Company is involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition.

Our Company is involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation. A summary of the proceedings involving our Company is provided below:

Type of Proceedings	Number of cases	Amount
Cases involving our Company		
Criminal proceedings	NIL	Nil
Actions by statutory or regulatory authorities	NIL	Nil
Claims related to direct and indirect taxes	1	4.83 lac
Other pending material litigation proceedings	NIL	NIL
Total		

If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur significant expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition. For details of the outstanding litigation proceedings see "Legal Proceedings" beginning on page 284**.**

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of resolution passed by our Board of Directors on October 24, 2024, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Board of Directors at their meeting held on [●], 20[●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in "*Terms of the Issue*" on page 294 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	[●] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹2/- each
Issue Price	₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share). On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes 100% of the Issue price including premium.
Issue Size	₹4970 Lakhs (Rupees Forty-Nine Crores Seventy Lakhs Only
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari-passu* in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up and outstanding prior to the Issue	24,32,69,580 Equity Shares issued subscribed and paid-up. For details, please see "Capital Structure" on page 45 of this Draft Letter of Offer.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares)	[●] Equity Shares*
Security Codes for the Equity Shares	ISIN: INE005B01027 BSE Code: 532406 NSE Code: AVANTEL
ISIN for Rights Entitlements	[●]
Terms of the Issue	For details, please see "*Terms of the Issue*" on page 294 of this Draft Letter of Offer.
Use of Issue Proceeds	For details, please see "*Objects of the Issue*" on page 50 of this Draft Letter of Offer

GENERAL INFORMATION

Our Company was originally incorporated in the name and style of "Dialog Communications Private Limited" as a private limited company under the Companies Act, 1956 pursuant to a Certificate of Incorporation granted by the Registrar of Companies, Andhra Pradesh (RoC) (presently known Registrar of Companies, Telangana) at Hyderabad on May 30, 1990. The name of our Company was changed to 'Avantel Communications Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh (presently known Registrar of Companies, Telangana), on 11th August, 1993. Subsequently, our Company was converted into a Public Limited Company and fresh certificate of incorporation in this regard is obtained from Registrar of Companies, Andhra Pradesh (RoC) (presently known Registrar of Companies of Telangana) with effect from 20th December, 1994. Subsequently, the name of our Company has been changed to Avantel Softech Limited on 24th December, 1998 and has been once again changed to Avantel Limited on 25th September, 2008.

Our Company was listed on 22nd January, 2001 on BSE Limited and on 31st July 2024 on National Stock Exchange of India Limited (NSE), bearing Scrip ID 'AVANTEL', Scrip Code '532406', and ISIN 'INE005B01027'. The Corporate Identification Number of our Company is L72200AP1990PLC011334.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of:

Date of change	Details of change in the registered office
05-09-2013	Change of the registered office address from Plot No.16, Sector – III Huda Techno Enclave Madhapur, Hyderabad-500081, Andhra Pradesh, India to Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India.

Registered Office of our Company
Avantel Limited
Sy. No.141, Plot No. 47/P, APIIC Industrial Park,
Gambheeram (V), Anandapuram (M),
Visakhapatnam – 531163, Andhra Pradesh, India.
Tel: +91 891 2850000
Fax: +91 891 2850004
Website: https://www.avantel.in/
CIN: L72200AP1990PLC011334

Registrar of Companies
Registrar of Companies, Vijayawada
29-7-33, First Floor
Vishnuvaradhanarao Street, Suryaraopet
Vijayawada – 520 002
Andhra Pradesh, India.
Website: www.mca.gov.in

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Dr. Abburi Vidyasagar	64	Chairman & Managing Director	Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M), Medak (D), Hyderabad - 502032, Telangana State, India.	00026524
Mrs. Abburi Sarada	60	Whole-Time Director & CFO	Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M), Medak (D), Hyderabad - 502032, Telangana State, India.	00026543
Mr. Abburi Siddhartha Sagar	37	Whole Time Director	Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M), Medak (D), Hyderabad - 502032, Telangana State, India.	02312563
Mr. Myneni Narayana Rao	69	Independent Director	H.No.8-2-293/82/J/A-60, Journalist Colony, Jubileehills, Hyderabad – 500033, Telangana State, India.	00577494
Mr. Ramachander Vyasabhattu	71	Independent Director	3-6-570/1, Street No.8, Himayat Nagar, Hyderabad – 500029, Telangana State, India.	03400005
Dr. Ajit Tavanappa Kalghatgi	66	Independent Director	Flat No.7054, Glenfield, Prestige Wellington Park, 1 & 2 IAF Main Road, Gangamma Circle, Jalahalli (Post), Bengaluru North - 560013, Karnataka State, India.	05300252
Mrs. Harita Vasireddi	50	Independent Director	H No.5-8-27/15/2, Balaji Nagar Road, Yapral, Secunderabad -500087, Telangana, India.	00242512

For detailed profile of our directors, please refer to the chapter titled “Our Management” on page 67 of this Draft Letter of Offer.

Chief Financial Officer

Mrs. Abburi Sarada is the CFO of our Company.
Her contact details are:
Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M),
Medak (D), Hyderabad - 502032, Telangana State, India.
Tel: +91 40 6630 5000
Fax: +91 40 6630 5004
Email: compliance@avantel.in

Company Secretary and Compliance Officer

Mr. D Rajasekhara Reddy is the Company Secretary and Compliance Officer of our Company.
His contact details are:
Sy No.66 & 67, Plot No. 68 & 69, 4th Floor,
Jubilee Heights, Jubilee Enclave, Madhapur,
Hyderabad – 500081, Telangana State, India.
Tel: +91 40 6630 5000
Fax: +91 40 6630 5004
Email: cs@avantel.in

Details of Key Intermediaries pertaining to this Issue:

Registrar to the Company / Issue
KFIN Technologies Limited
Selenium Building, Tower-B, Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500 032, Rangareddy, Telangana, India.
Telephone Number: 1800 309 4001
Website: https://www.kfintech.com/
E-mail: avantel.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

Statutory and Peer Review Auditor of our Company:

M/s. Grandhy & Co,
Chartered Accountants
Flat No. 305, Ratna complex,
Beside Image Hospitals Ln, Ameerpet,
Hyderabad, Telangana 500073.
Email: nareshaudit2021@gmail.com
Fax: 9849165491
Contact Person: Mr. Naresh Chandra Gelli
Firm Registration Number: 001007S
Peer Review Certificate Number: 016187

Bankers to the Issue/ Refund Bank
Axis Bank Limited
Ground Floor, SBR Towers, Plot No.22,
HUDA Techno Enclave, Madhapur,
Hyderabad, Telangana, India-500081.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked, and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated 26th November, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Letter of Offer as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its, in their capacity as the Statutory Auditors and in respect of their:

(i) Limited Review Report dated July 19, 2024 / October 5, 2024, related for the Consolidated and Standalone financial results for quarter / half year ended September 30, 2024;
(ii) Consolidated and Standalone Financial Statements for the financial years ended on March 31, 2023 and March 31, 2024; and

(iii) Statement of Special Tax Benefits dated 26th November, 2024, in this Draft Letter of Offer.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As the proposed issue is Rights Issue of Equity Shares, obtaining the credit rating is not required.

Debenture Trustees

As the proposed issue is Rights Issue of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Since the size of the issue is less than Rs.100 Crores, under Regulation 82 of the SEBI ICDR Regulations, a monitoring agency is not required to be appointed by our Company.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Changes in Auditors during the last three years

The details of the Changes in the Auditors in the last three years are mentioned herein below:

Name of Auditor	Address and Email	Period of Appointment	Reason
M/s. Ramanatham & Rao Chartered Accountants P.B.No.2102, Flat No.302, Kala Mansion, SD Road, Secunderabad-500 003	kalahasthis@gmail.com	F.Y. 2016-17 to F.Y. 2020-21	Completion of the tenure in terms of Section 139 of Companies Act, 2013.
M/s. Grandhy & Co Chartered Accountants 201, Sunny Residency, Dwarakapuri Colony, Punjagutta, Hyderabad-500082	Nareshaudit2021@gmail.com	F.Y. 2021-22 to F.Y. 2026-27	N.A.

Underwriting Agreement

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

* *The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, being [●],[●] 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue" on page 294 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue

Minimum Subscription

The objects of the Issue involve capital expenditure towards such activities as detailed in "Objects of the Issue" at Page 50. Our Promoters have confirmed (i) that they shall subscribe to the full extent of their Rights Entitlement in the Issue and have also confirmed that they shall not renounce their Rights Entitlements; (ii) that they shall subscribe to Rights Equity Shares for the additional Rights Entitlements (over and above their Rights Entitlements), if any, which are renounced in their favour or purchased by them using the secondary market platform of the Stock Exchanges or through an off-market transaction in compliance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended; (iii) their intention to subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue or to ensure subscription to the extent of at least Minimum Subscription, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, being made to the extent that: (a) it does not result in any obligation on our Promoters and other members of our Promoter Group to make an "open offer" in accordance with the SEBI Takeover Regulations; and (b) the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10 (4) (b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations.

CAPITAL STRUCTURE

The equity share capital of our Company as at the date of this Draft Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below.

(₹ Lakhs except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL***		
	30,00,00,000 Equity Shares of ₹2 each	6000.00	NA
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	24,32,69,580 Equity Shares of ₹2 each	4865.39	NA
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER** (1)		
	Up to [●] Rights Equity Shares, at a premium of ₹ [●] per Rights Equity Share, *i.e.*, at a price of ₹ [●] per Rights Equity Share (2)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE** (3)(4)		
	Up to [●] Equity Shares	[●]	NA
E	**SECURITIES PREMIUM ACCOUNT**		
Before the Issue			0.24
After the Issue			[●] (3)

(1) & (2) The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated [●].
(2) On Application, Investors will have to pay [●] *per Rights Equity Share which constitutes 100% of the Issue Price.*
(3) Assuming full subscription for and Allotment of the Rights Equity Shares.
(4) Subject to finalisation of Basis of Allotment.

Notes to Capital Structure

1. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

   (i) Our Promoters have confirmed that they intend to subscribe, to the full extent of their Rights Entitlement and have also confirmed that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of our other Promoters); (ii) subscribe to the Rights Equity Shares for the Rights Entitlements, if any, which are renounced in their favour by any other Promoters, each as may be applicable; and (iii) their intention to apply for and subscribe to additional Rights Equity Shares and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations, at the time of Allotment.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●]/- per equity share.

3. At any given time, there shall be only one denomination of the Equity Shares of our Company.

4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see “Terms of the Issue” on page 294 of this Draft Letter of Offer.

5. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges:

(i) The summary statement of the shareholding pattern of our Company as on September 30, 2024, is as follows

Category (I)	**Category of Shareholder (II)**	**No. of Shareholders (III)**	**No. of fully paid-up Equity Shares held (IV)**	**No. Of Partly Paid-up Equity Shares held (V)**	**No. of shares underlying depository receipts (VI)**	**Total No. of shares held (VII) = (IV)+(V)+ (++VI)**	**Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C 2)**	**Number of Voting Rights held in each class of securities (IX)**			**No. of Shares underlying outstanding convertible securities (including warrants)**	**Shareholding as a % assuming full conversion of convertible securities No. (a)**	**No. of locked-in Equity Shares (XII)**		**Number of Equity Shares pledged or otherwise encumbered (XIII)**		**No. of Equity Shares held in dematerialized form (XIV)**
								Class (Equity)	**Total**	**Total as a % of (A+B+C)**			**No. (a)**	**As a % of total shares held (b)**	**No. (a)**	**As a % of total shares held (b)**	
(A)	Promoter and Promoter Group	6	97463644	0	0	97463644	40.06	97463644	97463644	40.06	0	40.06	0	0	0	0	97463644
(B)	Public	194777	145805936	0	0	145805936	59.94	145805936	145805936	59.94	0	59.94	0	0	0	0	145417596
(C)	Non-Promoter - Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		**194783**	**243269580**	**0**	**0**	**243269580**	**100.00**	**243269580**	**243269580**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**242881240**

i. *The statement of the shareholding pattern of our Company as on September 30, 2024, is as follows:*

Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (Calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(A) Promoter & Promoter Group	6	97463644	97463644	40.06	97463644	40.06	97463644
(B) Public	194777	145805936	145805936	59.94	145805936	59.94	145417596
Grand Total	**194783**	**243269580**	**243269580**	**100.00**	**243269580**	**100.00**	**242881240**

ii. *Statement showing holding securities of persons belonging to the category Promoters and Promoter Group" as of September 30, 2024:*

Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (Calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
A1) Indian							
a**. Individuals/ Hindu Undivided Family**							
Dr. Abburi Vidyasagar	1	4,11,69,724	4,11,69,724	16.92	4,11,69,724	16.92	4,11,69,724
Smt. Abburi Sarada	1	1,50,74,940	1,50,74,940	6.20	1,50,74,940	6.20	1,50,74,940
Mr. Abburi Sidhartha Sagar	1	1,90,16,460	1,90,16,460	7.82	1,90,16,460	7.82	1,90,16,460
Ms. Abburi Sailaja	1	1,55,05,320	1,55,05,320	6.37	1,55,05,320	6.37	1,55,05,320
Mr. Abburi Venkateswara Rao	1	21,97,200	21,97,200	0.90	21,97,200	0.90	21,97,200
M/s. Lakshmee Foundation	1	45,00,000	45,00,000	1.85	45,00,000	1.85	45,00,000
b. Body Corporates	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sub- total of A1	**6**	**9,74,63,644**	**97463644**	**40.06**	**97463644.00**	**40.06**	**97463644**
A2) Foreign		**-**	**-**	**-**	**-**	**-**	**-**
Sub-total of A2	**0**	**0**	**0**	**0**	**0**	**0**	**0**
A= A1+ A2	**6**	**9,74,63,644**	**97463644**	**40.06**	**97463644.00**	**40.06**	**97463644**

iii. *Statement showing holding of securities of persons belonging to the "public" category as on September 30, 2024:*

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (Calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(B)(1) Institutions (Domestic)							
Mutual Funds	1	1512200	1512200	0.62	1512200	0.62	1512200
NBFC	1	70000	70000	0.03	70000	0.03	70000
Sub-Total (B)(1)	**2**	**1582200**	**1582200**	**0.65**	**1582200**	**0.65**	**1582200**
(B)(2) Institutions (Foreign)							
Foreign Portfolio Investors Category I	9	256856	256856	0.11	256856	0.11	256856
Sub-Total (B)(2)	**9**	**256856**	**256856**	**0.11**	**256856**	**0.11**	**256856**
(B)(3) Central Government/ State Government(s) / President of India	-	-	-	-	-	-	-
Sub Total (B)(3)	-	-	-	-	-	-	-
Non-Institutions (B)(4)							
Individual share capital up to ₹ 2 Lakhs	190625	78982045	78982045	32.47	78982045	32.47	78595705
Individual share capital in excess of ₹. 2 Lakhs	97	40585971	40585971	16.68	40585971	16.68	40585971
Investor Education and Protection Fund (IEPF)	1	3404760	3404760	1.40	3404760	1.40	3404760
Non-Resident Indian (NRI)	2267	6620305	6620305	2.72	6620305	2.72	6620305
Bodies Corporate	310	7414684	7414684	3.05	7414684	3.05	7412684
Any Other							
Clearing Members	1	155	155	0.00	155	0.00	155
HUF	1464	6941460	6941460	2.85	6941460	2.85	6941460
Trust	1	17500	17500	0.01	17500	0.01	17500
Sub-total (B)(4)	194766	143966880	143966880	59.18	143966880	59.18	143578540
B= B1+B2+B3	**194777**	**145805936**	**145805936**	**59.94**	**145805936**	**59.94**	**145417596**

iv. *Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the Stock Exchanges: i.e. September 30, 2024*

S. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1	Dr. Abburi Vidyasagar	4,11,69,724	16.92
2	Mr. Abburi Siddhartha Sagar	1,90,16,460	7.82
3	Ms. Abburi Sailaja	1,55,05,320	6.37
4	Mrs. Abburi Sarada	1,50,74,940	6.20
5	Ms. K. Swapna	60,22,448	2.48
6	M/s. Lakshmee Foundation	45,00,000	1.85
7	Investor Education and Protection Fund	34,04,760	1.40
8	Mr. Nagendra Babu Nagabhyrava	28,80,000	1.18
9	Ms. Shalu Aggarwal	27,10,000	1.11
10	M/s. Neoworth Commercial Private Limited	25,00,000	1.03
11	M/s. Girish Gulati (HUF)	24,95,275	1.03

v. *Details of shares locked-in, pledged, encumbrance by the Promoters and the Promoter Group:*

As on date of the Draft Letter of Offer, none of the shares held by the promoters are locked-in, pledged or encumbered.

vi. *Details of shares acquired by Promoters in the last one year immediately preceding the date of filing of this Draft Letter of Offer:*

S. No.	Name of the Promoter and Promoter Group	Number of shares acquired	Mode of Acquisition	Date
1	Dr. Abburi Vidyasagar	30499000	Bonus	24/11/2023
2	Mr. Abburi Siddhartha Sagar	12677640	Bonus	24/11/2023
3	Ms. Abburi Sailaja	10336880	Bonus	24/11/2023
4	Mrs. Abburi Sarada	10049960	Bonus	24/11/2023
5	Mr. Abburi Venkateswara Rao	1464800	Bonus	24/11/2023

6. There are no outstanding convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Draft Letter of Offer. The Company has taken necessary approvals from the shareholders for granting stock options to the employees and had also obtained the in-principal approvals from the Stock Exchanges. The Company had granted Employee Stock Options in terms of “Avantel Employee Stock Option Plan-2023”. Out of the 45,00,000 options, the total of 40,45,800 Stock Options were granted.

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the **"Issue Proceeds"**) after deducting the Issue related expenses (**"Net Proceeds"**) for the below mentioned Objects (collectively, referred to as the "**Objects**"):

1. Funding the Capital Expenditure for the development and expansion of the facilities.
2. Expenditure towards IDEX (Innovation for Defence Excellence) Projects; and
3. General Corporate Purposes.

(Collectively, hereinafter referred to as the **"Objects"**)

The main Object Clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our Memorandum of Association.

FRESH ISSUE PROCEEDS

The details of the proceeds from the fresh Issue are provided in the following table:

(₹ in lakhs)

Particulars	Amount
Gross proceeds from the Issue*	4,970.00
Less: Issue related expenses	70.00
Net Proceeds of the Issue	4,900.00

 # Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.
**The Issue size will not exceed ₹5,000.00 Lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

Utilization of Net Proceeds:

We intend to utilize the Net Proceeds of the Issue of ₹4,900.00 lakhs to part finance the objects as set forth below:

(₹ in lakhs)

S. No.	Particulars	Total estimated amount to be utilized
1	Funding the Capital Expenditure for the development and expansion of the facilities	2,204.00
2	Expenditure towards IDEX (Innovation for Defence Excellence) Projects	1,617.00
3	General Corporate Purpose	1,079.00
	Total Net Proceeds**	**4,900.00**

 # We intend to spend the entire rights issue proceeds in FY 2024-25, 2025-26 & 2026-27.
***Assuming full subscription in the Issue and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Means of Finance

We intend to finance our Objects of Issue through Net Proceeds which is as follows:

Particulars	Amount
Net Proceeds	4,900.00
Total	**4,900.00**

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds and in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company shall utilise its internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals, as prescribed under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations.

Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be deployed from the Net Proceeds in Fiscal 2024	Amount to be deployed from the Net Proceeds in Fiscal 2025	Amount to be deployed from the Net Proceeds in Fiscal 2026	Amount to be funded from the Net Proceeds
1	Funding the Capital Expenditure for the development and expansion of the facilities	[●]	[●]	[●]	2,204.00
2	Expenditure towards IDEX (Innovation for Defence Excellence) Projects	[●]	[●]	[●]	1,617.00
3	General corporate purposes *	[●]	[●]	[●]	1,079.00
	Total	**[●]**	**[●]**	**[●]**	**4,900.00**

* The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.

Our Company plans to deploy the funds towards the above stated Objects depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year. Further, at present we propose to deploy the entire Net Proceeds towards the Objects as described herein during Financial Year FY 2024-25, 2025-26 & 2026-27, as stated in the table above.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been verified or appraised by any bank, financial institution, or any other external agency or party. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, contractual terms and conditions and negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, Environmental conditions and relation with foreign countries which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled "*Risk Factors*" on page 21 of this Letter of Offer.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal FY 2024-25, 2025-26 & 2026-27. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year i.e. Fiscal 2027-2028, as may be determined by the Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

All the details mentioned in this section are valid as on the date of this Letter of Offer. However, we have not entered into any definitive agreements with any of the vendors and there can be no assurance that the same vendor would be engaged to eventually supply the plant and machineries and software and also same vendor would be engaged in development of existing facilities with the same costs. We are yet to place orders for any of the components of the Proposed Objects. The Proposed Objects may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties. For further details, see "*Risk Factors*" on page 21 of this Lette of Offer.

Details of the Objects of the Issue

The details of the objects of the Issue are set forth herein below.

1. Funding the Capital Expenditure for the development and expansion of the facilities.

   The Company proposes to expand the capacity of the existing facility situated in Sy. No.141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam – 531163, Andhra Pradesh, India by way of installation of additional Plant and Machinery which shall allow us to be technologically advanced and meet functional efficiencies. Further, we would like to expand our operational capabilities by way of procuring and setting up of advanced capital equipment towards the expansion of our facility situated at Plot No. S-119(M), E-City, Hyderabad, Ranga Reddy District, Telangana State, India.

   The following are the details of the major activities to be carried on for expanding capabilities and capacity at our facilities in Visakhapatnam and E-City, Hyderabad. These include investments in manufacturing facilities, environmental test setups, advanced machine center equipment, quality assurance and production enhancements, and IT infrastructure upgrades to improve operational efficiency and overall capacity:

   a) **Software**: Acquiring Design & Simulation Software, along with specialized test equipment, to support R&D and product validation activities, ensuring compliance with the highest industry standards.

   b) **Machine Center Equipment:** Upgrading and expanding machine center capabilities will enable higher precision, faster production cycles, and support the development of advanced components.

   c) **Network Elements and Software:** Investing in state-of-the-art network elements and software ensures seamless communication, robust digital infrastructure, and support for next-generation technologies or security.

   d) **Test Equipment and Design Tools:** Acquiring advanced testing and design tools will facilitate comprehensive validation, faster prototyping, and ensure our designs meet stringent industry standards.

   e) **Environmental Test Facilities:** Enhanced environmental testing capabilities are critical for ensuring product reliability and compliance with global standards, especially in extreme conditions.

   f) **Production Equipment for Assembly and Engineering:** Upgrading production equipment will improve efficiency, reduce lead times, and support scaling up to meet increasing customer demands.

g) **Quality Assurance Systems**: Strengthening quality processes to ensure products meet and exceed customer expectations.

This strategic allocation of resources will enable Avantel Limited to strengthen its position in aerospace and defence technologies, driving sustainable growth and shareholder value.

The details are set forth herein below:

Sl. No.	Description	Amount (Rs. In Lakhs)	Justification
1.	Expanding Capabilities and Capacity at Our Facilities in Visakhapatnam and E-City, Hyderabad.	2,204.00	To meet the growing demands of our operations and deliver high-quality solutions, it is imperative to enhance our infrastructure and facilities. Infrastructure and facility requirements including Machine Centre Equipment, Network Elements, Software, and Test Equipment / Design Tools, Environmental Test Facilities, Production Equipment for Assembly and Engineering.

2. Expenditure towards iDEX (Innovation for Defence Excellence) Projects

Avantel has been at the forefront of Innovation in the defense and aerospace sectors, as recognized by the Ministry of Defence under its iDEX initiative (Innovation for Defence Excellence). With five projects awarded under iDEX, the proceeds will be utilized to further advance technology development, prototyping, and deployment efforts. These projects align with Avantel's strategic vision of contributing to India's self-reliance in aerospace and defence technologies.

Resource investments are critical for ensuring the success and sustainability of our project development efforts. These investments directly address the requirements necessary for achieving operational excellence, innovation, and compliance with industry standards. The specific needs include:

a) **Test Equipment's:** Advanced testing tools are crucial for precise diagnostics, repair efficiency, and ensuring the integrity and reliability of our products.

b) **Overhead Costs During Project Execution:** Covering essential overhead costs ensures uninterrupted project progress and the efficient use of resources. The overhead costs also include essential operational costs, including utilities, facility maintenance, and administrative support.

c) **Research & Development (R&D):** Our R&D efforts drive innovation and positions the organization as a leader in cutting-edge technologies. Ensures products remain competitive and aligned with market demands.

d) **Certifications and Standards Compliance:** Adherence to industry standards and regulatory requirements, fostering customer confidence. Opens access to new markets by meeting global compliance benchmarks.

e) **Software Support:** Provides tools essential for design, simulation, and system optimization. It facilitates seamless operations and enhances the overall development process.

The expenditure to be incurred for the iDEX projects is detailed herein below:

Sl. No	Description	Amount (Rs. In Lakhs)	Justification
1	iDEX Projects	1617.00	To fulfil the matching grant contribution from Avantel for executing iDEX projects and driving innovation, the following resource investments are crucial: The requirements include Test Equipment for RF Analysis and PCB Diagnostics, Repairs and Testing; Salaries for Project Development; Raw Materials and Prototype Fabrication; Software Support; Compliance Verification to MIL-Standards (EMI/EMC, Power Quality, Environmental); Software Development; and Overhead Costs During Project Execution.

3. General Corporate Purpose

   In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceed 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

   Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

ESTIMATES ISSUE RELATED EXPENDITURE

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

(₹ in lakhs)

Particulars	Amount	As a percentage of total expenses	As a percentage of Issue size*#
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses*^	[●]	[●]	[●]

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*
** Subject to finalisation of Basis of Allotment – In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Right Equity Shares.*
^Excluding taxes
#Assuming full subscription.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulations, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, pursuant to Regulation 32 of the SEBI Listing Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Strategic or financial partners

There are no strategic or financial partners attributed to the Objects of the Issue.

Interest of Promoters and Directors in the objects of the Issue

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To
The Board of Directors,
Avantel Limited
Plot No. 47/P, Sy. No.141, APIIC Industrial Park,
Gambheeram Village, Anandapuram Mandal,
Visakhapatnam – 531163, Andhra Pradesh, India.

Dear Sir/Madam,

Sub: Statement of possible special direct tax benefits available to "AVANTEL LIMITED" ("the Company") and its shareholders ("the Statement").

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:

(a) The Company or its shareholders will continue to obtain these benefits in future; or
(b) The conditions prescribed for availing the benefits, where applicable have been/would be met.

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For Grandhy & Co.,
Chartered Accountants
Firm Registration No: 001007S
Sd/-
CA Naresh Chandra Gelli
Partner
M No : 201754
UDIN: 24201754BKCN

Place : Hyderabad
Date : 26-11-2024

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

Special Tax Benefits

I. Benefits available to the Company

There are no special tax benefits available to the Company.

II. Benefits available to the Shareholders

There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

SECTION IV: ABOUT OUR COMPANY

INDUSRY OVERVIEW

Industry Overview for Avantel

Overview

India's defense sector has undergone significant transformation, driven by strategic initiatives aimed at enhancing self-reliance and modernizing military capabilities. The government's commitment to reducing dependency on imports is evident in the substantial increase in defense production value, which reached an all-time high in the fiscal year 2023-24. This growth has been bolstered by the 'Make in India' program, which has achieved new milestones annually, fostering a more favorable environment for developing India into a leading global hub for defense manufacturing.

Public sector undertakings (PSUs) have played a pivotal role in this expansion, contributing 79.2% to India's defense manufacturing in 2023-24, while the private sector accounted for 20.8%. This robust domestic production has also propelled defense exports, which surpassed Rs 21,000 crore (approximately $3.1 billion) earlier this year, marking a 32.5% increase compared to the previous year.

The government's focus on indigenous manufacturing is further reflected in the establishment of various dedicated defense industrial corridors. These corridors aim to create clusters of defense manufacturing by leveraging existing infrastructure and human capital, thereby promoting innovation and supply chain integration within the defense and aerospace ecosystem.

Additionally, the Ministry of Defence has set an ambitious target of achieving a turnover of INR 1.75 lakh crore in aerospace and defense manufacturing by 2025, which includes exports of INR 35,000 crore. To support the domestic defense industry, the government has implemented measures to ensure transparency, predictability, and ease of doing business, including de-licensing, de-regulation, export promotion, and foreign investment liberalization.

These concerted efforts underscore India's strategic direction towards self-reliance in defense, presenting significant opportunities for companies like Avantel to contribute to and benefit from the evolving defense manufacturing landscape.

Defense Sector Growth and Budget Allocation

The Indian defense sector has experienced consistent growth over recent years, backed by substantial government investment aimed at modernizing the Armed Forces. In the 2024-25 budget estimates, the Ministry of Defence (MoD) received Rs. 621,540.85 crores, representing 13.04% of the total Union Budget. This allocation marks a 4.71% increase from the previous year’s budget, with Rs. 141,160.9 crores dedicated specifically to modernization. This modernization fund, which increased by 5.52% from the previous year, underscores the government’s focus on bridging critical capability gaps within the defense sector.

This upward trend in defense spending highlights a strong commitment to equipping the Armed Forces with state-of-the-art technology, a critical driver for companies like Avantel. As a leading provider of defense communication solutions, Avantel is well-positioned to capitalize on this growth by catering to both current and emerging defense requirements. (Source: https://www.idsa.in/issuebrief/Defence-Budget-2024-25-SSC-Rajiv-ASingh-160224)

Government Initiatives: Atmanirbhar Bharat and Make in India

The Indian government’s Atmanirbhar Bharat initiative, aimed at promoting self-reliance, has placed the defense industry at the forefront of India's drive for indigenous production. Under the Make in India program, several reforms have been implemented to encourage the domestic design, development, and manufacturing of defense equipment. These initiatives are also intended to reduce dependence on imports, fostering a competitive and innovative domestic defense industry.

India’s commitment to *Atmanirbharta* in defence is further evidenced by its transformation from a major arms importer to an emerging centre for indigenous production. Driven by strategic government policies, this shift reached a landmark in FY 2023-24, with the Ministry of Defence reporting an unprecedented ₹1.27 lakh crore in domestic defence production. Once reliant on foreign suppliers, India now places a high priority on self-reliant manufacturing to meet its security needs, reinforcing its vision to strengthen national resilience and reduce dependency on external sources.

Rise in India's Defence Production

India has achieved the highest-ever growth in indigenous defence production in value terms during Financial Year (FY) 2023-24, driven by the successful implementation of government policies and initiatives led by Prime Minister Shri Narendra Modi, focusing on attaining Atmanirbharta. According to data from all Defence Public Sector Undertakings (DPSUs), other public sector units manufacturing defence items, and private companies, the value of defence production has surged to a record high of ₹1,27,265 crore, representing an impressive increase of approximately 174% from ₹46,429 crore in 2014-15.

Historically, India relied heavily on foreign countries for its defence needs, with about 65-70% of defence equipment being imported. However, this landscape has dramatically shifted, with around 65% of defence equipment now manufactured within India. This transformation reflects the country's commitment to self-reliance in this critical sector and underscores the strength of its defence industrial base, which comprises 16 Defence Public Sector Units (DPSUs), over 430 licensed companies, and approximately 16,000 Micro, Small, and Medium Enterprises (MSMEs). Notably, 21% of this production comes from the private sector, bolstering India's journey toward self-reliance.

Consequently, the annual defence production has not only crossed ₹1.27 lakh crore but is also on track to reach a target of ₹1.75 lakh crore in the current fiscal year. With aspirations to achieve ₹3 lakh crore in defence production by 2029, India is solidifying its position as a global manufacturing hub for defence.

India's Defence Exports Surge

India's defence exports have reached an all-time high, surging from ₹686 crore in FY 2013-14 to ₹21,083 crore in FY 2023-24, reflecting a remarkable increase of over 30 times in export value over the past decade. This achievement is driven by effective policy reforms, initiatives, and improvements in the ease of doing business implemented by the government, all aimed at attaining self-reliance in defence. Notably, defence exports also experienced a substantial growth of 32.5% over the previous fiscal year, rising from ₹15,920 crore.

India's export portfolio boasts a diverse range of advanced defence equipment, including bulletproof jackets and helmets, Dornier (Do-228) aircraft, Chetak helicopters, fast interceptor boats, and lightweight torpedoes. A noteworthy highlight is the inclusion of 'Made in Bihar' boots in the Russian Army's equipment, marking a significant milestone for Indian products in the global defence market and showcasing the country’s high manufacturing standards.

Currently, India exports to over 100 nations, with the top three destinations for defence exports in 2023-24 being the USA, France, and Armenia. According to Raksha Mantri Shri Rajnath Singh, the target is to further increase defence exports to ₹50,000 crore by 2029. This expanding international footprint underscores India’s commitment to becoming a reliable defence partner globally while bolstering its economic growth through enhanced defence production and exports.

Key Government Initiatives

In recent years, the Indian government has implemented a series of transformative initiatives aimed at bolstering the country's defence production capabilities and achieving self-reliance. These measures are designed to attract investment, enhance domestic manufacturing, and streamline procurement processes. From liberalizing foreign direct investment (FDI) limits to prioritizing indigenous production, these initiatives reflect a robust commitment to strengthening India's defence industrial base. The following points outline the key government initiatives that have been pivotal in driving growth and innovation in the defence sector.

Liberalized FDI Policy: The Foreign Direct Investment (FDI) limit in the defence sector was raised in 2020 to 74% through the Automatic Route for companies seeking new defence industrial licenses and up to 100% through the Government Route for those likely to result in access to modern technology. As of February 9, 2024, ₹5,077 crore worth of FDI has been reported by companies operating in the defence sector.

Budget Allocation: The allocation for the Ministry of Defence for the financial year 2024-25 is ₹6,21,940.85 crore, as part of the "Demand for Grant" presented in Parliament during the ongoing Budget Session.

Priority for Domestic Procurement: Emphasis is placed on procuring capital items from domestic sources under the Defence Acquisition Procedure (DAP)-2020.

Positive Indigenization Lists: Notification of five 'Positive Indigenization Lists' totalling 509 items of services and five lists of 5,012 items from Defence Public Sector Undertakings (DPSUs), with an embargo on imports beyond specified timelines.

Simplified Licensing Process: Streamlining the industrial licensing process with a longer validity period.

iDEX Scheme Launch: The Innovations for Defence Excellence (iDEX) scheme was launched to involve startups and Micro, Small, and Medium Enterprises (MSMEs) in defence innovation.

Public Procurement Preference: Implementation of the Public Procurement (Preference to Make in India) Order 2017 to support domestic manufacturers.

Indigenization Portal: Launch of the Self-Reliant Initiatives through Joint Action (SRIJAN) portal to facilitate indigenization by Indian industry, including MSMEs.

Defence Industrial Corridors: Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu, to promote defence manufacturing.

Opening Defence R&D: Defence Research & Development (R&D) has been opened up for industry and startups to foster innovation and collaboration.

Domestic Procurement Allocation: Out of the total allocation of ₹1,40,691.24 crore under the Capital Acquisition (Modernization) Segment, ₹1,05,518.43 crore (75%) has been earmarked for domestic procurement in the Budget Estimates for 2024-25.

(Source: Press Information Bureau https://pib.gov.in/PressReleasePage.aspx?PRID=2069090)

Rising Indian Space Sector & Current trends

At present, the Indian space economy is valued at approximately USD 8.4 billion, constituting a 2% share of the global space market. The government envisions scaling the space economy to USD 44 billion by 2033, including US $11 billion in exports amounting to 7-8% of the global share. This growth is anticipated to be driven by private sector participation, including a promising pipeline of around 250 startups currently operating across various segments of the space economy in India. (Source: https://pib.gov.in/PressReleasePage.aspx?PRID=2068155)

Government initiatives in Space Sector

- In 2020, the Government of India introduced reforms to open the space sector to private enterprises. These reforms are designed to enable the commercialization of space technology and boost private investments, allowing private entities to build and launch satellites and offer space-based services
- Unveiling of Indian Space Policy 2023
- Enabling and promoting Non-Governmental Entities (NGE) to carry out independent space activities through a newly created entity known as IN-SPACe headquartered at Ahmedabad
- IN-SPACe has issued of Norms, Guidelines and Procedures for Implementation of Indian Space Policy-2023 in respect of Authorization of Space Activities (NGP)
- Accessibility of ISRO infrastructure & Test facilities for the benefit of private players
- Transfer of Technology from ISRO to Industry
- In February 2024, the government announced that 100% Foreign Direct Investment (FDI) is now permitted in the space sector, which will help new-age companies access critical capital and technology

- Establishment of a Rs.1,000 crore Venture Capital (VC) Fund dedicated to supporting India's space sector
- Upcoming Space activities bill for a legislative framework aimed at promoting and regulating space activities in India, with a particular focus on encouraging private sector participation

India Medical Devices Market

India's MedTech industry is transforming from import reliance to a global hub, driven by innovation, digital integration, and government initiatives.

- The Indian MedTech market, valued at US$12 billion in 2023-24, is projected to reach US$50 billion by 2030, with India's global market share set to grow from 1.65% to 10%-12% over the next 25 years.
- Indian MedTech exports reached US$3.8 billion in 2023-24, with the US as the primary market.
- Despite strong exports, India remains heavily import-dependent, with US$8.2 billion in imports, and 80% to 85% of medical devices sourced internationally.
- With strategic growth and innovation, India is well-positioned to strengthen its MedTech industry and reduce import dependency, making significant strides toward becoming a global leader in the sector.

(Source: https://www.ey.com/en_in/insights/health/india-s-medtech-transformation-paving-the-path-to-global-leadership)

Avantel's Position in the Defense Market

Avantel has a robust track record of contributing to India's defense self-reliance for over three decades and is actively engaged in delivering customized & fully indigenous solutions to the strategic sector since inception. The company's vision is perfectly aligned with the government's "Make in India" initiatives, thus tremendously enhancing its potential for securing new contracts and expanding its market presence within the Indian defense ecosystem.

The company's extensive order book for FY 2024-25 reflects strong demand, particularly for products like Software-Defined Radios (SDRs), SATCOM Terminals, Hub Stations, and HF Transceivers & Radar Systems. Avantel's R&D capabilities and customer-focused solutions place it at the forefront of the evolving defense communications market, with several new product launches anticipated for the coming fiscal year.

Expansion and Diversification in Space Technologies

In addition to its focus on defense, Avantel is investing in state-of-the-art infrastructure to support India's growing space technology needs. A new facility at E-City, Hyderabad, Ranga Reddy District, Telangana State, India, spanning 70,000 square feet across four acres, is scheduled to be operational by March 2025. This facility will provide advanced capabilities in space technology, aligning with the objectives outlined in India's recent space policy.

Avantel's diversification into space-related activities includes proposals for establishing Ground Station as a Service (GSAAS), SATCOM as a Service through a dedicated satellite and carrying out Assembly, Integration & Testing (AIT) activities for small satellites. These initiatives shall position Avantel as a prospective leader in satellite communications and ground station services. This diversification strategy not only expands Avantel's business horizons but also supports India's ambition to become a key player in global space technology.

Beyond defense, the demand for satellite-based communication systems is expanding across civilian and commercial sectors. Avantel's expertise in providing Ground segment solutions across frequency bands positions it advantageously to serve both defense and telecommunications markets. The company's recent engagements, with the Indian Railways, NSIL-ISRO, Indian Navy, Indian Coast Guard and Department of Fisheries, MoA exemplify Avantel's capacity to meet the evolving needs of satellite communication, particularly in contexts demanding reliability and resilience.

Research and Development (R&D) and Production Facilities for Medical Devices

Furthering its commitment to innovation, Avantel is establishing a dedicated R&D and production center for Imeds Global private limited a fully owned subsidiary of Avantel Limited. Situated on two acres with approximately 30,000 square feet of built space, this facility is expected to be operational by Q4 FY 2024-25. This center will bolster Avantel's capabilities in developing state-of-the-art solutions / devices in the health-care domain.

Future Outlook and Strategic Direction

Avantel is poised to benefit from the Indian government's defense and space policies, which emphasize indigenous development and public-private collaboration. The company's expansion into space technologies, alignment with Atmanirbhar Bharat, and commitment to ongoing innovation underscore its strategic adaptability in a rapidly evolving industry landscape.

With its expanded facilities, cutting-edge R&D initiatives, and new product offerings, Avantel is well-positioned to capitalize on the increased defense and space budgets. By leveraging its expertise and aligning with national priorities, Avantel aims to contribute meaningfully to India's technological self-reliance while enhancing its own growth trajectory within the defense and space technology sectors.

Avantel through its subsidiary IMeds Global Private Limited aspires to capitalize the emerging opportunities in MedTech industry by offering homegrown innovative, affordable and reliable solutions at par with the global MedTech solution providers.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 21 *of this Draft Letter of Offer , for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages* 77 *and* 279 *respectively, of this Draft Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Financial Statements.*

1. Company Background

Avantel Limited is a prominent player in the defense, communication, and satellite technology sectors, committed to providing cutting-edge solutions for critical communication needs. Established with a vision to contribute to India's self-reliance in defense and space technologies, Avantel has built a robust portfolio of products and services that cater to government, defense, and commercial clients. The company's core competencies lie in developing advanced communication systems, software defined radios, Space technology downstream products & solutions, Embedded systems & software and customized network management & software solutions, enabling it to address unique challenges across its customer segments.

2. Key Business Areas

a. **Aerospace & Defense Technologies**: Avantel is at the forefront of building indigenous solutions for meeting growing needs of the Indian strategic sector. The company is well known for providing reliable, high-performance solutions tailored to the specific needs of the Indian Armed Forces. Avantel specializes in Software-Defined Radios (SDRs), Satellite Communication systems, Radars & Radar Subsystems, RF Sub-systems, Embedded Systems & solutions, Network management & Application software to meet the growing demands of strategic customers.

b. **Space Technologies**: In the rapidly evolving Space Technology domain, Avantel has expanded its offerings to include Ground Station as a Service (GSAAS), SATCOM as a Service and manufacturing of Small satellites. These offerings are designed to meet the demands of modern space applications for government and commercial clients, including the Indian Space Research Organisation (ISRO) and IN-SPACe. Avantel's newly established facility in E-City, Hyderabad, Ranga Reddy District, Telangana State, India, provides state-of-the-art infrastructure to support its space technology endeavors, positioning the company as a leader in this niche yet growing market.

3. Strategic Expansion and Infrastructure Development

Avantel has embarked on a significant expansion phase to support its diversification and growth strategy. The upcoming facility in E-City, Hyderabad, Ranga Reddy District, Telangana State, India covering 70,000 square feet, is equipped with advanced technology to support space technology projects. Additionally, for Imeds, spread over 30,000 square feet, is poised to drive Avantel's innovation agenda and strengthen its presence in the medi-tech sector. These facilities will enable Avantel to meet the growing demands of aerospace & defense, Space Technologies & MedTech customers and support the development of indigenous solutions aligned with national priorities.

4. Commitment to Self-Reliance and Indigenous Development

Avantel's commitment to self-reliance aligns with the Indian government's *Atmanirbhar Bharat* initiative, making it a preferred partner for its customers. The company has consistently offered solutions that meet the needs of strategic customers, reinforcing its commitment to reducing dependency on imported technologies. Through its partnerships with Indian government agencies and its focus on indigenously developed products, Avantel supports the *Make in India* program, contributing to a robust domestic defense ecosystem.

R&D is a cornerstone of Avantel's operations. Avantel's in-house R&D facilities are recognized by DSIR, GoI and is a centre of excellence and innovation for self-reliance in strategic electronics and communication requirements of Indian Defense Services. Avantel on an average has been investing around 12 % (on an average since inception) of its annual turnover year on year in Research & Development activities and thus could provide various fully indigenous solutions to its customers resulting in valuable savings of foreign exchange in the strategic domain. The company is committed to innovation, focusing on the development of cutting-edge products like Software-Defined Radios, Satellite Communication products (UHF / MSS / Ku band).

5. Product Portfolio

Avantel's diverse product portfolio includes:

- **Software-Defined Radios (SDRs)**: Advanced radios compliant with Software Communications Architecture (SCA) standards for robust and adaptable communication.
- **Mobile Satellite Services (MSS):** MSS solutions for mission-critical applications across defense, maritime, railways and other commercial applications.
- **Ground Station and SATCOM Services:** Comprehensive ground station services and SATCOM support, catering to government and commercial needs.
- **Radars:** Wind Profiler Radars and Radar Sub-systems for various Radar Applications.
- **Engineering Services:** Supports global OEM's for either Built to Print, Built to Design, Built Specifications of their products / solutions, Contract manufacturing for mechanical systems, Quality & Assurance & testing services etc.
- **Embedded Systems, Network Management & Applications Software:** Waveform Development & SCA Compliances, Design & Development of Embedded systems & Software, Network Management & Application Software for various applications

6. Clientele and Market Presence

Avantel's clientele primarily comprises government agencies and defense organizations, both foreign and Indian, including the Lockheed Martin, Indian Armed Forces, ISRO, DRDO Labs, Defence PSUs, Indian Railways, Shipbuilding Centers and Indian Coast Guard. The company's reputation for reliability, quality, and innovation has established it as a trusted partner in these critical sectors. With a strong presence in India and ongoing projects in emerging markets, Avantel is expanding its reach to capitalize on growing demand in the defense and satellite communication sectors.

7. Future Outlook

As Avantel continues to strengthen its infrastructure, expand its product offerings, and align with government initiatives, it is poised for robust growth in the coming years. With a strong order book and plans to introduce new products/ business lines, Avantel aims to maintain its leadership position in defense and satellite communication. By leveraging its expertise, Avantel is well-positioned to capitalize on India's defense modernization efforts, advancing its mission to be a leading player in the nation's defense and space technology landscape.

Subsidiaries

Imeds Global Private Limited ('Imeds'), a Wholly Owned Subsidiary of M/s. Avantel Limited has been established to introduce our innovative contributions to the medical electronics devices sector. Since its inception on September 3rd, 2021, our mission has been to design, develop, and manufacture state-of-the-art medical electronics devices. Our aim is to foster indigenous innovation in the Indian healthcare sector, promoting self-reliance with cutting-edge medical solutions.

At Imeds, we pride ourselves on our dynamic team of esteemed business experts, reputed doctors, innovative R&D engineers, and dedicated professionals from various domains. This multidisciplinary team is the driving force behind our exceptional, cost-effective healthcare products. Our offerings include advanced solutions in respiratory care, surgical staplers, patient monitoring, IoT, and homecare, all designed to meet the diverse needs of today's healthcare industry.

Our state-of-the-art manufacturing facility is ISO 13485 Certified and located in the Andhra Pradesh Medtech Zone (AMTZ) in Visakhapatnam, which is India's premier hub for medical device manufacturing.

Key Products and Services:

- **General Surgery:** Empower surgeons with Trusted, Quality & Innovative instruments to provide safe & effective treatment.

- **Patient Monitoring:** Enable Healthcare Professionals, Patients with User Friendly & IoT based solutions.

- **Respiratory Devices:** Provide a wide range of innovative respiratory devices which are Portable, Reliable, User friendly & IoT driven.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. 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
Mr. Ramchander Vyasabhattu	Chairperson
Smt. Abburi Sarada	Member
Dr Ajit Tavanappa Kalghatgi	Member

Insurance

We generally maintain insurance covering our assets at such levels that we believe to be appropriate. We have obtained certain policies such as employee policy, standard fire and special policy, which insure our stock, plant, building, furniture, fittings, electrical installation, office equipment, stationery, godowns, meeting rooms, building superstructure and any other office contents. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

OUR MANAGEMENT

Our Articles of Association requires us to have not less than three and not more than Fifteen Directors. As on date of this Draft Letter of Offer, we have seven (7) Directors on our Board, comprising of One (1) Managing Director, Two (2) Whole-Time Directors, Four (4) Independent Director in which One (1) is Woman Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Age (in years)	Other directorships
Dr. Abburi Vidyasagar **DIN:** 00026524 **Date of Birth:** 15-06-1960 **Designation:** Chairman & Managing Director **Address:** Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M), Medak (D), Hyderabad - 502032, Telangana State, India. **Occupation:** Business **Term:** 31-03-2025 **Original Date of Appointment:** 01-04-2007 **Nationality:** Indian	64	• Director of Imeds Global Private Limited • Director of Wiki Kids Private Limited.
Mrs. Abburi Sarada **DIN:** 00026543 **Date of Birth:** 14-10-1964 **Designation**: Executive Director & CFO **Address:** Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M), Medak (D), Hyderabad - 502032, Telangana State, India. **Occupation:** Business **Term:** 07-05-2025 **Original Date of Appointment as Executive Director:** 14-05- 2014 **Nationality:** Indian	60	• Director of Imeds Global Private Limited
Mr. Abburi Siddhartha Sagar **DIN:** 02312563 **Date of Birth:** 26-11-1987 **Designation:** Whole Time Director **Address:** Villa No. 15, Vision Infinity Homes, Tellapur, Ramachandrapum (M), Medak (D), Hyderabad - 502032, Telangana State, India. **Occupation:** Business **Term:** 07-03-2027 **Original Date of Appointment:** 01-03- 2021 **Nationality:** Indian	37	• Director of Imeds Global Private Limited • Director of Wiki Kids Private Limited.

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Age (in years)	Other directorships
Mr. Myneni Narayana Rao **DIN:** 00577494 **Date of Birth:** 01-09- 1955 **Designation:** Independent Director **Address:** H.No.8-2-293/82/J/A-60, Journalist Colony, Jubileehills, Hyderabad – 500033, Telangana State, India. **Occupation:** Business **Term:** 24-06-2026 **Original Date of Appointment:** 13-02-2016 **Nationality:** Indian	69	• Independent Director of Avantel Limited and Welspun Specialty Solutions Limited. • Director of Bridge Gap Engineering India Private Limited. • Independent Director of Innomet Advanced Materials Limited
Mr. Ramchander Vyasabhattu **DIN:** 03400005 **Date of Birth:** 05-08-1953 **Designation:** Independent Director **Address:** 3-6-570/1, Street No.8, Himayatnagar, Hyderabad – 500029, Telangana State, India **Occupation:** Business **Term:** 05-05-2027 **Original Date of Appointment:** 06-05-2022 **Nationality:** Indian	71	• Independent Director of Avantel Limited and Bambino Agro Industries Limited.
Dr Ajit Tavanappa Kalghatgi **DIN:** 05300252 **Date of Birth:** 03-05-1958 **Designation:** Independent Director **Address:** Flat No.7054, Glenfield, Prestige Wellington Park, 1 & 2 IAF Main Road, Gangamma Circle, Jalahalli (Post), Bengaluru North - 560013, Karnataka State, India. **Occupation:** Business **Term:** 05-03-2029 **Original Date of Appointment:** 06-03-2024 **Nationality:** Indian	66	• Independent Director of Avantel Limited, Antrix Corporation Limited & IIT Tirupati Navavishkari – Hub Foundation.
Ms. Harita Vasireddi **DIN:** 00242512 **Date of Birth:** 10-10-1974 **Designation:** Independent Director **Address:** 1-5-E/7, Sainikpuri, Kapra Sainikpuri Post, Near Jyothi Rao Phule Statue, Hyderabad – 500094, Telangana State, India. **Occupation:** Business **Term:** 05-03-2029 **Original Date of Appointment:** 06-03-2024 **Nationality:** Indian	50	• Independent Director of Avantel Limited. • Managing Director of Vimta Labs Limited. • Director of Emtac Laboratories Private Limited.

Brief Profile of our Directors:

Dr. Abburi Vidyasagar

Designation	Chairman & Managing Director
Qualification	Dr. Abburi Vidyasagar is a Post Graduate in Electronics and Communication Engineering. He did his Bachelors in Technology from Jawaharlal Nehru Technological University, Kakinada, Andhra Pradesh from 1977 to 1981 and did his Masters in Engineering from IIT, Kharagpur from 1981 to 1983. He further pursued a Master in Business Administration from Osmania University, Hyderabad in the year 1989-1991. Dr. A. Vidyasagar received a Doctorate from Jawaharlal Nehru Technological University, Hyderabad for his outstanding work on E-Learning Methodologies.
Experience	Over a period of 40 Years
Expertise	Design and development of Wireless Products for Defence, Satellite Communication products for voice and data communication working on Indian Satellites for various platforms like ships, submarines, aircrafts and helicopters.
Other Directorships	Director of Imeds Global Private Limited and Wiki Kids Private Limited.

Smt. Abburi Sarada

Designation	Whole Time Director & CFO
Qualification	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.
Experience	Over a period of 30 Years
Expertise	Finance and Banking
Other Directorships	Director of Imeds Global Private Limited

Mr. Abburi Siddhartha Sagar

Designation	Whole Time Director
Qualification	Master's degree in Computer Science from Ira A Fulton Schools of Engineering, Arizona State University and Masters in Business Administration from WP Carey, Arizona State University.
Experience	Over a period of 10 years
Expertise	Strategy and Business Development, Risk Management
Other Directorships	Director of Imeds Global Private Limited and Wiki Kids Private Limited.

Mr. Myneni Narayana Rao

Designation	Independent Director
Qualification	B. Tech
Experience	Over a period of 40 years
Expertise	Aerospace, Atomic Energy, Defence and Energy Sector
Other Directorships	Independent Director Welspun Specialty Solutions Limited; Director of Bridge Gap Engineering India Private Limited.

Mr. Ramchander Vyasabhattu

Designation	Independent Director
Qualification	B.Tech, M.B.A
Experience	Over a period of 40 years
Expertise	Specilaization in Foundry engineering, Mechanical Engineering, Expertise in Project Finance,Technical & General Administration.
Other Directorships	Independent Director of Bambino Agro Industries Limited.

Dr. Ajit Tavanappa Kalghatgi

Designation	Independent Director
Qualification	Graduated from Mysore University with BE in Electronics & Communications, he completed his M.Tech in Microwave & Radar Engineering from IIT, Kharagpur and Ph.D., from Leeds University UK.
Experience	Over a period of 40 years
Expertise	RF & Communication Engineering and Microwave & Radar Engineering
Other Directorships	Independent Director of Antrix Corporation Limited & IIT Tirupati Navavishkari – Hub Foundation.

Ms. Harita Vasireddi

Designation	Independent Director
Qualification	Postgraduate in MBA (Masters in Business Administration) in Operations Management from Boston College, USA and Bachelors in Pharmaceutical Sciences from Mysore University, India.
Experience	Over a period of 25 years
Expertise	Contract Research and Testing Industry with expertise in Business Strategy & Administration, Quality Management Systems and laboratory operations management
Other Directorships	Managing Director of Vimta Labs Limited; Director of Emtac Laboratories Private Limited.

Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the Stock Exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

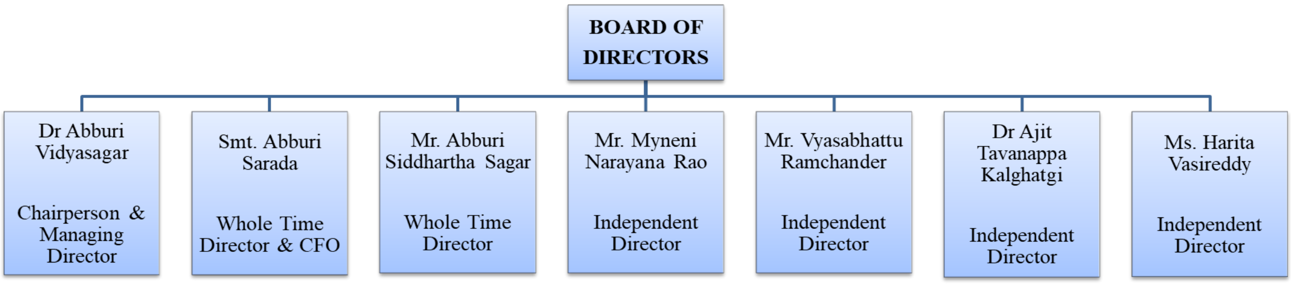
3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any Stock Exchanges(s) at any time in the past.

4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

5. None of our Directors have been identified as a willful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Management Organization Structure

Corporate Governance:



The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted the following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee

TERMS OF REFERENCE OF VARIOUS COMMITTEES:

1) Audit Committee

The Audit Committee was constituted by our Board of Directors with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Vyasabhattu Ramchander	Chairperson
2. Mr. Myneni Narayana Rao	Member
3. Dr. Ajit Tavanappa Kalghatgi	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
ii) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
iv) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   a) 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 subsection (3) of Section 134 of the Companies Act, 2013; changes, if any, in accounting policies and practices and reasons for the same.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by management.
   d) Significant adjustments made to the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transaction.
   g) Modified opinion(s) in the draft audit report.
v) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
vi) 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, or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
vii) Reviewing and monitoring the Auditor's independence & performance, and effectiveness of audit process.
viii) Approval or any subsequent modification of transactions of the Company with related parties.
ix) Scrutiny of inter-corporate loans and investments.
x) Valuation of undertakings or assets of the Company, wherever it is necessary.
xi) Evaluation of internal financial controls and risk management systems.
xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
xiii) 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.
xiv) Discussion with internal auditors of any significant findings and follow up there on.
xv) Reviewing 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.
xvi) 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.
xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
xviii) To review the functioning of the Whistleblower mechanism.
xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and

background, etc. of the candidate.

xx) Reviewing the utilization of loans and/ or advances from/investment by the group/holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxi) Carrying out any other function as may be assigned to it by the board of directors from time to time.

2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by our Board of Directors with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Myneni Narayana Rao	Chairperson
2. Mr. Vyasabhattu Ramchander	Member
3. Dr. Ajit Tavanappa Kalghatgi	Member
4. Ms. Harita Vasireddi	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of our Nomination and Remuneration Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

(i) 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 ("KMP") and other employees;

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

a) Use the services of an external agencies, if required.
b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
c) Consider the time commitments of the candidates.

(iii) Specification of manners and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance.
(iv) Devising a policy on diversity of board of directors.
(v) Identifying people 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.
(vi) 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.
(vii) Recommend to the board all remuneration, in whatever form, payable to senior management.

3) Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted by our Board of Directors with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Myneni Narayana Rao	Chairperson
2. Dr. Abburi Vidyasagar	Member
3. Ms. Harita Vasireddi	Member

The Company Secretary acts as the secretary of the Stakeholders' Relationship Committee.

The scope, functions and the terms of reference of our Stakeholders' Relationship Committee, is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations which are as follows:

(i) To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
(ii) To review the measures taken for effective exercise of voting rights by shareholders
(iii) To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
(iv) To review various measures and initiatives undertaken 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.
(v) To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

4) Risk Management Committee

The Risk Management Committee was constituted by our Board of Directors with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Abburi Siddhartha Sagar	Chairperson
2. Mr. Vyasabhattu Ramchander	Member
3. Dr. Ajit Tavanappa Kalghatgi	Member
4. Ms. Harita Vasireddi	Member
5. Mr. Peddi Bala Bhaskar Rao	Member
6. Mr. Nimmagadda Srinivas Rao	Member
7. Mr. Peddi Srinivasa Rao	Member

The Company Secretary acts as the secretary of the Risk Management Committee.

The terms of reference of the Risk Management Committee are as under:

1. To formulate a detailed Risk Management Policy which shall include:

    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees, as per the framework laid down by the board of directors.

5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board of Directors with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Vyasabhattu Ramchander	Chairperson
2. Dr. Ajit Tavanappa Kalghatgi	Member
3. Mrs. Abburi Sarada	Member

The Company Secretary acts as the secretary of the Corporate Social Responsibility Committee.

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.

Our Key Managerial Personnel

In addition to our Executive Directors, whose details have been provided under paragraph above titled ***'Brief Profile of our Directors'***, the following persons are our Key Managerial Personnel. All the Key Managerial Personnel are permanent employees of our Company. The brief profiles of our other Key Managerial Personnel are as set out below as on the date of filing of this Draft Letter of Offer:

Mrs. Abburi Sarada, Chief Financial Officer

Mrs. Abburi Sarada, Chief Financial Officer of the Company. She holds master's degrees in Business Administration from Madurai Kamaraj University. She did her Bachelor of Commerce from Osmania University and has also completed her bachelor's in communication and journalism from Padmavathi University. Mrs. Sarada is associated with Avantel Limited since 1992. She has over 30 Years of experience in Finance and Banking. She has made a significant contribution to the growth of Avantel Limited during her tenure as Director of the Company.

Mr. D Rajasekhara Reddy, Company Secretary and Compliance Officer

Mr. D Rajasekhara Reddy is an Associate member of the Institute of the Company Secretaries of India, New Delhi, having successfully completed the Company Secretary course offered by the institute. He holds Bachelor's degree in Law and Bachelor's degree in Commerce from Acharya Nagarjuna University. He is associated with Avantel Limited for the past 25 months and has 4.5 years of experience in Corporate Legal and Secretarial matters. In addition to the compliances under the Companies Act, he has ample exposure in the areas of Corporate Governance, legal, secretarial, drafting, and other regulatory compliance matters, particularly in relation to the corporate laws applicable to the capital markets.

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Relationship between Key Managerial Personnel

Our CFO and Whole-Time Director Mr. Sarada Abburi is the spouse of our Managing Director, Dr. Abburi Vidyasagar and Mr. Abburi Siddhartha Sagar, Whole Time Director is Son of Dr. Abburi Vidyasagar.

Related Party Transactions

For details of the related party transactions, during the last two Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Summary Statements, see section titled "Financial Information" at page 77 of this Draft Letter of Offer. For details of the related party transactions, during the financial year ended March 31, 2024, as per the requirements under the Ind AS 24 see section titled "Financial Information" at page 77 of this Draft Letter of Offer.

Dividend Policy

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. The Dividend Policy of your Company is posted on the website of the Company and the web link is https://www.avantel.in/investors.

SECTION V: FINANCIAL INFORMATION
FINANCIAL STATEMENTS

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

Auditor's Report on Standalone Unaudited Quarterly and Year to date Financial Results of M/s AVANTEL LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF
AVANTEL LIMITED

We have reviewed the accompanying statement of Standalone unaudited financial results of **M/s AVANTEL LIMITED** for the Quarter ended 30th September, 2024 and for the Period from 1st April, 2024 to 30th September, 2024. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Grandhy & Co.
Chartered Accountants
FRN:001007S

(Naresh Chandra Gelli)
Partner
ICAI Membership: No.201754
UDIN:24201754BKCNQZ4780

Place: Hyderabad
Date: October 5, 2024

GRANDHY & CO. ★ Hyderabad ★ CHARTERED ACCOUNTANTS

avantel
connect • create • conserve

AVANTEL LIMITED
Registered Office : SY No. 141, Plot No. 47/P, Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam - 531163, Andhra Pradesh
CIN: L72200AP1990PLC11334

Statement of Standalone Un-Audited Financial Results for the Quarter and Half Year Ended September 30,2024

(in ₹ Lakhs)

Particulars	Quarter Ended			Half Year Ended		Year ended March 31,2024
	September 30,2024	June 30,2024	September 30,2023	September 30,2024	September 30,2023	
	Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
Income						
Revenue from operations	7725.08	5,165.20	5419.85	12,890.28	12310.17	22391.75
Total Revenue from operations	**7725.08**	**5165.20**	**5419.85**	**12890.28**	**12310.17**	**22391.75**
Other income	49.28	29.90	37.22	79.18	50.14	130.10
Total Income	**7774.35**	**5195.10**	**5457.07**	**12969.45**	**12360.31**	**22521.85**
Expenses						
Cost of materials consumed	2,567.50	1,707.57	1399.67	4,275.07	4230.18	7723.32
Changes in inventories	(892.10)	165.99	(34.64)	(726.12)	1522.34	(77.61)
Employee benefits expense	1,561.77	1,002.56	845.90	2,564.32	1343.86	3411.05
Finance costs	71.86	64.22	151.19	136.08	300.11	417.42
Depreciation and amortization expense	286.72	276.78	153.76	563.50	293.81	706.07
Other expenses	961.04	811.70	657.63	1,772.74	1179.00	2894.29
Total Expenses	**4556.78**	**4028.81**	**3173.51**	**8585.59**	**8869.30**	**15074.54**
Profit before tax	**3217.57**	**1166.29**	**2283.56**	**4383.86**	**3491.01**	**7447.31**
Tax expense						
(1) Current tax	860.34	358.10	612.87	1,218.43	951.41	1968.97
(2) Deferred tax	-	-	-	-	-	(66.75)
Net Profit for the Period	**2357.23**	**808.19**	**1670.69**	**3165.43**	**2539.60**	**5545.09**
Other comprehensive income (OCI)						
(a) (i) Items that will not be reclassified to profit	-	-	-	-	-	(50.51)
(ii) Tax on items that will not be reclassified profit or loss	-	-	-	-	-	13.76
(b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive income	-	-	-	-	-	(36.75)
Total Comprehensive income	**2357.23**	**808.19**	**1670.69**	**3165.43**	**2539.60**	**5508.34**
Earnings per equity share						
(Face value of Rs.2/- each)						
(1) Basic (₹)	0.97	0.33	0.69	1.30	1.04	2.28
(2) Diluted(₹)	0.96	0.33	0.69	1.29	1.04	2.26

For AVANTEL LIMITED

Managing Director

Avantel Limited

Registered Office
Plot No. 47/P, APIIC Industrial Park
Gambheeram (V), Anandapuram (M)
Visakhapatnam - 531 163 A.P.
Tel : +91-891-2850000
Fax : +91-891-2850004

Corporate Office
Plot No. 68 & 69, 4th Floor, Jubille 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
info@avantel.in

AVANTEL LIMITED

Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2024

(in ₹ Lakhs)

Particulars	September 30, 2024	As at March 31, 2024
	Un Audited	Audited
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	4,430.85	3,891.61
(b) Capital work-in-progress	2,042.15	1,591.67
(c) Right-to-use Asset	480.47	525.00
(d) Financial Assets		-
(i) Investments	2,050.00	1,699.95
(ii) Others	121.02	275.49
(e) Deferred tax Assets (net)	17.37	17.37
Current Assets		
(a) Inventories	5,949.59	4,581.67
(b) Financial Assets		
(i) Trade Receivables	9,280.67	6,410.32
(ii) Cash & Cash Equivalents	5.88	10.62
(iii) Bank Balances other than (ii) above	847.56	1,217.55
(iv) Others (Int accrued on employee loans & term deposits)	58.74	60.01
(c) Current Tax Assets	37.90	2.31
(d) Other Current Assets	2,402.54	2,013.74
Total	**27,724.75**	**22,297.33**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4,865.45	4,865.45
(b) Other Equity	15,686.71	12,275.94
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ia) Lease Liabilities	561.21	600.16
(b) Provisions	35.89	60.89
(c) Deferred Tax Liability (Net)	-	
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,165.49	1,150.39
(ii) Trade payables		
-Total outstanding dues of Micro enterprises and small enterprises	569.45	442.44
-Total outstanding dues of creditors other than micro enterprises and small ente	147.76	141.34
(iii) Other Financial Liabilities	2,146.20	1,651.38
(c) Current Tax Liabilities ((Net)	2,042.76	824.33
(c (d)Other current liabilities	503.84	285.01
Total Equity and Liabilities	**27,724.75**	**22,297.33**

for and on behalf of Avantel Limited

Place: Hyderabad
Date : October 5, 2024

A.VIDYASAGAR
Managing Director

avantel
connect• create • conserve

AVANTEL LIMITED
Unaudited Standalone Cash Flow Statement For The half year ended September 30, 2024

(in ₹ Lakhs)

Particulars	For the half year ended September, 2024	For the year ended March 31, 2024
	Un Audited	Audited
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	4,383.86	7,447.31
Discontinued operations	-	-
Profit before income tax including discontinued operations	4,383.86	7,447.31
Adjustments for		
Depreciation and amortisation expense	563.50	706.07
Gain on disposal of property, plant and equipment	-	-
Written off assets	-	7.18
Dividend and interest income classified as investing cash flows	(24.19)	(66.20)
Finance costs	136.08	417.42
Employee Compensation Expenses (ESOP)	731.88	607.20
Other Comprehensive Income	-	(50.51)
	5,791.13	9,068.47
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/ decrease in trade receivables	(2,870.34)	(2,436.38)
(Increase)/decrease in inventories	(1,367.92)	(163.35)
(Increase)/decrease in other financial assets	1.27	(45.07)
(Increase)/ decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	(388.80)	74.90
Increase / (decrease) in trade payables	133.43	285.14
Increase/(decrease) in provisions	(25.00)	(1.11)
Increase/(decrease) in other current liabilities	218.83	65.74
Increase/(decrease) in financial liabilities	494.82	1,297.85
Increase/(decrease) in other non current liabilities	-	-
Cash generated from operations	1,987.41	8,146.19
Income taxes paid	(1.60)	(1,316.45)
Net cash inflow from operating activities	1,985.81	6,829.74
Cash flows from investing activities		
Payments for property, plant and equipment	(1,058.21)	(2,191.47)
Increase in Capital Work in Progress	(450.48)	(726.08)
Increase in Term deposits	524.46	(1,206.60)
Proceeds from sale of property, plant and equipment	-	33.49
Increase in Invetments	(350.05)	(524.95)
Interest received	24.19	66.20
Net cash outflow from investing activities	**(1,310.09)**	**(4,549.41)**
Cash flows from financing activities		
Increase/(decrease) in Non-Current borrowings		
Increase/(decrease) in borrowings	15.10	(1,639.95)
Interest paid	(136.08)	(371.89)
Payment of lease obligations	(72.94)	(96.14)
Dividends paid to Company's share holders	(486.54)	(162.18)
Net cash inflow (outflow) from financing activities	**(680.46)**	**(2,270.16)**
Net increase (decrease) in cash and cash equivalents	**(4.74)**	**10.17**
Cash and cash equivalents at the beginning of the financial year	10.62	0.45
Effects of exchange rate changes on cash and cash equivalents	-	
Cash and cash equivalents at end of the year	5.88	10.62

for and on behalf of Avantel Limited

Place: Hyderabad
Date : October 5, 2024

A.VIDYASAGAR
Managing Director

Avantel Limited
Registered Office
Plot No. 47/P, APIIC Industrial Park
Gambheeram (V), Anandapuram (M)
Visakhapatnam - 531 163 A.P.
Tel : +91-891-2850000
Fax : +91-891-2850004

Corporate Office
Plot No. 68 & 69, 4th Floor, Jubille Heights
Survey No's. 66 & 67, Jubilee Enclave
Madhapur, Hyderabad - 500 081. Telangana
Tel : +91-40-66 30 5000
Fax : +91-40-6630 5004

CIN - L72200AP1990PLC011334

www.avantel.in
info@avantel.in

avantel
connect• create • conserve

Notes to the Statement of Standalone financial Results

1. The financial results of the company have been prepared in accordance with Indian Accouting Standards (Ind AS) notified under the companies (Indian Accouting standards) Rules, 2015 as amended by the companies (Indian Accouting standards) (Amendment) rules,2016.
2. Since the principal customer of the company is an organisation that is controlled by the Government of India, the company has been assured of its Receivables and has not made any provision for loss allowance in the past and as on date. Hence the company has concluded that no provision for loss allowance needs to be made as on September 30, 2024. The company will reassess the model periodically and make the necessary adjustments for loss allowance if any, on case to case basis if required.
3. Employee benefit Expenses include Rs. 367.48 Lakhs on account of ESOP, 2023 for the quarter ending September 30, 2024 and Rs. 731.88 Lakhs for the half year ending Septmber 30, 2024.
4. The Standalone finacial results are reviewed by the Statutory Auditores of the Company as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
5. The company operates in a single segment and results pertain to a single segment.
6. The aforementioned results are reviewed by the Audit Committee of the Board and susequently taken on record by the board of directors at its meeting held on October 5, 2024.
7. Figures for the previous year/period have been regrouped / reclassified where ever necessary to confirm to the current year's / period's presentation.
8. The results for the half-year ended September 30, 2024 are also available on the Bombay Stock Exchange and National Stock Exchange website and on the Company's website.

for Avantel Limited

Place: Hyderabad
Date : October 5, 2024

(A Vidyasagar)
Chairman & Managing Director
DIN: 00026524

Avantel Limited
Registered Office
Plot No. 47/P, APIIC Industrial Park
Gambheeram (V), Anandapuram (M)
Visakhapatnam - 531 163 A.P.
Tel : +91-891-2850000
Fax : +91-891-2850004

Corporate Office
Plot No. 68 & 69, 4th Floor, Jubille 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
info@avantel.in

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

Independent Auditor's Review Report on Consolidated unaudited quarterly and year to date financial results of M/s AVANTEL Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

TO THE BOARD OF DIRECTORS OF
AVANTEL LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **AVANTEL Limited** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended 30th September, 2023 and for the period from 1st April, 2024 to 30th September, 2024 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entity:

   iMeds Global Private Limited, India

GRANDHY & CO. ★ Hyderabad ★ CHARTERED ACCOUNTANTS

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated un audited financial results includes the financial results of the subsidiary which have not been reviewed by their auditors, whose financial results reflect total revenue of Rs. 16.95 Lakhs for the quarter ending 30th September, 2024 and Rs. 28.15 Lakhs for the half year ending 30th September, 2024, total net profit/(loss) after tax of Rs. (67.33) Lakhs for the quarter ending 30th September, 2024 and Rs. (137.45) Lakhs for the half year ending 30th September, 2024, total comprehensive income/loss of Rs. (67.33) Lakhs for the quarter ending 30th September, 2024 and Rs. (137.45) Lakhs for the half year ending 30th September, 2024, and Cash flows (net) of Rs. (100.05) lakhs for the period from 1st April, 2024 to 30th September, 2024, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For Grandhy & Co.
Chartered Accountants
FRN:001007S

(Naresh Chandra Gelli)
Partner
ICAI Membership: No.201754
UDIN: 24201754BKCNRA5812

Place: Hyderabad
Date: October 5, 2024

GRANDHY & CO. ★ CHARTERED ACCOUNTANTS ★ Hyderabad

avantel
connect• create • conserve

AVANTEL LIMITED
Registered Office : SY No. 141, Plot No. 47/P, Industrial Park, Gambheeram (V), Anandapuram (M), Visakapatnam - 531 163, Andhra Pradesh
CIN: L72200AP1990PLC11334

Statement of Consolidated Un-Audited Financial Results for the Quarter and Half Year Ended September 30,2024

(in ₹ Lakhs)

Particulars	Quarter Ended			Half Year Ended		Year ended
	September 30,2024	June 30,2024	September 30,2023	September 30,2024	September 30,2023	March 31,2024
	Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
Income						
Revenue from operations	7,742.03	5,176.40	5433.29	12,918.42	12328.13	22436.70
Total Revenue from operations	**7742.03**	**5176.40**	**5433.29**	**12918.42**	**12328.13**	**22436.70**
Other income	49.28	29.90	39.59	79.18	60.16	142.16
Total Income	**7791.30**	**5206.30**	**5472.88**	**12997.60**	**12388.29**	**22578.86**
Expenses						
Cost of materials consumed	2,577.24	1,716.94	1413.57	4,294.18	4251.42	7784.98
Changes in inventories	(892.10)	165.99	(34.64)	(726.12)	1522.34	(77.61)
Employee benefits expense	1,608.36	1,048.51	882.22	2,656.85	1415.48	3562.57
Finance costs	71.93	64.39	151.33	136.32	300.27	417.82
Depreciation and amortization expense	295.89	285.63	163.71	581.52	320.79	749.80
Other expenses	979.75	828.67	676.50	1,808.43	1218.45	2987.09
Total Expenses	**4641.07**	**4110.13**	**3252.69**	**8751.18**	**9028.75**	**15424.65**
Profit before tax	**3150.24**	**1096.17**	**2220.19**	**4246.41**	**3359.54**	**7154.21**
Tax expense						
(1) Current tax	860.34	358.10	612.87	1,218.43	951.41	1968.98
(2) Deferred tax	-	-	-	-	-	(70.24)
Net Profit for the Period	**2289.90**	**738.07**	**1607.32**	**3027.98**	**2408.13**	**5255.47**
Other comprehensive income (OCI)						
(a) (i) Items that will not be reclassified to profit	-	-	-	-	-	(50.51)
(ii) Tax on items that will not be reclassified profit or loss	-	-	-	-	-	13.76
(b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be be reclassified to profit or loss	-	-	-	-	-	-
Total Other Comprehensive income	-	-	-	-	-	(36.75)
Total Comprehensive income	**2289.90**	**738.07**	**1607.32**	**3027.98**	**2408.13**	**5218.72**
Earnings per equity share						
(Face value of Rs.2/- each)						
(1) Basic	0.94	0.30	0.66	1.24	0.99	2.16
(2) Diluted	0.93	0.30	0.66	1.23	0.99	2.14

For AVANTEL LIMITED

Managing Director

AVANTEL LIMITED

Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2024

(in ₹ Lakhs)

Particulars	September 30, 2024	As at March 31, 2024
	Un Audited	Audited
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	4,862.91	4,325.32
(b) Capital work-in-progress	2,537.37	1,800.43
(c) Right-to-use Asset	480.47	525.00
(d) Financial Assets		-
(i) Investments	-	-
(ii) Others	124.77	278.34
(e) Deferred tax Assets (net)	24.47	24.47
Current Assets		
(a) Inventories	5,974.68	4,603.92
(b) Financial Assets		
(i) Trade Receivables	9,291.06	6,417.59
(ii) Cash & Cash Equivalents	6.25	111.04
(iii) Bank Balances other than (ii) above	847.56	1,217.55
(iv) Others (Int accrued on employee loans &term deposits)	58.74	60.01
(c) Current Tax Assets	38.05	2.47
(d) Other Current Assets	2,672.03	2,218.39
Total	**26,918.36**	**21,584.54**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4,865.45	4,865.45
(b) Other Equity	14,819.79	11,546.47
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ia) Lease Liabilities	561.21	600.16
(b) Provisions	35.89	60.89
(c) Deferred Tax Liability (Net)	-	
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,165.49	1,150.39
(ii) Trade payables		
-Total outstanding dues of Micro enterprises and small enterprises	606.32	442.44
-Total outstanding dues of creditors other than micro enterprises and small ente	149.09	141.41
(iii) Other Financial Liabilities	2,165.02	1,663.79
(c) Current Tax Liabilities ((Net)	2,042.74	824.33
(d) Other current liabilities	507.36	289.21
Total Equity and Liabilities	**26,918.36**	**21,584.54**

for and on behalf of Avantel Limited

Place: Hyderabad
Date : October 5, 2024

A.VIDYASAGAR
Managing Director

avantel
connect• create • conserve

AVANTEL LIMITED
Unaudited Consolidated Cash Flow Statement For The half year ended September 30, 2024

(in ₹ Lakhs)

Particulars	For the half year ended September, 2024	For the year ended March 31, 2024
	Un Audited	Audited
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	4,246.41	7,154.21
Discontinued operations	-	-
Profit before income tax including discontinued operations	4,246.41	7,154.21
Adjustments for		
Depreciation and amortisation expense	581.52	749.80
Gain on disposal of property, plant and equipment	-	15.91
Written off assets	-	7.18
Dividend and interest income classified as investing cash flows	(24.19)	(66.20)
Finance costs	136.32	417.82
Employee Compensation Expenses (ESOP)	731.88	607.20
Other Comprehensive Income	-	(50.51)
	5,671.94	8,835.41
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/decrease in trade receivables	(2,873.47)	(2,433.76)
(Increase)/ decrease in inventories	(1,370.76)	(144.05)
(Increase)/decrease in other financial assets	1.27	(45.07)
(Increase)/ decrease in other non-current assets	-	-
(Increase)/ decrease in other current assets	(453.64)	(27.91)
Increase /(decrease) in trade payables	171.56	278.47
Increase/(decrease) in provisions	(25.00)	(1.11)
Increase/(decrease) in other current liabilities	218.15	67.19
Increase/(decrease) in financial liabilities	501.23	1,309.16
Increase/ (decrease) in other non current liabilities	-	-
Cash generated from operations	1,841.28	7,838.33
Income taxes paid	(1.60)	(1,320.42)
Net cash inflow from operating activities	1,839.68	6,517.91
Cash flows from investing activities		
Payments for property, plant and equipment	(1,074.58)	(2,227.49)
Increase in Capital Work in Progress	(736.94)	(934.84)
Increase in Term deposits	523.56	(1,205.61)
Proceeds from sale of property, plant and equipment	-	140.86
Increase in Invetments	-	-
Interest received	24.19	66.20
Net cash outflow from investing activities	(1,263.77)	(4,160.88)
Cash flows from financing activities		
Increase/(decrease) in Non-Current borrowings		
Increase/(decrease) in borrowings	15.10	(1,639.95)
Interest paid	(136.32)	(372.29)
Payment of lease obligations	(72.94)	(96.14)
Dividends paid to Company's share holders	(486.54)	(162.18)
Net cash inflow (outflow) from financing activities	(680.70)	(2,270.56)
Net increase (decrease) in cash and cash equivalents	(104.79)	86.47
Cash and cash equivalents at the beginning of the financial year	111.04	24.57
Effects of exchange rate changes on cash and cash equivalents	-	
Cash and cash equivalents at end of the year	6.25	111.04

for and on behalf of Avantel Limited

Place: Hyderabad
Date : October 5, 2024

A.VIDYASAGAR
Managing Director

Avantel Limited
Registered Office
Plot No. 47/P, APIIC Industrial Park
Gambheeram (V), Anandapuram (M)
Visakhapatnam - 531 163 A.P.
Tel : +91-891-2850000
Fax : +91-891-2850004

Corporate Office
Plot No. 68 & 69, 4th Floor, Jubille 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
info@avantel.in

AVANTEL LIMITED

UN-AUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER , 2024

CONSOLIDATED SEGMENT WISE RESULTS

Rs. In Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31-03-2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
(a) Communications and signal processing products	7,774.08	5,195.09	5,457.07	12,969.45	12,360.31	22,521.85
(b) Health Care	16.95	11.20	15.81	28.15	27.98	57.01
Gross Revenue from sale of Products and services	**7,791.03**	**5,206.29**	**5,472.88**	**12,997.60**	**12,388.29**	**22,578.86**
2. Segment Results						
(a) Communications and signal processing products	3,217.57	1,166.28	2,283.56	4,383.86	3,491.01	7,447.31
(b) Health Care	(67.33)	(70.12)	(63.37)	(137.45)	(131.47)	(293.10)
Profit before tax	**3,150.24**	**1,096.16**	**2,220.19**	**4,246.41**	**3,359.54**	**7,154.21**
3. Segment Assets						
(a) Communications and signal processing products	25,674.75	20,728.43	17,060.23	25,674.75	17,060.23	20,597.38
(b) Health Care	1,243.61	975.72	707.97	1,243.61	707.97	987.16
Total Assets	**26,918.36**	**21,704.15**	**17,768.20**	**26,918.36**	**17,768.20**	**21,584.54**
4. Segment Liabilities						
(a) Communications and signal processing products	7,172.59	4,650.99	4,759.78	7,172.59	4,759.78	5,155.94
(b) Health Care	60.53	15.68	14.29	60.53	14.29	16.68
Total Liabilities	**7,233.12**	**4,666.67**	**4,774.07**	**7,233.12**	**4,774.07**	**5,172.62**

Notes:

1) 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.

2) The business segments comprise the following:

(a) Communications and signal processing products: Manufacturing of Wireless Front End, Satelite 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

3) 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.

Place : Hyderabad
Date : October 5, 2024

for Avantel Limited

Chairman & Managing Director
DIN: 00026524

Avantel Limited

CIN - L72200AP1990PLC011334

Registered Office
Plot No. 47/P, APIIC Industrial Park
Gambheeram (V), Anandapuram (M)
Visakhapatnam - 531 163 A.P.
Tel : +91-891-2850000
Fax : +91-891-2850004

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

www.avantel.in
info@avantel.in

Notes to the Statement of Consolidated financial Results

1. The financial results of the company have been prepared in accordance with Indian Accouting Standards (Ind AS) notified under the companies (Indian Accouting standards) Rules, 2015 as amended by the companies (Indian Accouting standards) (Amendment) rules,2016.
2. Since the principal customer of the company is an organisation that is controlled by the Government of India, the company has been assured of its Receivables and has not made any provision for loss allowance in the past and as on date. Hence the company has concluded that no provision for loss allowance needs to be made as on September 30, 2024. The company will reassess the model periodically and make the necessary adjustments for loss allowance if any, on case to case basis if required.
3. The Consolidated finacial results are reviewed by the Statutory Auditores of the Company as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
4. In the Consolidated financial results Employee benefit Expenses include Rs. 367.48 Lakhs on account of ESOP, 2023 for the quarter ending September 30, 2024 and Rs. 731.88 Lakhs for the half year ending Septmber 30, 2024.
5. The aforementioned results are reviewed by the Audit Committee of the Board and susequently taken on record by the board of directors at its meeting held on October 5, 2024.
6. Figures for the previous year/period have been regrouped / reclassified where ever necessary to confirm to the current year's / period's presentation .
7. The results for the quarter and half-year ended September 30, 2024 are also available on the Bombay Stock Exchange and National Stock Exchange website and on the Company's website.

for Avantel Limited

Place: Hyderabad
Date : October 5, 2024

(A Vidyasagar)
Chairman & Managing Director
DIN: 00026524

Avantel Limited
Registered Office
Plot No. 47/P, APIIC Industrial Park
Gambheeram (V), Anandapuram (M)
Visakhapatnam - 531 163 A.P.
Tel : +91-891-2850000
Fax : +91-891-2850004

Corporate Office
Plot No. 68 & 69, 4th Floor, Jubille 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
info@avantel.in

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

Independent Auditor's Report

To the Members of Avantel Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Avantel Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by theCompanies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

Key Audit Matter	Auditor's Response
Fair value assessment of trade receivables Trade receivables comprise a significant portion of the liquid assets of the Company. The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.	***Principal Audit Procedures*** 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: • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. 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. We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.
Revenue recognition 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. The accuracy and of revenue amounts recorded is an inherent industry risk Disclosures relating revenue recognition are in Note 24.	***Principal Audit Procedures*** Our audit procedures in respect of this area included: We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams Testing controls over software product sales including: – documentation evidencing internal and third party physical inspection and confirmation of complete status; We evaluated the adequacy of the disclosures included in Note 24.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Information Other than the Financial Statementsand Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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 with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

GRANDHY & CO. * Hyderabad * CHARTERED ACCOUNTANTS

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 40 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. As stated in Note 43 to the standalone financial statements:

(a) the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Naresh Chandra Gelli
Partner
Membership No. 201754

UDIN: 24201754BKCNNK7000

Place : Hyderabad
Date : April 25, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Avantel Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31 March 2024, based on the internal control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Naresh Chandra Gelli
Partner
Membership No. 201754

UDIN: 24201754BKCNNK7000

Place : Hyderabad
Date : April 25, 2024

Annexure "B" to the Independent Auditor's Report

(Referred to in Paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of Avantel Limited of even date)

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.

(c) Based on our examination of registered sale deeds and other documents, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) The Company is sanctioned working capital limits in excess of Rs.5 Crore from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. During the year, the Company has made investments in a company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(a) During the year, the Company has not provided loans or advances in the nature of loans or stood grarantee or provided security to any other entity.

(b) In our opinion, the investments made during the year are, prima facie, not prejudicial to

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

the Company's interest.

(c) The Company has not granted any loans and advances in the nature of loans. Hence reporting under clause 3(iii)(c),(d),(e) and (f) of the order is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company as prescribed under subsection (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which the amount Relates	Amount Rs. Lakhs
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment year 2022-23 (Previous year 2021-22)	219.05

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

ix. a) The Company has not defaulted in repayment of loans taken from the banks. The Company has not taken loans from financial institutions and Government.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(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

GRANDHY & CO. CHARTERED ACCOUNTANTS Hyderabad 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.

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a) There is no amount to be spent for other than ongoing projects towards Corporate Social Responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) The Company does not have ongoing projects relating to CSR. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

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

Naresh Chandra Gelli
Partner
Membership No. 201754

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

UDIN: 24201754BKCNNK7000

Place : Hyderabad
Date : April 25, 2024

Avantel Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
Income				
i)	Revenue From Operations	24	22,391.75	15,426.73
ii)	Other Income	25	130.10	47.41
	Total Income		22,521.85	15,474.15
Expenses				
i)	Cost of materials consumed	26	7,723.32	7,658.31
ii)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(77.61)	(1,381.74)
iii)	Employee benefits expense	28	3,411.05	1,665.45
iv)	Manufacturing Expenses	29	1,468.27	1,186.94
v)	Research and Development Expenses	30	223.17	704.51
vi)	Selling and Distribution Expenses	31	368.07	226.32
vii)	Depreciation and amortization expense	32	706.07	515.65
viii)	Finance Cost	33	417.42	486.08
ix)	Administrative & Other Expenses	34	834.79	419.65
	Total expenses		15,074.53	11,481.19
Profit/(loss) before exceptional items and tax			7,447.31	3,992.96
	Exceptional Items			
Profit Before Tax			7,447.31	3,992.96
	Tax Expenses		1,902.22	989.37
	-Current Tax		1,956.66	1,023.24
	-Prior Period Adjustments		12.32	10.56
	-Deferred Tax		(66.75)	(44.44)
Profit/(loss) for the period from continuing operations			5,545.09	3,003.59
	Profit/(loss) from discontinued operations		-	-
	Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations after tax			-	-
I	Profit/(loss) for the Period		**5,545.09**	**3,003.59**
II	**Other Comprehensive Income**			
	i) Items that will not be reclassified to profit or loss			
	Remeasurment of defined benefit plan		**(50.51)**	**(40.08)**
	Tax on the above		**13.75**	**14.73**
			(36.76)	**(25.34)**
	ii) Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income		**(36.76)**	**(25.34)**
III	**Total Comprehensive Income for the period**		**5,508.33**	**2,978.25**
IV	**Earnings per equity share :**			
	Equity Shares of par value ₹ 2/- each			
	(1) Basic (₹)		**2.28**	**1.23**
	(2) Diluted (₹)		**2.26**	**1.23**

per our report of even date
for **GRANDHY & CO**
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

GRANDHY & CO. CHARTERED ACCOUNTANTS Hyderabad

A.VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N .NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D Rajasekhara Reddy
Company Secretary
M No. A61938

Place: Hyderabad
Date: 25.04.2024

Avantel Limited

Standalone Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	3,891.61	2,374.78
(b) Capital work-in-progress	3	1,591.67	865.59
(c) Right-to-use Asset	4	525.00	179.64
(d) Financial Assets			
(i) Investments	5	1,699.95	1,175.00
(ii) Others	6	275.49	185.85
(e) Deferred tax Assets (net)	7	17.37	-
Current Assets			
(a) Inventories	8	4,581.67	4,418.32
(b) Financial Assets			
(i) Trade Receivables	9	6,410.32	3,973.95
(ii) Cash & Cash Equivalents	10	10.62	0.45
(iii) Bank Balances other than (iii) above	11	1,217.55	100.60
(iv) Others (Int accrued on employee loans & term deposits)	12	60.01	14.95
(c) Current Tax Assets (Net)	13	2.31	2.25
(d) Other Current Assets	14	2,013.74	2,088.64
Total Assets		22,297.33	15,380.01
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	4,865.45	1,621.86
(b) Other Equity	16	12,275.94	9,566.17
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease Liabilities	17	600.16	244.08
(b) Provisions	18	60.89	62.00
(c) Deferred Tax Liability (Net)	7	-	50.42
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,150.39	2,790.34
(ii) Trade payables	20		
(a) Total outstanding dues of Micro enterprises and small enterprises		442.44	264.62
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		141.34	34.02
(iii) Other Financial Liabilities	21	1,651.38	353.54
(b) Current Tax Liabilities (Net)	22	824.33	173.70
(c) Other current liabilities	23	285.01	219.27
Total Equity and Liabilities		22,297.33	15,380.01
Significant Accounting Policies	1		

per our report of even date
for Grandhy & Co
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

GRANDHY & CO. CHARTERED ACCOUNTANTS Hyderabad

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D Rajasekhara Reddy
Company Secretary
M No. A61938

Place: Hyderabad
Date: 25.04.2024

Avantel Limited
Standalone Cash Flow Statement For The Year Ended March 31, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	7,447.31	3,992.96
Discontinued operations	-	-
Profit before income tax including discontinued operations	7,447.31	3,992.96
Adjustments for		
Depreciation and amortization expense	706.07	515.65
Gain on disposal of property, plant and equipment	-	-
Written off assets	7.18	3.29
Dividend and interest income classified as investing cash flows	(66.20)	(11.77)
Finance costs	417.42	486.08
Employee Compensation Expenses(ESOP)	607.20	
Other Comprehensive Income	(50.51)	(40.08)
	9,068.47	4,946.14
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/decrease in trade receivables	(2,436.38)	(358.28)
(Increase)/decrease in inventories	(163.35)	(2,749.85)
(Increase)/decrease in other financial assets	(45.07)	18.89
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	74.90	(516.01)
Increase /(decrease) in trade payables	285.14	229.78
Increase/(decrease) in provisions	(1.11)	39.91
Increase/(decrease) in other current liabilities	65.74	136.41
Increase/(decrease) in financial liabilities	1,297.85	(448.97)
Increase/(decrease) in other non current liabilities	-	-
Cash generated from operations	8,146.19	1,298.04
Income taxes paid	(1,316.45)	(853.14)
Net cash inflow from operating activities	6,829.74	444.90
Cash flows from investing activities		
Payments for property, plant and equipment	(2,191.48)	(600.34)
Increase in Capital Work in Progress	(726.08)	(164.76)
Increase in Term deposits	(1,206.60)	162.53
Proceeds from sale of property, plant and equipment	33.49	-
Increase in Investments	(524.95)	(675.00)
Interest received	66.20	11.77
Net cash outflow from investing activities	**(4,549.41)**	**(1,265.80)**
Cash flows from financing activities		
Increase/(decrease) in borrowings	(1,639.95)	1,503.69
Interest paid	(371.89)	(456.05)
Payment of lease obligations	(96.14)	(64.41)
Dividends paid to Company's share holders	(162.18)	(162.18)
Net cash inflow (outflow) from financing activities	**(2,270.16)**	**821.04**
Net increase (decrease) in cash and cash equivalents	**10.17**	**0.13**
Cash and cash equivalents at the beginning of the financial year	0.45	0.32
Effects of exchange rate changes on cash and cash equivalents	-	
Cash and cash equivalents at end of the year	**10.62**	**0.45**

per our report of even date
for GRANDHY & CO
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

A SARADA
Whole-Time Director & CFO

D Rajasekhara Reddy
Company Secretary
M No. A61938

Place: Hyderabad
Date: 25.04.2024

Avantel Limited

Standalone Statement of Changes in Equity for the period ended 31.03.2024

A Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Equity Shares	8,10,89,860	1,621.80	40,54,493	405.45
Changes in Equity Share Capital during the year	16,21,79,720	3,243.59	1,21,63,479	1,216.35
Add: Forfieted Shares (Amount originally paid up)		0.06		0.06
Closing balance	**24,32,69,580**	**4,865.45**	**1,62,17,972**	**1,621.86**
During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).				

B Other Equity as at March 31, 2024

(₹ in lakhs)

	Share application money pending allotment	Share Based Payment Reserve	Reserves and Surplus				Total
			General Reserve	Capital Reserve	Security Premium	Retained Earnings	
Balance at the beginning of the reporting period	-	-	-	-	0.24	9,565.93	9,566.17
Changes Duirng the Year	-	607.20	-	-	-	-	607.20
Total comprehensive income for the year	-	-	-			5,508.33	5,508.33
Dividend	-	-	-	-	-	(162.18)	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes: Capitalisation of Profits by giving Bonus Shares	-	-				(3,243.59)	(3,243.59)
Balance at the end of the reporting period	-	607.20	-	-	0.24	11,668.49	12,275.94

B. Other Equity as at March 31, 2023

(₹ in lakhs)

	Share application money pending allotment	Share Based Payment Reserve	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 Duing the Year	-	-	-	-	-	-	-
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

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Avantel Limited

Note 1: NOTES TO STANDALONE FINANCIAL STATEMENTS

COMPANY OVERVIEW AND MATERIAL ACCOUNTING POLICIES:

A. Company Overview

Avantel Limited is a company engaged in manufacturing of wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development and rendering related customer support services and having an in-house R&D facility at Vishakhapatnam, Andhra Pradesh. The Company is incorporated and domiciled in India and has its registered office at 141, Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Vishakhapatnam Andhra Pradesh, India. The Company has been in Bombay Stock Exchange (BSE).

The Standalone Financial Statements are approved by the Board of Directors on April 25, 2024.

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

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied, except in cases where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard necessitates a change in the previously used accounting policy. The material accounting policy information used in preparing the audited financial statements has been disclosed below.

C. **Basis of Measurement**

These Standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which have been measured at fair value as per Ind AS. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the company and the normal time between acquisition of assets/liabilities and their realization/settlement in cash or cash equivalent. The company has determined its

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

operating cycle as 12 months for the purpose for the purpose of classification of its assets and liabilities as current and non-current.

The Standalone financial statements are presented in Indian Rupees (INR) being the functional currency of the Company.

D. Use of Estimates

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

MATERIAL ACCOUNTING POLICIES-

E. Revenue of Recognition:

The Company earns revenue primarily from manufacturing of wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development and rendering related customer support services.

Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of GST, returns, rebates and discounts.

Sale of products - (own manufactured). Revenue is recognized when the significant risks and rewards of ownership of the products have passed to the buyer, which is considered to be upon delivery under the contractual terms, and when the amount of revenue can be measured reliably.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it obtains control of the specified goods or services before they are transferred to the customer. The Company considers whether it is primarily responsible for fulfilling the promise to provide the specified goods or services, inventory risk, pricing discretion and other factors to determine whether it controls the specified goods or services and therefore, is acting as a principal or an agent.

Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Interest income is recognized using the effective interest rate method.

F. **Property Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of GST, if any and subsequently at cost less depreciation and impairment losses if any.

Depreciation on all assets is provided on the "Straight Line Method" over the useful lives of the assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. Individual low-cost assets (acquired for Rs. 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase.
The Management estimates the useful lives for fixed assets as follows:

(i) Buildings -- 20 Years
(ii) Computers -- 3 Years
(iii) Furniture & Fixtures -- 5 Years
(iv) Plant & Machinery -- 4 Years
(v) Vehicles -- 4 Years
(vi) Leasehold improvements – amortized over the period of lease.

GRANDHY & CO. * Hyderabad * CHARTERED ACCOUNTANTS

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

G. Inventories

Inventories are valued at lower of cost or net realizable value.
Basis of determination of cost remain as follows:

(i) Raw Materials, Packing materials, Stores & Spares: - On FIFO basis.
(ii) Work-in-process: At cost of inputs plus overheads up to the stage of completion.
(iii) Finished goods are valued at lower of cost or net realizable value.

H. Impairment:

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

I. Foreign Exchange Transactions/Translation

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs)

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit &Loss in the period in which they arise. The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

J. Research and Development

All expenses incurred for Research & Development are charged to revenue as incurred. Capital Expenditure incurred during the year on Research & Development is shown as additions to Fixed Assets.

K. Provisions, Contingent Assets/ Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Show cause notices issued by Government Authorities where the probability of outflow of economic resources is remote are not considered as obligations. When the demands are raised against show-cause notices and are disputed by the company, these are treated as disputed obligations 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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

M. <u>Income Tax:</u>

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

GRANDHY & CO * Hyderabad * CHARTERED ACCOUNTANTS 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.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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.

Avantel Limited

Notes to accounts for the year ended March 31, 2024

Note: 2 Property, Plant and Equipment

(₹ in lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block										
As at April 1, 2023	573.53	1,048.50	45.74	138.76	1,023.05	241.45	216.71	157.18	712.23	4,157.16
Additions			52.98	92.87	1,619.59	121.22	183.83	105.57	15.41	2,191.48
(Deduction/Adjustment) During the year					(16.37)			(39.16)		(55.53)
Gross Block As at March 31, 2024	573.53	1,048.50	98.72	231.63	2,626.27	362.67	400.54	223.59	727.65	6,293.11
Accumulated Depreciation										
As at April 1, 2023	-	284.45	45.74	78.44	547.89	155.70	141.06	90.90	438.20	1,782.38
Depreciation for the Year	-	57.35	2.67	21.07	279.54	69.33	36.55	31.63	146.61	644.74
(Deduction/Adjustments) During the year	-				(0.97)			(24.64)		(25.62)
Accumulated Depreciation As at March 31, 2024	-	341.80	48.41	99.50	826.45	225.03	177.61	97.88	584.81	2,401.50
Net Block										
As at March 31, 2024	573.53	706.71	50.31	132.13	1,799.82	137.64	222.93	125.71	142.84	3,891.61

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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)
Gross Block As at March 31, 2023	573.53	1,048.50	45.74	138.76	1,023.05	241.45	216.71	157.18	712.23	4,157.16
Depreciation/ Amortization										
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)
Accumulated Depreciation As at March 31, 2023	-	284.45	45.74	78.44	547.89	155.70	141.06	90.90	438.20	1,782.38
Net Block										
As at March 31, 2023	573.53	764.06	0.00	60.33	475.16	85.75	75.65	66.29	274.03	2,374.78

Note: 3. Capital Work-in-Progress (₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Project 2	Project 3	Project 4	Project 2	Project 3	Project 4
Capital Work-in-Progress (Construction of Buildings)						
Capital Work-in-Progress at the beginning of the reporting period	700.82	56.90	107.86	700.82		-
Add: Additions During the year	-	629.01	97.07	-	56.90	107.86
Less: Capitalised During the year	-	-	-	-	-	-
Capital Work-in-Progress (Construction of Buildings)	700.82	685.91	204.93	700.82	56.90	107.86

Capital Work-In-progress ageing Schedule for the year ending March 31, 2024 & March 31, 2023 (₹ in lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 Yr.	1-2 Years	2-3 Years	More than 3 Yr.	Total
March 31, 2024					
Projects in Process	-	890.85	700.82	-	1,591.67
Projects Temporarily Suspended	-	-	-	-	-
March 31, 2023					
Projects in Process	164.76	700.82	-	-	865.59
Projects Temporarily Suspended	-	-	-	-	-

Note: 4. Right-to-use Asset (₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right to Use Lease	586.34	221.10
Less: Depreciation	61.33	41.46
Total	525.00	179.64

Note: 5. Investments in Equity Instruments (₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in Subsidiaries at cost IMEDS Global Private Limited 1,69,99,499 (P.Y: 1,17,49,999) Equity Shares face value of Rs. 10/- each	1,699.95	1,175.00
Total	**1,699.95**	**1,175.00**

Aggregate amount of un-quoted Investments	**1,699.95**	**1,175.00**
Aggregate amount of impairment in value of investment	-	

Note: 6. Other Financial Assets Non Current (₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good) In Margin Money/ Deposit A/c with original maturity of more than one year	275.49	185.85
Deposits	-	-
Total	**275.49**	**185.85**

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note:7. Deferred Tax Assets/(Liabilities) (₹ in lakhs)

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability		
Property, plant and equipment	(24.85)	(89.76)
Lease Asset	(132.13)	(52.31)
Sub Total	**(156.99)**	(142.07)
Deferred tax Assets		
Lease Liability	151.05	71.08
Employee benefits	10.60	8.91
Remeasurment of defined benefit plan	12.71	11.67
Sub Total	**174.36**	91.66
Net Deferred Tax Assets/(Liabilities)	17.37	(50.42)

Movement in deferred tax balances during the year (₹ in lakhs)

Particulars	Balance As at April 01, 2023	Recognised in profit & loss	Recognised in OCI	Balance As at March 31,2024
Property, plant and equipment	(89.76)	64.91		(24.85)
Employee benefits	8.91	1.69		10.60
Lease Liability	71.08	79.97		151.05
Lease Asset	(52.31)	(79.82)		(132.13)
Remeasurment of defined benefit plan	11.67	1.04		12.71
Total	**(50.42)**	**67.79**	-	**17.37**

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
Total	**(97.92)**	**47.50**	-	**(50.42)**

Unrecognised Deferred tax assets

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

Particulars	As at March 31, 2024	As at March 31, 2023
Deductible temporary differences	-	-
Tax losses	-	-
Total	-	-

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 8. Inventories		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials		
- Indigenous	1,051.76	1,367.83
- Imported	1,617.81	1,216.00
Work in Progress	1,912.10	1,834.49
Total	4,581.67	4,418.32

Note: 9. Trade Receivables Current		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade Receivables Considered Good - Good	6,410.32	3,973.95
b) Trade Receivables which have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
Total	6,410.32	3,973.95

Trade Receivable ageing Schedule for the year ending March 31, 2024 & March 31, 2023 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Yr.	Total
March 31, 2024							
(i) Undisputed Trade Receivable - Considered Good	4,903.45	1,504.81	2.07				6,410.32
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	4,903.45	1,504.81	2.07	-	-	-	6,410.32
March 31, 2023							
(i) Undisputed Trade Receivable - Considered Good	3,470.88	503.07			-	-	3,973.95
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	3,470.88	503.07	-	-	-	-	3,973.95

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

Note: 10. Cash & Cash Equivalents		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.73	0.45
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	9.89	-
(b) in Cash Credit Account	-	-
Total	10.62	0.45

Note: 11. Bank Balances other than above		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
For Unpaid Dividend	16.04	15.74
As Margin money/under lien	923.00	-
In term deposit with original maturity more than 3 months but less than 12 months	278.52	84.86
Total	1,217.55	100.60

Note: 12. Other Financial Assets Current		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
Accrued Interest	60.01	14.95
Total	60.01	14.95

Note: 13. Current tax Assets		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax (Net)	2.31	2.25
TDS and TCS (Net)	-	-
Total	2.31	2.25

Note: 14. Other Current Assets		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
Prepaid Expenses	121.12	70.39
Advance to Suppliers	696.19	441.18
Other Advances	139.99	176.42
Balances with GST Department	140.96	314.69
Balance with GST credit ledger	915.48	1,085.96
Total	2,013.74	2,088.64

Note: 35. Equity Shares		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
Ordinary shares of par value of Rs. 2/- (Previous year Rs. 10/-) each		
Number	30,00,00,000	2,00,00,000
Amount in Rs.	6,000.00	2,000.00
Issued, subscribed and fully paid		
Ordinary shares of par value of Rs.2/- (Previous year Rs. 10/-) each		
Number	24,32,69,580	1,62,17,972
Amount In `	4,865.39	1,621.80
Add Forfieted Shares (Amount originally paid up)	0.06	0.06
Total In `	4,865.45	1,621.86

Reconciliation of number of shares:		(₹ in lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Opening Equity Shares of par value of Rs.2/- (Previous year Rs. 10/-) each	8,10,89,860	40,54,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	16,21,79,720	1,21,63,479
Less: Deduction	-	-
Closing balance	24,32,69,580	1,62,17,972

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

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares @ Rs. 2/-	% of Total Shares	No of Shares @ Rs. 10/-	% of Total Shares
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900	18.85%
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764	7.82%
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688	6.37%
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996	6.20%
Smt K Swapna	99,65,385	4.10%	11,36,000	7.00%

No. of Shares in the company held by Promoters

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No of Shares @ Rs. 2/-	% of Total Shares	No of Shares @ Rs. 10/-	% of Total Shares
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900	18.85%
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764	7.82%
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688	6.37%
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996	6.20%
Sri Venkateswara Rao Abburi	21,97,200	0.90%	1,46,480	0.90%

During the year, the Company has approved to split/sub-division of equity shares of the Company by the shareholders by means of postal ballot through electronic means on July 31, 2023, such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs.2/- (Rupees Two only) each, fully paid-up. Accordingly, the authorised share capital of the Company was altered as Rs.20,00,00,000/- divided into 10,00,00,000 equity shares of Rs.2/- each and the paid-up and subscribed share capital of the Company was altered as Rs.16,21,79,720/- divided into 8,10,89,860 equity shares of Rs.2/- each.

Further, the Authorized Share Capital of the Company was increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.2/- (Rupees Two Only) each to Rs.60,00,00,000/- (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs.2/- (Rupees Two Only) each and consequential alteration in the Memorandum of Association of the Company as approved by the shareholders by means of Postal Ballot through electronic means, on November 11, 2023.

GRANDHY & CO.
Hyderabad
CHARTERED ACCOUNTANTS

During the current year, the company has issued 16,21,79,720 Equity Shares of Rs. 2/- each as fully paid-up bonus shares representing a ratio of 2 (Two) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of profit and loss account pursuant to a bonus issue approved by the Shareholders by means of Postal Ballot through electronic means, on November 11, 2023. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

The Company has one class of share capital, comprising ordinary shares of Rs. 2/- (Previous year Rs. 10/-) each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

The Company does not have any holding Company.

Note: 16. Other Equity (₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Redemption Reserve		
Opening balance	-	109.82
Add: Current Year Transfer	-	-
Less: Written Back in Current Year		109.82
Total	-	-
Secutities Premium Reserve		
Opening balance	0.24	79.30
Add: Current Year Transfer	-	-
Less: Written Back in Current Year		79.06
Total	0.24	0.24
General Reserve		
Opening balance	-	345.98
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	345.98
Total	-	-
Share Based Payment Reserve		
Opening balance	-	-
Add: Current Year Transfer	607.20	
Total	607.20	-
Surplus in Profit and Loss account		
Opening balance	9,565.93	7,431.35
Add: Current Year Transfer		
Profit and loss account	5,508.33	2,978.25
Less: Dividend Paid	(162.18)	(162.18)
Less: Capitalisation of Profits	(3,243.59)	(681.48)
Total	11,668.49	9,565.93
Total Other Equity	12,275.94	9,566.17

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, 2024	As at March 31, 2023
Lease Liability	600.16	244.08
Total	600.16	244.08

Note: 18. Provisions Non Current (₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	60.89	62.00
Total	60.89	62.00

Note: 19. Borrowings Current (₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i)Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured*	1,150.39	2,790.34
(b)From Other parties	-	-
(iii) Deposits	-	-
Total	1,150.39	2,790.34

*

a) Open Cash Credit from Canara Bank is secured by way of Primary security of hypothecation of Stocks, Book debts and Collateral Security of Plant & Machinery, other fixed assets of the company and Land and Buildings situated at Plot No. 47, Survey No. 141, APIIC Industrial Park, Gambheeram (V), Visakhapatnam and personal guarantee of the Managing Director of the Company and the rate of interest @11.75% p.a.

b) The Carrying amount of Current and Non-current assets pledged as primary and collateral security for current borrowings are disclosed in Note No.49.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 20. Trade Payable Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables Due to Micro and Small Enterprises (MSME)	442.44	264.62
Trade Payables Due to Others	141.34	34.02
Total	583.78	298.64

(₹ 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
March 31, 2024						
(i) MSME	442.44	-	-	-	-	442.44
(ii) Others	141.34	-	-	-	-	141.34
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	583.78	-	-	-	-	583.78
March 31, 2023						
(i) MSME	264.62	-	-	-	-	264.62
(ii) Others	34.02	-	-	-	-	34.02
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	298.64	-	-	-	-	298.64

Note: 21. Other Financial Liabilities Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Liability for Expenses	38.56	35.43
Employees salaries and other payables	497.37	272.63
Unpaid Dividend	16.04	15.74
Advance from Customers	1,099.42	29.74
Total	1,651.38	353.54

Note: 22. Provisions Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (Net)	824.33	173.70
Total	824.33	173.70

Note: 23. Other Liabilities Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Statutory dues Payable	285.01	219.27
Total	285.01	219.27

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 24. Revenue From Operations

Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers"

A. (i) Contract with Customers

(a) Company has recognized the following revenue during the year from contracts with its customers

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products		
Domestic	21,842.93	14,998.06
Export	1,953.46	630.11
Sale of Services		
Domestic	1,179.08	1,342.36
Export	64.53	252.64
Scrap Sales	21.56	5.06
Less: GST	2,669.82	1,801.50
Total	**22,391.75**	**15,426.73**

(b) Company has recognized the Rs Nil as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

(ii) Contract Balances

(a) Receivables

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	3,973.95	3,615.67
Addition/deduction during the year	2,436.38	358.28
Closing Balance	6,410.32	3,973.95

(b) Contract Assets

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Such assets are Rs Nil.

During the year company has recognized revenue of Rs. Nil(P.Y. Rs Nil) from the performance obligations satisfied in earlier periods.

The company has made the adjustment of Rs Nil (P.Y.Rs.Nil) in the revenue of ₹ 22,391.75 Lakhs(P.Y. ₹15,426.73 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of ₹ 22,391.75 (P.Y. ₹15,426.73 Lakhs).

(c) Contract Liabilities

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities". The balances are Rs Nil

(d) Practical expedients

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

B. Significant judgements in the application of this standard
(i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services. (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.). (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

C. Assets Recognised from costs to obtain or fulfill a contract with a customer
The costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

Note: 25. Other Income (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	66.20	11.77
Miscellaneous Receipts	7.52	-
Fluctuation In Foreign Currency	56.38	35.64
Total	**130.10**	**47.41**

Note: 26. Cost of Materials Consumed (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of materials consumed		
Indigenous		
Indigenous(Opening Stock)	1,345.46	532.71
Purchase	3,667.44	4,186.87
Sub Total	**5,012.90**	**4,719.57**
Indigenous(Closing Stock)	(1,041.58)	(1,345.46)
Cost of Raw Materials Consumed	**3,971.32**	**3,374.11**
Imported		
Imported(Opening Stock)	1,192.67	415.88
Purchase	4,174.47	5,060.99
Sub Total	**5,367.14**	**5,476.86**
Imported(Closing Stock)	(1,615.14)	(1,192.67)
Cost of Raw Materials Consumed	**3,752.00**	**4,284.20**
TOTAL	**7,723.32**	**7,658.31**

Note: 27. Changes in Inventory (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Changes in inventories of finished goods and work-in-progress		
Opening Balance	1,834.49	452.75
Closing Balance	(1,912.10)	(1,834.49)
Net (Increase) /Decrease	**(77.61)**	**(1,381.74)**

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 28. Employees' Benefit Expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	1,935.01	1,141.95
Directors Remuneration	581.90	360.52
Bonus	10.08	6.37
Leave Encashment, Exgratia & Gratuity	53.10	38.77
Training & Recruitment	39.75	15.43
Contribution to P.F. and other Funds	44.75	28.26
Staff welfare Expenses	139.26	74.15
Employee Compensation Expenses (ESOP)	607.20	-
TOTAL	3,411.05	1,665.45

Note: 29. Manufacturing Expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Jobwork Charges	441.00	495.32
Power and fuel	150.39	81.62
Consumption of stores and spare parts	41.31	43.88
Freight Inwards	38.30	34.72
Repairs & Maintenance - Plant & Machinery	135.33	75.48
Testing Charges	98.22	81.64
Installation & Commissioning Charges	74.82	49.19
Man power hire charge	417.68	231.66
Travelling	47.13	42.39
Other Manufacturing Expenses	24.09	51.06
TOTAL	1,468.27	1,186.94

Note: 30. Research and Development Expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of materials consumed	55.12	321.90
Salaries	135.80	332.73
Repairs & Maintenance	3.47	-
Professional & Consultancy Charges	28.77	35.40
Job Work & Other Expenses	0.02	14.48
TOTAL	223.17	704.51

Note: 31. Selling and Distribution Expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight Outwards	48.41	33.05
Packing Materials	33.60	34.51
Business Promotion	19.42	11.14
Travelling Expenses	55.30	14.94
Warranty Expenses	0.43	14.64
Customer Support Expenses	152.49	117.90
Insurance	3.40	0.15
Marketing Support Expenses	55.01	-
TOTAL	368.07	226.32

Note: 32. Depreciation And Amortization Expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation / Amortization for the year		
Depreciation on PPE	644.74	474.20
Depreciation on Right-to-use Assets	61.33	41.46
TOTAL	**706.07**	**515.65**

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 33. Finance Cost		(₹ in lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	282.50	388.93
Bank Charges	89.39	67.12
Interest on Lease Liability	45.53	30.02
TOTAL	417.42	486.08

Note: 34. Administrative & Other Expenses		(₹ in lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs & Maintenance		
Plant & Machinery and Others	7.22	5.80
Vehicles	27.41	19.25
Computers	7.53	5.75
Buildings	201.56	94.33
Rent, Fees,Taxes & Licenses	110.60	41.83
Insurance	7.20	9.46
Couriers,Telephones and others	19.90	16.62
Printing & Stationery	11.62	8.64
Payment to Auditors	4.00	4.10
Professional & Consultancy Charges	25.53	27.90
Travelling & Conveyance	18.42	22.49
Secretarial Expenses	79.47	27.83
Watch & Ward	35.55	24.95
Sitting Fee	9.40	5.40
Bad Debts written off	7.18	3.29
Office Maintenance	43.08	35.35
Donations	105.15	4.00
CSR Expenses	54.40	48.38
Miscellaneous Expenses	59.55	14.28
TOTAL	834.79	419.65

(i)Amount paid to auditors'		(₹ in lakhs)
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
As Auditor	4.00	3.25
For Taxation Matters/Tax Audit	-	
For Other Services	-	0.10
For Reimbursement of Expenses	-	0.75
TOTAL	4.00	4.10

Note: 35. Income Tax		(₹ in Lakhs)
A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:		
Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	7,447.31	3,992.96
Enacted Tax rates for the financial year	25.17%	29.12%
Expected tax expense (A)	1,956.66	1,023.24
Tax effect on allowable items (B)	(12.71)	(11.67)
Tax effect on disallowable items (C)	-	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	-	-
Interest on income tax for the year	-	-
Current tax for the year	1,943.95	1,011.57
Tax credits allowable	-	-
Deferred tax for the year	(67.79)	(47.50)
Tax expense of earlier years adjusted	12.32	10.56
Net tax expense for the year	1,888.47	974.64

Note: 36. Employee Benefits (₹ in Lakhs)

a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of ` 46.53 Lakhs (Previous year ` 35.02 Lakhs) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.

b) **Leave Encashment:** The company accumulates of compensated absences by certain categories of its employees for one year. These employees reeceive 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 Insutrance Corporation of India (LIC).
Company makes annual contribution to the Fund based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit (PUC) Actuarial Cost Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2024 are as follows:

I. Change in Defined Benefit obligation :	As at March 31, 2024	As at March 31, 2023
Defined Benefit obligation as at the beginning	259.81	201.15
Interest Cost	19.42	14.32
Current Service Cost	29.53	21.14
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experiance Assumptions	37.17	39.62
Defined Benefit obligation as at the end	**352.28**	**259.81**

II. Change in Fair value of plan assets	As at March 31, 2024	As at March 31, 2023
Fair value of Plan Assets at the beginning	189.10	170.96
Interest Income	17.19	12.91
Employer Contributions	82.06	22.09
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - Return on Assets (Excluding Interest)	(5.12)	(3.64)
Fair value of planned assets at the end	281.36	189.10

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

III. Components of Defined Benefit Cost:	As at March 31, 2024	As at March 31, 2023
Current Service Cost	29.53	21.14
Total Net Interest cost	2.23	1.41
Defined Benefit Cost Included in Profit & Loss	**31.75**	**22.54**
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experience Assumptions	37.17	39.62
Remeasurements - Return on Assets (Excluding Interest)	5.12	3.64
Total Remeasurements in OCI	**50.51**	**40.08**
Total Defined Benefit Cost recognized in Profit & Loss and OCI	**82.27**	**62.62**

IV. Amounts recognized in the Statement of Financial Position	As at March 31, 2024	As at March 31, 2023
Defined benfit Obligagtion	352.28	259.81
Fair value of Plan Assets	281.36	183.55
Funded Status	70.92	76.27
Net Defined Benefit Liability/(Asset)	70.92	76.27
Of which Short Term Liability	57.33	42.87

V. Net Defined Benefit Liability /(Asset) Reconciliation	As at March 31, 2024	As at March 31, 2023
Net Defined Benefit Liability/(Asset) at the beginning	70.71	30.18
Defined Benefit Cost Included in Profit & Loss	31.75	22.54
Total Remeasurement included in OCI	50.51	40.08
Employer Contributions	(82.06)	(22.09)
Credit to Reimbursements/Expenses Adjustment		
Net Defined Benefit Liability/(Asset) at the end	70.92	70.71

VI. Principal Assumptions	As at March 31, 2024	As at March 31, 2023
Discounting Rate	**7.23%**	**7.50%**
Salary Escalation Rate	**3.00%**	**3.00%**
The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.		

GRANDHY & CO. ★ CHARTERED ACCOUNTANTS ★ Hyderabad

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 comapny, Company's Directors, Members of the Company's Management Council and company secerntary 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. 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

D. Transaction with Related Parties

Particulars	Nature of Transaction	2023-2024	2022-2023
a) Key Managerial Personnel:			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commisson on Profits	239.36	129.40
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commisson on Profits	239.36	129.40
Mrs. Abburi Sarada	Rent	12.41	11.72
Mr. Abburi Siddhartha Sagar	Remuneration	36.77	36.00
Mr. D Rajasekhara Reddy	Salary	11.67	5.89
Mr. T Venkatesh	Salary	-	5.39
b) Non-Whole time Directors:			
Mr. Yalamanchili Kishore	Sitting Fee	2.10	1.30
Mr. Naveen Nandigam	Sitting Fee	2.10	1.50
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	1.40	1.30
Mr. Myneni Narayana Rao	Sitting Fee	2.00	1.00
Mr. V Ramachander	Sitting Fee	1.80	0.30
c) Transactions with Subsidaries:			
Imeds Global Private Limited	Equity Investment	524.95	675.00
Imeds Global Private Limited	Rent Received	1.18	-
d) Transactions with other Entities:			
Wiki Kids Private Limited	Rent Received	2.36	-
Lakshmee Foundation	CSR Funds	54.40	46.46
Lakshmee Foundation	Donation	95.60	-

Note: 38. Earnings per Share: (₹ in Lakhs)

Particulars		2023-2024	2022-2023
Profit/ (Loss) after Tax		5,545.09	3,003.59
The weighted average number of ordinary shares for			
Basic EPS	Nos	24,32,69,580	24,32,69,580
Diluted EPS	Nos	24,51,97,557	24,32,69,580
The nominal value per Ordinary Share	In ₹	2.00	2.00
Earnings per Share			
Basic	In ₹	**2.28**	**1.23**
Diluted	In ₹	**2.26**	**1.23**

Note: During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).

Note 39. Employee stock option plans (ESOP)

The Company instituted Avantel Employees Stock Option Plan-2023 (hereinafter referred to as "Avantel 2023 Plan") for all eligible employees pursuant to a resolution approved by the shareholders in the Extra-ordinary General Meeting held on November 11, 2023. The Nomination, Governance and Compensation Committee of the Board of the parent company (the "Committee") administers the Avantel 2023 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The company has established Avantel 2023 Plan with 38,95,300 equity shares.

The exercise price of the options is INR 50 per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March 2024 was INR 607.20 lacs (31 March 2023: INR Nil).

The expense recognised for employee services received during the year is shown in the following table:

	31-Mar-24	31-Mar-23
	INR lacs	INR lacs
Expense arising from equity-settled share-based payment transactions	607.20	-
Total expense arising from share-based payment transactions	**607.20**	-

There were no cancellations or modifications to the awards in year ending 31 March 2024 or 31 March 2023.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	31-Mar-24	31-Mar-23
	Number	Number
Options outstanding at the beginning of the year	-	-
Granted during the year	38,95,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Options outstanding at the end of the year	38,95,300	-
Exercisable at 31 March	38,95,300	

During the year a reserve was made towards outstanding of ESOPs and Share based payment expenses for the year ended 31 March 2024 of ₹ 607.20 lakhs (31 March 2023 - Rs. NIL).

The Weighted average grant date fair value of the options grated during the years ended 31 March 2024 was ₹ 127.00 per option .

The weighted average share price at the date of exercise of options exercised during the years ended 31 March 2024 was ₹ NIL (31 March 2023 – ₹ NIL) per share, respectively.

The aggregate intrinsic value of options exercised during the years ended 31 March 2024 and 31 March 2023 was ₹ NIL and ₹ NIL, respectively.

The following tables list the inputs to the models used for the three plans for the years ended 31 March 2024 and 31 March 2023, respectively:

Particulars	31-Mar-24	31-Mar-23
Weighted average fair values at the measurement date	INR 127.00	NA
Dividend yield (%)	-	NA
Expected Annualized Volatility (%)	56.87	NA
Risk-free interest rate (%)	7.10	NA
Expected life of share options(years)	6.00	NA
Weighted average share price (INR)	50.00	NA
Model used	Black-Scholes Method	NA

(₹ in Lakhs)

Note: 40. Contingent liabilities and commitments (to the extent not provided for)	2023-2024	2022-2023
Contingent liabilities		
Claims against the company not acknowledged as debt		
a) Claims against the company/disputed liabilities		
Income Tax	219.05	219.05
b) Guarantees		
Bank Guarantee	3,239.43	1,197.24
Total	3,458.48	1,416.29

Note: 41. Segmental Reporting :
The entire operations of the company relate to only one segment viz., Electronics & Communication and hence segmental reporting is not given.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 42. Financial Instruments- Fair Values and Risk Management

a) Financial Instruments by Categories

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Amount ₹ in Lakhs as of March 31, 2024

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash & Cash Equivalents	10.62	-	-	10.62	10.62
Trade Receivable	6,410.32	-	-	6,410.32	6,410.32
Deposits	1,477.00	-	-	1,477.00	1,477.00
Other Financial Assets	76.05	-	-	76.05	76.05
Liabilities:				-	-
Trade Payable	583.78	-	-	583.78	583.78
Borrowings	1,150.39	-	-	1,150.39	1,150.39
Other Financial Liabilities	1,651.38	-	-	1,651.38	1,651.38

Amount ₹ in Lakhs as of March 31, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:				-	-
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
Liabilities:					
Trade Payable	298.64	-	-	298.64	298.64
Borrowings	2,790.34	-	-	2,790.34	2,790.34
Other Financial Liabilities	353.54	-	-	353.54	353.54

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgements and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements).
The Company does not hold any equity investment and no financial instruments hence the disclosure are nil

Financial Risk Management:
The Company's activities expose to a variety of financial risks viz.,market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by Government Orders.

Management of Market Risk:
Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

GRANDHY & CO. ★ Hyderabad ★ CHARTERED ACCOUNTANTS

Foreign Currency Risks:

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD), for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2024 & March 31, 2023 is as follows:

Particulars	USD	EURO	USD	EURO
Financial Assets:	As at March 31, 2024		As at March 31, 2023	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	23,700.00	79,431.00	48,242.00	20,254.93
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
Financial Liabilities:	-	-		-
Trade Payable	1,66,283.00		34,789.31	-
Borrowings	-	-		-
Other Financial Liabilities	-	-	-	-

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company operations are with Government and allied companies and hence no issues credit worthiness. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

Credit risk exposure

An analysis of age-wise trade receivables at each reporting date is summarized as follows:

For the year ended March 31, 2024					(₹ in Lakhs)
Paticulars	**Gross Carrying Amount**	**Less than one year**	**More than one year**	**More than two year**	**More than three year**
Gross Carrying Amount	6,410.32	6,410.32		-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	6,410.32	6,410.32	-		-
For the year ended March 31, 2023					(₹ in Lakhs)
Paticulars	**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	-	-	-

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 commited 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)
Paticulars	**Gross Carrying Amount**	**Less than one year**	**More than one year**	**More than two year**	**More than three year**
As on March 31 2024					
Trade Payables	583.78	583.78	-	-	-
Other Financial liabilities	1,651.38	1,651.38	-	-	-
As on March 31 2023					
Trade Payables	298.64	298.64	-	-	-
Other Financial liabilities	353.54	353.54	-	-	-

Note: 43. Capital Management

The objective of the company when managing capital are to

- to safegaurd 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	**2023-2024**	**2022-2023**
(i)Equity Shares		
Final Dividend for the year March 31 2023 ` 1/- per share (March 31 2022 ` 4/-) per share of ` 10/- eash	162.18	162.18
(ii) Dividends not recognised at the end of the reporting period		
The directors recommend for the payment of ` 0.20 per equity share of ` 2/- each for the year March 31, 2024 (March 31 2023 ` 1/- per share of ` 10/- each), The proposed dividend is subject to the approval of Share holders in the general meeting.	486.54	162.18

Note: 44. Consumption Of Raw Materials:				(₹ in Lakhs)
Raw Material	2023-2024		2022-2023	
	%	(₹ in Lakhs)	%	(₹ in Lakhs)
Indigenous	51.36	3,961.36	44.06	3,374.11
Imported	48.64	3,752.00	55.94	4,284.20
TOTAL	100.00	7,713.36	100.00	7,658.31

Note: 45. Value of Imports (Calculated in CIF Value): (₹ in Lakhs)

Particulars	2023-2024	2022-2023
Materials	4,157.84	5,117.04
Capital Equipment	170.91	90.48
Total	4,328.75	5,207.53

Note: 46. Expenditure in Foreign Currencey:		(₹ in Lakhs)
Particulars	2023-2024	2022-2023
Purchases (Imports)	4,177.52	5,121.91
Foreign Travel	46.75	2.46
Total	4,224.26	5,124.36

Note: 47. The disclosure relating to transactions with Micro, Small and Medium Enterprises

Sundry Creditors includes ₹442.44 (previous year ₹ 264.62) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note: 48. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the appicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare and women empowerment has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2023-24 & 2022-23 are as under:

		(₹ in Lakhs)
Particulars	2023-2024	2022-2023
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	8,145.11	5,470.18
Average of net profits	2,715.04	1,823.39
(i) Amount required to be spent by the Company during the year	54.30	36.47
(ii) Amount spent towards CSR Activities	54.40	48.38
(iii) Shortfall at the end of the year	-	-
(iv) Reasons for Short fall	Not Applicable	
(v) Nature of CSR Activities		
Eradication of hunger and malnutrition, Promoting Education, Healthcare and Women empowerment.		
(vi) Details of related party transactions	54.40	46.46

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

Note 49. Assets Pledged as Security:		(₹ in Lakhs)
The Carrying amount of assets pledged as security for current borrwings:		
Partuculars	**2023-2024**	**2022-2023**
Current:		
Financial Assets:		
First Charge (Primary Security)		
Trade Receivable	6,410.32	3,973.95
Non-Financial Assets:		
Inventories	4,581.67	4,418.32
Total Current Assets Pledged as Primary Security	**10,991.99**	**8,392.26**
Non-Currrent Assets (Collateral Security)		
Land	105.23	105.23
Plant Machinery	1,799.82	475.16
Other Fixed Assets	1,518.26	1,326.09
Total Non-Current Assets Pledged as Collateral Security	**3,423.31**	**1,906.48**
Total Assets Pledged as Primary & Collateral Seurity	**14,415.30**	**10,298.75**

GRANDHY & CO. CHARTERED ACCOUNTANTS Hyderabad

Note No. 50. Analytical Ratios

Ratio	Numerator	Denominator	Current Year March 31, 2024	Previous Year March 31, 2023	Variance	Reasons
Current ratio (in times)	Total current Assets	Total current liabilities	3.18	2.76	15%	
Debt-equity ratio (in times)	Long term liabilities+short term borrowings	Total equity	0.07	0.25	-73%	The Company utilied the internal accruals for the working capital requirements
Debt service coverage ratio (in times)	Earnings before debt service = Net profit after taxes + non cash operating expenses + Interest + Other non cash adjustments	Debt service = Interest + principle repayments	20.33	9.56	113%	The Company utilied the internal accruals for the working capital requirements
Return on equity ratio (in %)	Profit for the year	Average total equity	39.15%	30.71%	27%	
Inventory turnover ratio (in times)	Revenue from operations	Average total inventory	4.98	5.07	-54%	Effective utilisation of Raw Material
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.31	4.07	6%	
Trade payables turnover ratio (in times)	Raw material purchaes + Fuel purchase+Other expenses	Average trade payables	17.77	50.33	-65%	Proper payment of Trade payables
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie., Total curmet asstes less Total current liabilities)	2.28	2.28	0%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	24.76%	19.47%	27%	
Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	36.46%	28.65%	27%	
(k) Return on Investment	Inome generated from invested funds	Average invested funds in treasury investmens	-	-		NIL returns as the subsidary did not commence commercial Operations at its full capacity

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 51.
The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Note: 52.
The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Note: 53.
The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

Note: 54.
The Company does not have transactions with Companies struck off under section 248 of the Companies Act,2013 or section 560 of the Companies Act, 1956 during the year.

Note: 55.
During the year there are no events occurring after the balance sheet date.

Note: 56.
During the year there are no prior period items.

Note: 57.
The company's accounting software has audit trail functionality (edit log). This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software.

per our report of even date
for Grandhy & Co
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

GRANDHY & CO. * Hyderabad * CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 25.04.2024

for and on behalf of Avantel Limited

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 0002654

D Rajasekhara Reddy
Company Secretary
M No. A61938

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

Independent Auditor's Report

To the Members of Avantel Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of M/s. Avantel Limited (hereinafter referred to as "the Holding Company") and its subsidiary IMEDS Global Private Limited (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024,of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

GRANDHY & CO ★ CHARTERED ACCOUNTANTS ★ Hyderabad

Key Audit Matter	Auditor's Response
Fair value assessment of trade receivables Trade receivables comprise a significant portion of the liquid assets of the Company. The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.	***Principal Audit Procedures*** 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: • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. 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. We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.
Revenue recognition 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. The accuracy and of revenue amounts recorded is an inherent industry risk Disclosures relating revenue recognition are in Note 23.	***Principal Audit Procedures*** Our audit procedures in respect of this area included: We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams Testing controls over software product sales including: – documentation evidencing internal and third party physical inspection and confirmation of complete status; We evaluated the adequacy of the disclosures included in Note 23.

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, Consolidated Financial performance, changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

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.

GRANDHY & CO. * Hyderabad * CHARTERED ACCOUNTANTS

- 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

1. 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 of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

GRANDHY & CO * CHARTERED ACCOUNTANTS * Hyderabad

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Consolidated Fiancial Statements and the operating effectiveness of such controls refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary, which is incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 39 to the Consolidated Financial Statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

iv. (a) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in

GRANDHY & CO Hyderabad CHARTERED ACCOUNTANTS

other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements

v. As stated in Note 42 to the consolidated financial statements:

a) The dividend proposed in the previous year by the Holding Company, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, performed by us on the Company and its subsidiary incorporated in India, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Naresh Chandra Gelli
Partner
Membership No. 201754

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

UDIN: 24201754BKCNNL4284

Place : Hyderabad
Date : April 25, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Avantel Limited ("the Holding Company") and its subsidiary, which is incorporated in India, as of 31st March, 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

GRANDHY & CO
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, incorporated in India have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Holding Company and Subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Naresh Chandra Gelli
Partner
Membership No. 201754

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

UDIN: 24201754BKCNNL4284

Place : Hyderabad
Date : April 25, 2024

Avantel Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars		Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
Income				
i)	Revenue From Operations	23	22,436.70	15,445.11
ii)	Other Income	24	142.16	47.86
	Total Income		22,578.86	15,492.97
Expenses				
i)	Cost of materials consumed	25	7,784.98	7,699.76
ii)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(77.61)	(1,381.74)
iii)	Employee benefits expense	27	3,562.57	1,777.23
iv)	Manufacturing Expenses	28	1,495.53	1,216.91
v)	Research and Development Expenses	29	223.17	704.51
vi)	Selling and Distribution Expenses	30	389.07	234.81
vii)	Depreciation and amortization expense	31	749.80	576.76
viii)	Finance Cost	32	417.82	486.29
ix)	Administrative & Other Expenses	33	879.32	511.61
	Total expenses		**15,424.65**	**11,826.14**
Profit/(loss) before exceptional items and tax			7,154.21	3,666.83
	Exceptional Items			
Profit Before Tax			7,154.21	3,666.83
	Tax Expenses		1,898.74	983.04
	-Current Tax		1,956.66	1,023.24
	-Prior Period Adjustments		12.32	10.56
	-Deferred Tax		(70.24)	(50.76)
Profit/(loss) for the period from continuing operations			5,255.48	2,683.79
	Profit/(loss) from discontinued operations		-	-
	Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations after tax			-	-
I	**Profit/(loss) for the Period**		**5,255.48**	**2,683.79**
II	**Other Comprehensive Income**			
	i) Items that will not be reclassified to profit or loss			
	Remeasurment of defined benefit plan		**(50.51)**	**(40.08)**
	Tax on the above		**13.76**	**14.73**
			(36.76)	**(25.34)**
	ii) Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income		**(36.76)**	**(25.34)**
III	**Total Comprehensive Income for the period**		**5,218.72**	**2,658.45**
IV	**Earnings per equity share :**			
	Equity Shares of par value ₹ 2/- each			
	(1) Basic (₹)		**2.16**	**1.10**
	(2) Diluted (₹)		**2.14**	**1.10**

per our report of even date
for **GRANDHY & CO**
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

A.VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N .NAVEEN
Director
DIN: 02726620

Place: Hyderabad
Date: 25.04.2024

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D Rajasekhara Reddy
Company Secretary
M No. A61938

Avantel Limited

Consolidated Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	4,325.32	2,935.52
(b) Capital work-in-progress	3	1,800.43	865.59
(c) Right-to-use Asset	4	525.00	179.64
(d) Financial Assets			
(i) Investments		-	-
(ii) Others	5	278.34	189.69
(e) Deferred tax Assets (net)	6	24.47	-
Current Assets			
(a) Inventories	7	4,603.92	4,459.87
(b) Financial Assets			
(i) Trade Receivables	8	6,417.59	3,983.83
(ii) Cash & Cash Equivalents	9	111.04	24.57
(iii) Bank Balances other than (iii) above	10	1,217.55	100.60
(iv) Others (Int accrued on employee loans & term deposits)	11	60.01	14.95
(c) Current Tax Assets (Net)	12	2.47	2.28
(d) Other Current Assets	13	2,218.39	2,190.61
Total Assets		**21,584.54**	**14,947.14**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	4,865.45	1,621.86
(b) Other Equity	15	11,546.47	9,126.32
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease Liabilities	16	600.16	244.08
(b) Provisions	17	60.89	62.00
(c) Deferred Tax Liability (Net)		-	46.81
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,150.39	2,790.34
(ii) Trade payables	19		
(a) Total outstanding dues of Micro enterprises and small enterprises		442.44	270.53
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		141.41	34.84
(iii) Other Financial Liabilities	20	1,663.79	354.63
(b) Current Tax Liabilities (Net)	21	824.33	173.70
(c) Other current liabilities	22	289.22	222.03
Total Equity and Liabilities		**21,584.54**	**14,947.14**
Significant Accounting Policies	1		

per our report of even date
for Grandhy & Co
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 25.04.2024

for and on behalf of Avantel Limited

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D Rajasekhara Reddy
Company Secretary
M No. A61938

Avantel Limited
Consolidated Cash Flow Statement For The Year Ended March 31, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	7,154.21	3,666.83
Discontinued operations	-	-
Profit before income tax including discontinued operations	7,154.21	3,666.83
Adjustments for		
Depreciation and amortization expense	749.80	576.76
Gain on disposal of property, plant and equipment	15.91	-
Written off assets	7.18	3.29
Dividend and interest income classified as investing cash flows	(66.20)	(11.77)
Finance costs	417.82	486.08
Employee Compensation Expenses(ESOP)	607.20	
Other Comprehensive Income	(50.51)	(40.08)
	8,835.41	4,681.12
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/decrease in trade receivables	(2,433.76)	(368.16)
(Increase)/decrease in inventories	(144.05)	(2,782.86)
(Increase)/decrease in other financial assets	(45.07)	18.89
(Increase)/decrease in other non-current assets	-	
(Increase)/decrease in other current assets	(27.91)	(492.49)
Increase /(decrease) in trade payables	278.47	234.77
Increase/(decrease) in provisions	(1.11)	39.91
Increase/(decrease) in other current liabilities	67.19	138.22
Increase/(decrease) in financial liabilities	1,309.16	(449.11)
Increase/(decrease) in other non current liabilities	-	-
Cash generated from operations	7,838.32	1,020.50
Income taxes paid	(1,320.42)	(853.14)
Net cash inflow from operating activities	6,517.90	167.36
Cash flows from investing activities		
Payments for property, plant and equipment	(2,227.49)	(1,025.17)
Increase in Capital Work in Progress	(934.84)	(164.76)
Increase in Term deposits	(1,205.61)	162.53
Proceeds from sale of property, plant and equipment	140.86	-
Increase in Investments	-	
Interest received	66.20	11.77
Net cash outflow from investing activities	(4,160.87)	(1,015.63)
Cash flows from financing activities		
Increase/(decrease) in borrowings	(1,639.95)	1,503.69
Interest paid	(372.29)	(456.26)
Payment of lease obligations	(96.14)	(64.41)
Dividends paid to Company's share holders	(162.18)	(162.18)
Net cash inflow (outflow) from financing activities	(2,270.56)	820.83
Net increase (decrease) in cash and cash equivalents	86.47	(27.44)
Cash and cash equivalents at the beginning of the financial year	24.57	52.01
Effects of exchange rate changes on cash and cash equivalents	-	
Cash and cash equivalents at end of the year	111.04	24.57

per our report of even date
for GRANDHY & CO
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

A SARADA
Whole-Time Director & CFO

D. R. Reddy
D Rajasekhara Reddy
Company Secretary
M No. A61938

Place: Hyderabad
Date: 25.04.2024

Avantel Limited
Consolidated Statement of Changes in Equity for the period ended 31.03.2024

A Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	Amount	Amount
Opening Equity Shares	8,10,89,860	16,21,79,720	2,02,72,465	4,05,44,930
Changes in Equity Share Capital during the year	16,21,79,720	32,43,59,440	6,08,17,395	12,16,34,790
Add: Forfieted Shares (Amount originally paid up)		6,000		6,000
Closing balance	24,32,69,580	48,65,45,160	8,10,89,860	16,21,85,720

During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).

B Other Equity as at March 31, 2024

(₹ in Lakhs)

	Share application money pending allotment	Share Based Payment Reserve	Reserves and Surplus				Total
			General Reserve	Capital Reserve	Security Premium	Retained Earnings	
Balance at the beginning of the reporting period	-	-	-	-	0.24	9,126.08	9,126.32
Changes Duing the Year	-	607.20	-	-	-	-	607.20
Total comprehensive income for the year	-	-	-			5,218.72	5,218.72
Dividend	-	-	-	-	-	(162.18)	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes: Capitalisation of Profits by giving Bonus Shares	-	-				(3,243.59)	(3,243.59)
Balance at the end of the reporting period	-	607.20	-	-	0.24	10,939.02	11,546.47

B. Other Equity as at March 31, 2023							(₹ in Lakhs)
	Share application money pending allotment	Share Based Payment Reserve	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	7,311.29	7,846.39
Changes Duing the Year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-			2,658.45	2.658.45
Dividend	-	-	-	-	-	(162.18)	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes: Capitalisation of Profits by giving Bonus Shares	-	-	(345.98)	(109.82)	(79.06)	(681.48)	(1.216.35)
Balance at the end of the reporting period	-	-	-	-	0.24	9,126.08	9.126.32

Hyderabad

Avantel Limited

Note 1: NOTE TO CONSOLIDATED FINANCIAL STATEMTNS

COMPANY OVERVIEW AND MATERIAL ACCOUNTING POLICIES:

A. Company Overview

Avantel Limited ("the Holding Company) is a company engaged in manufacturing of wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development and rendering related customer support services, and having an in-house R&D facility at Vishakhapatnam, Andhra Pradesh. The Company is incorporated and domiciled in India and has its registered office at 141,Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Vishakhapatnam Andhra Pradesh, India. The Company has been in Bombay Stock Exchange (BSE).
Imeds Global Private Limited ("the Subsidary Company") is a wholly owned subsidiary of Avantel Limited was incorporated during the year 2021-22 and engaged in manufacturing of health care products at Sy No. 480/2, Ground Floor I, Hub (B1) Building, MedTech Zone Ltd, AMTZ Campus, Nadupuru Village, Pedagantyada Mandal, Visakapatnam.

The Consolidated Financial Statements are approved by the Board of Directors on April 25, 2024.

B. Basis of Preparation of Consolidated Financial Statements:

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The accounting policies have been applied consistently to all periods presented in these financial statements. The material accounting policy information used in preparation of the audited consolidated financial statements have been disclosed below.

GRANDHY & CO
Hyderabad
CHARTERED ACCOUNTANTS

C. Basis of consolidation

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

Avantel consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of group companies are consolidated on line by line basis and Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Subsidiary included in consolidation:

Name of Enterprise	**Country of Incorporation**	**Nature of Business**	**Shareholding/ Controlling interest**
Imeds Global Private Limited	India	Manufacture of Healthcare Products	100%

D. Basis of Measurement

These consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which have been measured at fair value as per Ind AS. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the company and the normal time between acquisition of assets/liabilities and their realization/settlement in cash or cash equivalent. The company has determined its operating cycle as 12 months for the purpose for the purpose of classification of its assets and liabilities as current and non-current.

GRANDHI ★ CHARTERED ACCOUNTANTS Hyderabad

The consolidated financial statements are presented in Indian Rupees (INR) being the functional currency of the Company. These financial statements are presented in Indian rupees (rounded off to lakhs)

E. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in the foregoing notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgments are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements' and assumptions (including revisions, if any). These estimates, judgements and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the period.

Material Accounting Policies

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.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Sale of products - (own manufactured). Revenue is recognized when the significant risks and rewards of ownership of the products have passed to the buyer, which is considered to be upon delivery under the contractual terms, and when the amount of revenue can be measured reliably.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it obtains control of the specified goods or services before they are transferred to the customer. The Group considers whether it is primarily responsible for fulfilling the promise to provide the specified goods or services, inventory risk, pricing discretion and other factors to determine whether it controls the specified goods or services and therefore, is acting as a principal or an agent.

Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Interest income is recognized using the effective interest rate method.

G. <u>Property Plant and Equipment:</u>

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.

GRANDHY & CO.
Hyderabad
CHARTERED ACCOUNTANTS

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 – amortisedover the period of lease

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

H. Inventories

Inventories are valued at lower of cost or net realizable value.
Basis of determination of cost remain as follows:

(i) Raw Materials, Packing materials, Stores & Spares: - On FIFO basis.

(ii) Work-in-process: At cost of inputs plus overheads up to the stage of completion.

(iii) Finished goods are valued at lower of cost or net realizable value.

I. Impairment:

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

J. Foreign Exchange Transactions/Translation

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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) <u>Trade and payable:</u>

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.

GRANDHY & CO.
Hyderabad
CHARTERED ACCOUNTANTS

Avantel Limited

Notes to accounts for the year ended March 31, 2024

Note: 2 Property, Plant and Equipment (₹ in Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block										
As at April 1, 2023	922.01	1,048.50	45.74	157.74	1,257.18	246.91	237.09	157.18	712.23	4,784.60
Additions			52.98	92.87	1,647.51	128.62	184.54	105.57	15.41	2,227.49
(Deduction/ Adjustment) During the year					(183.73)		(6.06)	(39.16)		(228.94)
Gross Block As at March 31, 2024	922.01	1,048.50	98.72	250.62	2,720.96	375.52	415.57	223.59	727.65	6,783.15
Accumulated Depreciation										
As at April 1, 2023	-	284.45	45.74	82.69	605.38	156.84	144.89	90.90	438.20	1,849.08
Depreciation for the Year	-	57.35	2.67	24.87	312.90	71.68	40.76	31.63	146.61	688.47
(Deduction/ Adjustments) During the year	-				(53.78)		(1.30)	(24.64)		(79.72)
Accumulated Depreciation As at March 31, 2024	-	341.80	48.41	107.56	864.49	228.52	184.35	97.88	584.81	2,457.83
Net Block										
As at March 31, 2024	922.01	706.71	50.31	143.05	1,856.47	147.01	231.22	125.71	142.84	4,325.32

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)
Gross Carrying Value As at March 31, 2023	922.01	1,048.50	45.74	157.74	1,257.18	246.91	237.09	157.18	712.23	4,784.60
Depreciation/Amortization										
As at April 1, 2022	-	229.04	40.63	63.54	395.67	110.69	124.29	60.78	290.75	1,315.39
Depreciation for the Year	-	55.41	5.11	19.16	209.70	46.15	20.60	30.11	149.07	535.31
(Deduction/Adjustments) During the year	-			0.00	(0.00)				(1.61)	(1.61)
Accumulated Depreciation As at March 31, 2023	-	284.45	45.74	82.69	605.38	156.84	144.89	90.90	438.20	1,849.08
Net Block										
As at March 31, 2023	922.01	764.06	0.00	75.05	651.81	90.07	92.20	66.29	274.03	2,935.52

Note: 3. Capital Work-in-Progress (₹ in Lakhs)

Particulars	As at March 31, 2024				As at March 31, 2023		
	Project 2	Project 3	Project 4	Project 5	Project 2	Project 3	Project 4
Capital Work-in-Progress (Construction of Buildings)							
Capital Work-in-Progress at the beginning of the reporting period	700.82	56.90	107.86	-	700.82		-
Add: Additions During the year	-	629.01	97.07	208.76	-	56.90	107.86
Less: Capitalised During the year	-	-	-		-	-	-
Capital Work-in-Progress (Construction of Buildings)	700.82	685.91	204.93	208.76	700.82	56.90	107.86

Capital Work-in-progress ageing Schedule for the year ending March 31, 2024 & March 31, 2023 (₹ in Lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 Yr.	1-2 Years	2-3 Years	More than 3 Yr.	Total
March 31, 2024					
Projects in Process	208.76	890.85	700.82	-	1,800.43
Projects Temporarily Suspended	-	-	-	-	-
March 31, 2023					
Projects in Process	164.76	700.82	-	-	865.59
Projects Temporarily Suspended	-	-	-	-	-

Note: 4. Right-to-use Asset (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Right to Use Lease	586.34	221.10
Less: Depreciation	61.33	41.46
Total	525.00	179.64

Note: 5. Other Financial Assets Non Current (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	278.34	189.69
Deposits	-	-
Total	278.34	189.69

GRANDHY & CO.
Hyderabad
CHARTERED ACCOUNTANTS

Note:6. Deferred tax Liabilities / (Assets)		(₹ in Lakhs)
Deferred tax assets and liabilities are attributable to the following:		
Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Deferred Tax Liability		
Property, plant and equipment	(17.76)	(86.15)
Lease Asset	(132.13)	(52.31)
Sub Total	**(149.90)**	**(138.46)**
Deferred tax Assets		
Lease Liability	151.05	71.08
Employee benefits	10.60	8.91
Remeasurment of defined benefit plan	12.71	11.67
Sub Total	**174.37**	**91.66**
Net Deferred Tax Assets/(Liabilities)	**24.47**	**(46.81)**

Movement in deferred tax balances during the year				(₹ in Lakhs)
Particulars	**Balance As at April 01, 2023**	**Recognised in profit & loss**	**Recognised in OCI**	**Balance As at March 31,2024**
Property, plant and equipment	(86.15)	68.39		(17.76)
Employee benefits	8.91	1.70		10.60
Lease Liability	71.08	79.97		151.05
Lease Asset	(52.31)	(79.82)		(132.13)
Remeasurment of defined benefit plan	11.67	1.04		12.71
Total	**(46.81)**	**71.28**	-	**24.47**

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	(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
Total	**(100.64)**	**53.83**	-	**(46.81)**

Unrecognised Deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items		
Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Deductible temporary differences	-	-
Tax losses	-	-
Total	-	-

GRANDHY & CO. ★ Hyderabad ★ CHARTERED ACCOUNTANTS

Note: 7. Inventories		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials		
- Indigenous	1,071.30	1,397.82
- Imported	1,620.53	1,227.56
Work in Progress	1,912.10	1,834.49
Total	4,603.92	4,459.87

Note: 8. Trade Receivables Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade Receivables Considered Good - Good	6,417.59	3,983.83
b) Trade Receivables Which have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
Total	6,417.59	3,983.83

Trade Receivable ageing Schedule for the year ending March 31, 2024 & March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Yr.	Total
March 31, 2024							
(i) Undisputed Trade Receivable - Considered Good	4,903.45	1,512.08	2.07				6,417.59
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	4,903.45	1,512.08	2.07	-	-	-	6,417.59

(₹ in Lakhs)

March 31, 2023							
(i) Undisputed Trade Receivable - Considered Good	3,470.88	512.96			-	-	3,983.83
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	3,470.88	512.96	-	-	-	-	3,983.83

Note: 9. Cash & Cash Equivalents		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.80	0.52
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	110.24	24.06
(b) in Cash Credit Account	-	-
Total	111.04	24.57

Note: 10. Bank Balances other than above		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
For Unpaid Dividend	16.04	15.74
As Margin money/ under lien	923.00	-
In term deposit with original maturity more than 3 months but less than 12 months	278.52	84.86
Total (A)	1,217.55	100.60

Note: 11. Other Financial Assets Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
Accrued Interest	60.01	14.95
Total	60.01	14.95

Note: 12. Current tax Assets		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax (Net)	2.47	2.28
TDS and TCS (Net)	-	-
Total	2.47	2.28

Note: 13. Other Current Assets		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured (considered good)		
Prepaid Expenses	121.12	70.39
Advance to Suppliers	818.91	456.02
Other Advances	140.83	177.72
Balances with GST Department	140.96	314.69
Balance with GST credit ledger	996.56	1,171.80
Total	2,218.39	2,190.61

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 14. Equity Shares		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
Ordinary shares of par value of Rs. 2/- (Previous year Rs.10/-) each		
Number	30,00,00,000	2,00,00,000
Amount ` in Lakhs	6,000.00	2,000.00
Issued, subscribed and fully paid		
Ordinary shares of par value of Rs.2/- (Previous year Rs.10/-) each		
Number	24,32,69,580	1,62,17,972
Amount ` in Lakhs	4,865.39	1,621.80
Add: Forfieted Shares (Amount originally paid up)	0.06	0.06
Total ` in Lakhs	4,865.45	1,621.86

Reconciliation of number of shares:		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Opening Equity Shares	8,10,89,860	40,54,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	16,21,79,720	1,21,63,479
Less: Deduction	-	-
Closing balance	**24,32,69,580**	**1,62,17,972**

No. of Shares in the company held by shareholder holding more than 5 percent			
Name of the Shareholder	As at March 31, 2024		As at March 31, 2023
	No of Shares (face value of Rs.2/- each)	% of Total Shares	No of Shares (face value of Rs.2/- each)
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764
Smt K Swapna	99,65,385	4.10%	11,36,000
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996

No. of Shares in the company held by Promoters			
Name of the Shareholder	As at March 31, 2024		As at March 31, 2023
	No of Shares (face value of Rs.2/- each)	% of Total Shares	No of Shares (face value of Rs.2/- each)
Sri Vidya Sagar Abburi	4,56,69,724	18.77%	30,56,900
Sri Siddhartha Sagar Abburi	1,90,16,460	7.82%	12,67,764
Ms. Sailaja Abburi	1,55,05,320	6.37%	10,33,688
Smt. Sarada Abburi	1,50,74,940	6.20%	10,04,996
Sri Venkateswara Rao Abburi	21,97,200	0.90%	1,46,480

During the year, the Company has approved to split/sub-division of equity shares of the Company by the shareholders by means of postal ballot through electronic means on July 31, 2023, such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs.2/- (Rupees Two only) each, fully paid-up. Accordingly, the authorised share capital of the Company was altered as Rs.20,00,00,000/- divided into 10,00,00,000 equity shares of Rs.2/- each and the paid-up and subscribed share capital of the Company was altered as Rs.16,21,79,720/- divided into 8,10,89,860 equity shares of Rs.2/- each.

Further, the Authorized Share Capital of the Company was increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.2/- (Rupees Two Only) each to Rs.60,00,00,000/- (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs.2/- (Rupees Two Only) each and consequential alteration in the Memorandum of Association of the Company as approved by the shareholders by means of Postal Ballot through electronic means, on November 11, 2023.

During the current year, the company has issued 16,21,79,720 Equity Shares of Rs. 2/- each as fully paid-up bonus shares representing a ratio of 2 (two) equity shares for every 1 (one) equity share outstanding on the record date, by capitalization of profit and loss account pursuant to a bonus issue approved by the Shareholders by means of Postal Ballot through electronic means, on November 11, 2023. Accordingly, as required by Ind AS-33 Earnings per Share, the EPS of current and previous years have been restated. There are no shares issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

The Company has one class of share capital, comprising ordinary shares of Rs. 2/- (previous year Rs. 10/-) each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

The Company does not have any holding Company.

Note: 15. Other Equity		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Capital Redemption Reserve		
Opening balance	-	109.82

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Add: Current Year Transfer	-	-
Less: Written Back in Current Year		109.82
Total	-	-
Securities Premium Reserve		
Opening balance	0.24	79.30
Add: Current Year Transfer	-	-
Less: Written Back in Current Year		79.06
Total	0.24	0.24
General Reserve		
Opening balance	-	345.98
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	345.98
Total	-	-
Share Based Payment Reserve		
Opening balance	-	-
Add: Current Year Transfer	607.20	
Total	607.20	-
Surplus in Profit and Loss account		
Opening balance	9,126.08	7,311.29
Add: Current Year Transfer		
Profit and loss account	5,218.72	2,658.45
Less: Dividend Paid	(162.18)	(162.18)
Less: Capitalisation of Profits	(3,243.59)	(681.48)
Total	10,939.02	9,126.08
Total Other Equity	11,546.47	9,126.32

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 Comoanies Act. 2013.

Note: 16. Lease Liabilities		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability	600.16	244.08
Total	600.16	244.08

Note: 17. Provisions Non Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	60.89	62.00
Total	60.89	62.00

Note: 18. Borrowings Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
(i)Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured*	1,150.39	2,790.34
(b)From Other parties	-	-
(iii) Deposits	-	-
Total	1,150.39	2,790.34

*

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 situtated at Plot No. 47, Survey No. 141, APIIC Industrial Park, Gambheeram (V), Visakhapatnam and personal guarantee of the Managaing Director of the Company and the rate of interest @11.75% p.a.

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

Note: 19. Trade Payable Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables Due to Micro and Small Enterprises (MSME)	442.44	270.53
Trade Payables Due to Others	141.41	34.84
Total	583.84	305.38

(₹ 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
March 31, 2024						
(i) MSME	442.44	-	-	-	-	442.44
(ii) Others	141.41	-	-	-	-	141.41
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	583.84	-	-	-	-	583.84

(₹ in Lakhs)

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Yr.	Total
March 31, 2023						
(i) MSME	270.53	-	-	-	-	270.53
(ii) Others	34.84	-	-	-	-	34.84
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	305.38	-	-	-	-	305.38

Note: 20. Other Financial Liabilities Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Liability for Expenses	38.90	35.79
Retention Money	10.96	-
Employees salaries and other payables	498.46	273.33
Unpaid Dividend	16.04	15.74
Advance from Customers	1,099.42	29.77
Total	1,663.79	354.63

Note: 21. Provisions Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (Net)	824.33	173.70
Total	824.33	173.70

Note: 22. Other Liabilities Current		(₹ in Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Statutory dues Payable	289.22	222.03
Total	289.22	222.03

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

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, 2024	For the year ended March 31, 2023
Sale of Products		
Domestic	21,893.96	15,018.65
Export	1,953.46	630.11
Sale of Services		
Domestic	1,179.08	1,342.36
Export	64.53	252.64
Scrap Sales	21.56	5.06
Less: GST	2,675.89	1,803.70
Total	**22,436.70**	**15,445.11**

(b) Company has recognized the Rs Nil as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

(ii) Contract Balances

(a) Receivables (₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	3,983.83	3,615.67
Addition/deduction during the year	2,433.76	368.16
Closing Balance	6,417.59	3,983.83

(b) Contract Assets

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Such assets are Rs Nil.

During the year company has recognized revenue of Rs. Nil(P.Y. Rs Nil) from the performance obligations satisfied in earlier periods.

The company has made the adjustment of Rs Nil (P.Y.Rs.Nil) in the revenue of ₹ 22,436.70 Lakhs (P.Y. ₹ 15,445.11 Lakhs) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of ₹ 22,436.70 Lakhs (P.Y. ₹ 15,445.11 Lakhs).

(c) Contract Liabilities

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities". The balances are Rs Nil

(d) Practical expedients

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

B. Significant judgements in the application of this standard
(i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
(ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).
(iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

C. Assets Recognised from costs to obtain or fulfill a contract with a customer
The costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

Note: 24. Other Income (₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	66.20	11.77
Miscellaneous Receipts	19.45	-
Fluctuation In Foreign Currency	56.50	36.09
Total	**142.16**	**47.86**

Note: 25. Cost of Materials Consumed (₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of materials consumed		
Indigenous		
Indigenous(Opening Stock)	1,375.46	540.67
Purchase	3,705.66	4,245.86
Sub Total	**5,081.12**	**4,786.54**
Indigenous(Closing Stock)	(1,061.12)	(1,375.46)
Cost of Raw Materials Consumed	**4,020.01**	**3,411.08**
Imported		
Imported(Opening Stock)	1,204.22	415.88
Purchase	4,178.61	5,077.03
Sub Total	**5,382.84**	**5,492.91**
Imported(Closing Stock)	(1,617.86)	(1,204.22)
Cost of Raw Materials Consumed	**3,764.98**	**4,288.68**
TOTAL	**7,784.98**	**7,699.76**

Note: 26. Changes in Inventory (₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Changes in inventories of finished goods and work-in-progress		
Opening Balance	1,834.49	452.75
Closing Balance	(1,912.10)	(1,834.49)
Net (Increase) /Decrease	**(77.61)**	**(1,381.74)**

GRANDHY & CO. * Hyderabad * CHARTERED ACCOUNTANTS

Note: 27. Employees' Benefit Expenses		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	2,064.76	1,240.21
Directors Remuneration	581.90	360.52
Bonus	10.08	6.37
Leave Encashment, Exgratia & Gratuity	55.00	38.77
Training & Recruitment	39.75	15.43
Contribution to P.F. and other Funds	50.40	32.75
Staff welfare Expenses	144.31	77.96
Employee Compensation Expenses	607.20	-
Internship	9.16	5.21
TOTAL	3,562.57	1,777.23

Note: 28. Manufacturing Expenses		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Jobwork Charges	443.10	498.50
Power and fuel	160.04	90.96
Consumption of stores and spare parts	45.10	48.72
Freight Inwards	39.76	35.89
Repairs & Maintenance - Plant & Machinery	137.55	76.54
Testing Charges	105.84	84.84
Installation & Commissioning Charges	74.82	49.19
Man power hire charge	417.68	231.66
Travelling	47.54	49.55
Other Manufacturing Expenses	24.09	51.06
TOTAL	1,495.53	1,216.91

Note: 29. Research and Development Expenses		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of materials consumed	55.12	321.90
Salaries	135.80	332.73
Design		
Repairs & Maintenance	3.47	
Professional & Consultancy Charges	28.77	35.40
Job Work & Other Expenses	0.02	14.48
TOTAL	223.17	704.51

Note: 30. Selling and Distribution Expenses		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight Outwards	48.90	33.05
Packing Materials	35.48	37.16
Business Promotion	33.73	13.48
Travelling Expenses	59.64	18.44
Warranty Expenses	0.43	14.64
Customer Support Expenses	152.49	117.90
Insurance	3.40	0.15
Marketing Support Expenses	55.01	-
TOTAL	389.07	234.81

Note: 31. Depreciation And Amortization Expenses		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation / Amortization for the year		
Depreciation on PPE	688.47	535.31
Depreciation on Right-to-use Assets	61.33	41.46
TOTAL	749.80	576.76

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 32. Finance Cost		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	282.50	388.93
Bank Charges	89.79	67.33
Interest on Lease Liability	45.53	30.02
TOTAL	417.82	486.29

Note: 33. Administrative & Other Expenses		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs & Maintenance		
Plant & Machinery and Others	7.32	6.87
Vehicles	27.41	19.25
Computers	7.53	6.05
Buildings	208.44	108.65
Rent, Fees,Taxes & Licenses	133.74	64.85
Insurance	7.39	9.65
Couriers, Telephones and others	21.77	17.83
Printing & Stationery	12.25	9.51
Payment to Auditors	4.30	4.43
Professional & Consultancy Charges	28.94	37.03
Travelling & Conveyance	22.04	26.48
Secretarial Expenses	79.48	42.39
Watch & Ward	39.80	26.41
Sitting Fee	9.40	5.40
Bad Debts written off	7.20	22.57
Office Maintenance	43.16	37.58
Donations	105.15	4.00
CSR Expenses	54.40	48.38
Miscellaneous Expenses	59.59	14.28
TOTAL	879.32	511.61

(i)Amount paid to auditors'		(₹ in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As Auditor	4.30	3.55
For Taxation Matters/Tax Audit	-	
For Other Services	-	0.13
For Reimbursement of Expenses	-	0.75
TOTAL	4.30	4.43

Note: 34. Income Tax (₹ in Lakhs)

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	7,154.21	3,666.83
Enacted Tax rates for the financial year	29.12%	29.12%
Expected tax expense (A)	1,956.66	1,023.24
Tax effect on allowable items (B)	(12.71)	(11.67)
Tax effect on disallowable items (C)	-	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	-	-
Interest on income tax for the year	-	-
Current tax for the year	1,943.95	1,011.57
Tax credits allowable	-	-
Deferred tax for the year	(71.28)	(53.83)
Tax expense of earlier years adjusted	12.32	10.55
Net tax expense for the year	1,884.98	968.30

Note: 35. Employee Benefits (₹ in Lakhs)

a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of ₹ 51.64 Lakhs (Previous year ₹ 38.82 Lakhs) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.

b) **Leave Encashment:** The company accumulates of compensated absences by certain categories of its employees for one year. These employees reeceive 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 Insutrance Corporation of India (LIC).

Company makes annual contribution to the Fund based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit (PUC) Actuarial Cost Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2024 are as follows:

I. Change in Defined Benefit obligation :	As at March 31, 2024	As at March 31, 2023
Defined Benefit obligation as at the beginning	259.81	201.15
Interest Cost	19.42	14.32
Current Service Cost	29.53	21.14
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experience Assumptions	37.17	39.62
Defined Benefit obligation as at the end	**352.28**	**259.81**

II. Change in Fair value of plan assets	As at March 31, 2024	As at March 31, 2023
Fair value of Plan Assets at the beginning	189.10	170.96
Interest Income	17.19	12.91
Employer Contributions	82.06	22.09
Benefits paid from planned assets	(1.87)	(13.22)
Remeasurements - Return on Assets (Excluding Interest)	(5.12)	(3.64)
Fair value of planned assets at the end	281.36	189.10

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

III. Components of Defined Benefit Cost:	As at March 31, 2024	As at March 31, 2023
Current Service Cost	29.53	21.14
Total Net Interest cost	2.23	1.41
Defined Benefit Cost Included in Profit & Loss	**31.75**	**22.54**
Remeasurements - due to Financial Assumptions	8.22	(3.18)
Remeasurements - due to Experiance Assumptions	37.17	39.62
Remeasurements - Return on Assets (Excluding Interest)	5.12	3.64
Total Remeasurements in OCI	**50.51**	**40.08**
Total Defined Benefit Cost recognized in Profit & Loss and OCI	**82.27**	**62.62**

IV. Amounts recognized in the Statement of Financial Position	As at March 31, 2024	As at March 31, 2023
Defined benfit Obligagtion	352.28	259.81
Fair value of Plan Assets	281.36	183.55
Funded Status	70.92	76.27
Net Defined Benefit Liability/(Asset)	70.92	76.27
Of which Short Term Liability	57.33	42.87

V. Net Defined Benefit Liability /(Asset) Reconciliation	As at March 31, 2024	As at March 31, 2023
Net Defined Benefit Liability/(Asset) at the beginning	70.71	30.18
Defined Benefit Cost Included in Profit & Loss	31.75	22.54
Total Remeasurement included in OCI	50.51	40.08
Employer Contributions	(82.06)	(22.09)
Credit to Reimbursements/Expenses Adjustment		
Net Defined Benefit Liability/(Asset) at the end	70.92	70.71

VI. Principal Assumptions	As at March 31, 2024	As at March 31, 2023
Discounting Rate	**7.23%**	**7.50%**
Salary Escalation Rate	**3.00%**	**3.00%**
The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.		

GRANDHY & CO Hyderabad CHARTERED ACCOUNTANTS

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 comapny, Company's Directors, Members of the Company's Management Council and company seceratary 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. 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

D. Transaction with Related Parties

Particulars	Nature of Transaction	2023-2024	2022-2023
a) Key Managerial Personnel:			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commisson on Profits	239.36	129.40
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commisson on Profits	239.36	129.40
Mrs. Abburi Sarada	Rent	12.41	11.72
Mr. Abburi Siddhartha Sagar	Remuneration	36.77	36.00
Mr. D Rajasekhara Reddy	Salary	11.67	5.89
Mr. T Venkatesh	Salary	-	5.39
b) Non-Whole time Directors:			
Mr. Yalamanchili Kishore	Sitting Fee	2.10	1.30
Mr. Naveen Nandigam	Sitting Fee	2.10	1.50
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	1.40	1.30
Mr. Myneni Narayana Rao	Sitting Fee	2.00	1.00
Mr. V Ramachander	Sitting Fee	1.80	0.30
c) Transactions with Subsidaries:			
Imeds Global Private Limited	Equity Investment	524.95	675.00
Imeds Global Private Limited	Rent Received	1.18	-
d) Transactions with other Entities:			
Wiki Kids Private Limited	Rent Received	2.36	-
Lakshmee Foundation	CSR Funds	54.40	46.46
Lakshmee Foundation	Donation	95.60	-

Note: 37. Earnings per Share:

Particulars		2023-2024	2022-2023
Profit/ (Loss) after Tax	` in Lakhs	5,255.48	2,683.79
The weighted average number of ordinary shares for			
Basic EPS	Nos	24,32,69,580	24,32,69,580
Diluted EPS	Nos	24,51,97,557	24,32,69,580
The nominal value per Ordinary Share	In `	2.00	2.00
Earnings per Share			
Basic	In `	**2.16**	**1.10**
Diluted	In `	**2.14**	**1.10**

Note: During the year ended March 31, 2024, the equity shares of the company were split/sub divided such that equity share having face value of ₹ 10/- each, was sub divided into five (5) equity shares having face value of ₹ 2/- each with effect from August 16, 2023 (record date).

Note 38. Employee stock option plans (ESOP)

The Company instituted Avantel Employees Stock Option Plan-2023 (hereinafter referred to as "Avantel 2023 Plan") for all eligible employees pursuant to a resolution approved by the shareholders in the Extra-ordinary General Meeting held on November 11, 2023. The Nomination, Governance and Compensation Committee of the Board of the parent company (the "Committee") administers the Avantel 2023 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The company has established Avantel 2023 Plan with 38,95,300 equity shares.

The exercise price of the options is INR 50 per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method.

The carrying amount of the liability at 31 March 2024 was INR 607.20 lacs (31 March 2023: INR Nil).

The expense recognised for employee services received during the year is shown in the following table:

Particulars	31-Mar-24	31-Mar-23
	INR lacs	INR lacs
Expense arising from equity-settled share-based payment transactions	607.20	-
Total expense arising from share-based payment transactions	**607.20**	**-**

There were no cancellations or modifications to the awards in year ending 31 March 2024 or 31 March 2023.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	31-Mar-24	31-Mar-23
	Number	Number
Options outstanding at the beginning of the year	-	
Granted during the year	38,95,300	-

Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Options outstanding at the end of the year	38,95,300	-
Exercisable at 31 March	38,95,300	

During the year a reserve was made towards outstanding of ESOPs and Share based payment expenses for the year ended 31 March 2024 of ₹ 607.20 lakhs (31 March 2023 - Rs. NIL).

The Weighted average grant date fair value of the options grated during the years ended 31 March 2024 was ₹ 127.00 per option .

The weighted average share price at the date of exercise of options exercised during the years ended 31 March 2024 was ₹ NIL (31 March 2023 – ₹ NIL) per share, respectively.

The aggregate intrinsic value of options exercised during the years ended 31 March 2024 and 31 March 2023 was ₹ NIL and ₹ NIL, respectively.

The following tables list the inputs to the models used for the three plans for the years ended 31 March 2024 and 31 March 2023, respectively:

Particulars	31-Mar-24	31-Mar-23
Weighted average fair values at the measurement date	INR 127.00	NA
Dividend yield (%)	0.00	NA
Expected Annualized Volatility (%)	56.87	NA
Risk-free interest rate (%)	7.10	NA
Expected life of share options(years)	6.00	NA
Weighted average share price (INR)	50.00	NA
Model used	Black-Scholes Method	NA

(₹ in Lakhs)

Note: 39. Contingent liabilities and commitments (to the extent not provided for)	2023-2024	2022-2023
Contingent liabilities		
Claims against the company not acknowledged as debt		
a) Claims against the company/disputed liabilities		
Income Tax	219.05	219.05
b) Guarantees		
Bank Guarantee	3,239.43	1,197.24
Total	3,458.48	1,416.29

Note: 40. Segmental Reporting : (₹ in Lakhs)

Ind AS 108 establishes standards for the way that public business enterprises report information aboutoperatin segments and related disclosures about products, services, geographic areas and majour 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, Satelite 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	2023-2024	2022-2023
1. Segment Revenue		
(a) Communications and signal processing Products	22,521.85	15,474.15
(b) Health Care	57.01	18.82
Gross Revenue from sale of Products and services	**22,578.86**	**15,492.97**
2. Segment Results		
(a) Communications and signal processing Products	7,447.31	3,992.96
(b) Health Care	(293.10)	(326.13)
Profit before tax	**7,154.21**	**3,666.83**
3. Segment Assets		
(a) Communications and signal processing Products	20,597.38	14,560.53
(b) Health Care	987.16	386.61
Total Assets	**21,584.54**	**14,947.14**
4. Segment Liabilities		
(a) Communications and signal processing Products	5,155.94	4,192.00
(b) Health Care	16.68	6.97
Total Liabilities	**5,172.62**	**4,198.97**

Note: 41. Financial Instruments- Fair Values and Risk Management

a) Financial Instruments by Categories

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Amount ₹ in lakhs as of March 31, 2024

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash & Cash Equivalents	111.04	-	-	111.04	111.04
Trade Receivable	6,417.59	-	-	6,417.59	6,417.59
Deposits	1,479.85	-	-	1,479.85	1,479.85
Other Financial Assets	76.05	-	-	76.05	76.05
Liabilities:				-	-
Trade Payable	583.84	-	-	583.84	583.84

GRANDHY & CO Hyderabad CHARTERED ACCOUNTANTS

Borrowings	1,150.39	-	-	1,150.39	1,150.39
Other Financial Liabilities	1,663.79	-	-	1,663.79	1,663.79

Amount ₹ in Lakhs as of March 31, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:				-	-
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
Liabilities:					
Trade Payable	305.38	-	-	305.38	305.38
Borrowings	2,790.34	-	-	2,790.34	2,790.34
Other Financial Liabilities	354.63	-	-	354.63	354.63

Fair Value Hierarchy Management considers that,the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgements and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements).

The Company does not hold any equity investment and no financial instruments hence the disclosure are nil

Financial Risk Management:

The Company's activities expose to a variety of financial risks viz.,market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by Government Orders.

Management of Market Risk:

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

Foreign Currency Risks:

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD). for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2024 & March 31, 2023 is as follows:

Particulars	USD	EURO	USD	USD
Financial Assets:	As at March 31, 2024		As at March 31, 2023	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	23,700.00	79,431.00	48,242.00	20,254.93
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
Financial Liabilities:	-	-		-
Trade Payable	1,66,361.00		35,791.31	-
Borrowings	-	-		-
Other Financial Liabilities	-	-	-	-

Credit Risk:

Credit risk isthe risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company operations are with Government and allied companies and hence no issues credit worthiness. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

Credit risk exposure

An analysis of age-wise trade receivables at each reporting date is summarized as follows:

For the year ended March 31, 2024					(₹ in Lakhs)
Particulars	**Gross Carrying Amount**	**Less than one year**	**More than one year**	**More than two year**	**More than three year**
Gross Carrying Amount	6,417.59	6,417.59		-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	**6,417.59**	**6,417.59**	-		-
For the year ended March 31, 2023					(₹ in Lakhs)
Paticulars	**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**	-	-	-

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 commited 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)
Paticulars	**Gross Carrying Amount**	**Less than one year**	**More than one year**	**More than two year**	**More than three year**
As on March 31 2024					
Trade Payables	583.84	583.84	-	-	-
Other Financial liabilities	1,663.79	1,663.79	-	-	-
As on March 31 2023					
Trade Payables	305.38	305.38	-	-	-
Other Financial liabilities	354.63	354.63	-	-	-

Note: 42. Capital Management

The objective of the company when managing capital are to

- to safegaurd 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	**2023-2024**	**2022-2023**
(i)Equity Shares		
Final Dividend for the year March 31 2023 ₹ 1/- per share (March 31 2022 ₹ 4/-) per share of ₹ 10/- each	162.18	162.18
(ii) Dividends not recognised at the end of the reporting period		
The directors recommend for the payment of ₹ 0.20 per equity share of ₹ 2/- each for the year March 31, 2024 (March 31 2023 ₹ 1/- per share of ₹ 10/- each), The proposed dividend is subject to the approval of Share holders in the general meeting.	486.54	162.18

Note: 43. Consumption Of Raw Materials:				(₹ in Lakhs)
Raw Material	2023-2024		2022-2023	
	%	(` in Lakhs)	%	(` in Lakhs)
Indigenous	51.58	4,010.05	44.30	3,411.08
Imported	48.42	3,764.98	55.70	4,288.68
TOTAL	100.00	7,775.02	100.00	7,699.76

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

Particulars	2023-2024	2022-2023
Materials	4,161.88	5,133.05
Capital Equipment	170.91	96.34
Total	4,332.79	5,229.39

Note: 45. Expenditure in Foreign Currencey:		(₹ in Lakhs)
Particulars	2023-2024	2022-2023
Purchases (Imports)	4,181.65	5,137.95
Foreign Travel	47.49	3.41
Total	4,229.14	5,141.36

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

Sundry Creditors includes ₹ 442.44 lakhs (previous year ₹ 270.53 lakhs) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note: 47. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the appicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare and women empowerment has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2023-24 & 2022-23 are as under:

		(₹ in Lakhs)
Particulars	**2023-2024**	**2022-2023**
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	8,145.11	5,470.18
Average of net profits	2,715.04	1,823.39
(i) Amount required to be spent by the Company during the year	54.30	36.47
(ii) Amount spent towards CSR Activities	54.40	48.38
(iii) Shortfall at the end of the year	-	-
(iv) Reasons for Short fall	Not Applicable	
(v) Nature of CSR Activities		
Eradication of hunger and malnutrition, Promoting Education, Healthcare and Women empowerment.		
(vi) Details of related party transactions	54.40	46.46

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

Note 48. Assets Pledged as Security:		(₹ in Lakhs)
The Carrying amount of assets pledged as security for current borrwings:		
Partuculars	**2023-2024**	**2022-2023**
Current:		
Financial Assets:		
First Charge (Primary Security)		
Trade Receivable	6,410.32	3,973.95
Non-Financial Assets:		
Inventories	4,581.67	4,418.32
Total Current Assets Pledged as Primary Security	**10,991.99**	**8,392.26**
Non-Currrent Assets (Collateral Security)		
Land	105.23	105.23
Plant Machinery	1,799.82	475.16
Other Fixed Assets	1,518.26	1,326.09
Total Non-Current Assets Pledged as Collateral Security	**3,423.31**	**1,906.48**
Total Assets Pledged as Primary & Collateral Seurity	**14,415.30**	**10,298.75**

GRANDHY & CO. Hydarabad CHARTERED ACCOUNTANTS

Note: 49. Analytical Ratios						
Ratio	Numerator	Denominator	Current Year March 31, 2024	Previous Year March 31, 2023	Variance	Reasons
Current ratio (in times)	Total current Assets	Total current liabilities	3.24	2.80	16%	
Debt-equity ratio (in times)	Long term liabilities+short term borrowings	Total equity	0.07	0.26	-73%	The Company utilied the internal accruals for the working capital requirements
Debt service coverage ratio (in times)	Earnings before debt service = Net profit after taxes + non cash operating expenses + Interest + Other non cash adjustments	Debt service = Interest + principle repayments	19.58	8.94	119%	The Company utilied the internal accruals for the working capital requirements
Return on equity ratio (in %)	Profit for the year	Average total equity	18.80%	13.50%	39%	
Inventory turnover ratio (in times)	Revenue from operations	Average total inventory	4.95	5.03	-2%	Effective utilisation of Raw Material
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.31	4.06	-5%	
Trade payables turnover ratio (in times)	Raw material purchaes + Fuel purchase+Other expenses	Average trade payables	18	50	-64%	Proper payment of Trade payables
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie., Total curmet asstes less Total current liabilities)	2.22	2.23	-1%	Increase in Turnover
Net profit ratio (in %)	Profit for the year	Revenue from operations	19.47%	17.38%	35%	
Return on capital employed (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	36.57%	27.68%	32%	
(k) Return on Investment	Inome generated from invested funds	Average invested funds in treasury investmens	-	-		Nil

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

Note: 50.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Note: 51.

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Note: 52.

The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

Note: 53.

The Company does not have transactions with Companies struck off under section 248 of the Companies Act,2013 or section 560 of the Companies Act, 1956 during the year.

Note: 54.

During the year there are no events occurring after the balance sheet date.

Note: 55.

During the year there are no prior period items.

Note: 56.

The company's accounting software has audit trail functionality (edit log). This feature remained operational throughout the year, capturing a chronological record of all relevant transactions processed within the software.

per our report of even date
for Grandhy & Co
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

Place: Hyderabad
Date: 25.04.2024

GRANDHY & CO. Hyderabad CHARTERED ACCOUNTANTS

for and on behalf of Avantel Limited

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 0002654

D Rajasekhara Reddy
Company Secretary
M No. A61938

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

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 theCompanies 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
Fair value assessment of trade receivables Trade receivables comprise a significant portion of the liquid assets of the Company. The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.	***Principal Audit Procedures*** 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: • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. 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. We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.
Revenue recognition 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. The accuracy and of revenue amounts recorded is an inherent industry risk Disclosures relating revenue recognition are in Note 24.	***Principal Audit Procedures*** Our audit procedures in respect of this area included: We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams Testing controls over software product sales including: – documentation evidencing internal and third party physical inspection and confirmation of complete status; We evaluated the adequacy of the disclosures included in Note 24.

Information Other than the Financial Statementsand 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 thestandalone 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.

HYD

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 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

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

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 grarantee 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

Naresh Chandra Gelli
Partner
Membership No. 201754

UDIN: 23201754BGXHYA8830

Place : Hyderabad
Date : April 13, 2023

Avantel Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(Rs. In Lakhs)

Particulars		Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Income				
i)	Revenue From Operations	24	15,426.73	10,494.37
ii)	Other Income	25	47.41	136.71
	Total Income		15,474.15	10,631.08
Expenses				
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
	Total expenses		11,481.19	8,266.92
Profit/(loss) before exceptional items and tax			3,992.96	2,364.17
	Exceptional Items			
Profit Before Tax			3,992.96	2,364.17
	Tax Expenses		989.37	446.38
	-Current Tax		1,023.24	415.45
	-Prior Period Adjustments		10.56	-
	-Deferred Tax		(44.44)	30.93
Profit/(loss) for the period from continuing operations			3,003.59	1,917.79
	Profit/(loss) from discontinued operations		-	-
	Tax expense of discontinued operations		-	-
Profit/(loss) from discontitued operations after tax			-	-
I	Profit/(loss) for the Period		3,003.59	1,917.79
II	Other Comprehensive Income			
	i) Items that will not be reclassified to profit or loss			
	Remeasurment of defined benefit plan		(40.08)	(14.27)
	Tax on the above		14.73	6.65
			(25.34)	(7.62)
	ii) Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income		(25.34)	(7.62)
III	Total Comprehensive Income for the period		2,978.25	1,910.17
IV	Earnings per equity share :			
	Equity Shares of par value Rs. 10/- each			
	(1) Basic (Rs.)		18.52	11.83
	(1) Diluted (Rs.)		18.52	11.83

per our report of even date
for GRANDHY & CO
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

Place: Hyderabad
Date: 13.04.2023

for and on behalf of Avantel Limited

A.VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D RAJASEKHARAA REDDY
Company Secretary
A61938

Avantel Limited

Standalone Balance Sheet as at March 31, 2023

(Rs. In Lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(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	-	-
Current Assets			
(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
Total Assets		**15,380.01**	**11,013.06**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,621.86	405.51
(b) Other Equity	16	9,566.17	7,966.45
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease Liabilities	17	244.08	278.47
(b) Provisions	18	62.00	22.09
(c) Deferred Tax Liability (Net)	7	50.42	97.92
Current liabilities			
(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
Total Equity and Liabilities		**15,380.01**	**11,013.06**
Significant Accounting Policies	1		

per our report of even date
for Grandhy & Co
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

D. R. Reddy

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D RAJASEKHARA REDDY
Company Secretary
A61938

Place: Hyderabad
Date: 13.04.2023

Avantel Limited
Standalone Cash Flow Statement For The Year Ended March 31, 2023

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	3,992.96	2,364.17
Discontinued operations	-	-
Profit before income tax including discontinued operations	3,992.96	2,364.17
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)
	4,946.14	2,831.80
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(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	-	-
Cash generated from operations	1,298.04	(2,593.29)
Income taxes paid	(853.14)	(396.72)
Net cash inflow from operating activities	**444.90**	**(2,990.01)**
Cash flows from investing activities		
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
Net cash outflow from investing activities	**(1,265.80)**	**1,964.59**
Cash flows from financing activities		
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)
Net cash inflow (outflow) from financing activities	**821.04**	**945.53**
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	-	
Cash and cash equivalents at end of the year	0.45	0.32

per our report of even date
for **GRANDHY & CO**
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

Place: Hyderabad
Date: 13.04.2023

for and on behalf of Avantel Limited

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

D.R.Reddy

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D RAJASEKHARA REDDY
Company Secretary
A61938

Avantel Limited
Standalone Statement of Changes in Equity for the period ended 31.03.2023

A Equity Share Capital

(Rs. In Lakhs)

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	405.45
Changes in Equity Share Capital (Bonus Share Issued) during the year	1,21,63,479	1,216.35	-	-
Add: Forfieted Shares (Amount originally paid up)		0.06		0.06
Closing balance	**1,62,17,972**	**1,621.86**	**40,54,493**	**405.51**

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 32nd 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

(Rs. 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	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							(Rs. 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

Avantel Limited
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 13th 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 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 -- 20 Years
(ii) Computers -- 3 Years
(iii) Furniture & Fixtures -- 5 Years
(iv) Plant & Machinery -- 4 Years
(v) Vehicles -- 4 Years
(vi) Leasehold improvements – amortisedover 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. <u>Income Tax:</u>

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. <u>Employee benefits:</u>

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.

Avantel Limited

Notes to accounts for the year ended March 31, 2023

Note: 2 Property, Plant and Equipment (Rs. In Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Carrying Value 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)
Gross Carrying Value as at March 31, 2023	**573.53**	**1,048.50**	**45.74**	**138.76**	**1,023.05**	**241.45**	**216.71**	**157.18**	**712.23**	**4,157.16**
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)
Accumulated Depreciation As at March 31, 2023	**-**	**284.45**	**45.74**	**78.44**	**547.89**	**155.70**	**141.06**	**90.90**	**438.20**	**1,782.38**
Net Carrying Value As at March 31, 2023	573.53	764.06	0.00	60.33	475.16	85.75	75.65	66.29	274.03	2,374.78

Note: 2 Property, Plant and Equipment (Rs. In Lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Carrying Value as at April 1, 2021	174.34	685.09	45.74	72.89	620.28	126.30	129.27	104.15	335.95	2,294.03
Additions	399.19	290.88		30.02	99.15	65.64	23.12	46.46	310.28	1,264.75
(Deduction/ Adjustment) During the year								-		-
Gross Carrying Value as at March 31, 2022	573.53	975.97	45.74	102.91	719.43	191.94	152.40	150.62	646.23	3,558.78
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	-							-		-
Accumulated Depreciation As at March 31, 2022	-	229.04	40.63	63.02	390.90	110.62	124.08	60.78	290.71	1,309.79
Net Carrying Value As at March 31, 2022	573.53	746.93	5.11	39.89	328.53	81.32	28.32	89.83	355.52	2,248.99

Note: 3. Capital Work-in-Progress					(Rs. In Lakhs)
Particulars	As at March 31, 2023			As at March 31, 2022	
Capital Work-in-Progress (Construction of Buildings)					
	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)	700.82	56.90	107.86	-	700.82

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

Note: 4. Right-to-use Asset		(Rs. 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
Total	179.64	221.10

Note: 5. Investments in Equity Instruments		(Rs. In Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Subsidiaries at cost IMEDS Global Private Limited 1,17,49,999 (P.Y: 49,99,999) Equity Shares Shares face value of Rs. 10/ each	1,175.00	500.00
Total	1,175.00	500.00
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		(Rs. 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
Total	185.85	367.67

Note:7. Deferred tax Liabilities / (Assets)		(Rs. In Lakhs)
Deferred tax assets and liabilities are attributable to the following:		
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Deferred Tax Liability		
Property, plant and equipment	(89.76)	(135.81)
Lease Asset	(52.31)	(64.38)
Sub Total	**(142.07)**	**(200.19)**
Deferred tax Assets		
Lease Liablity	71.08	81.09
Employee benefits	8.91	12.58
Remeasurment of defined benefit plan	11.67	8.61
Sub Total	91.66	102.28
Net Deferred Tax Assets/(Liabilities)	(50.42)	(97.92)

Movement in deferred tax balances during the year				
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
Total	(97.92)	47.50	-	(50.42)

Movement in deferred tax balances during the year				
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
Total	(71.14)	(26.78)	-	(97.92)

Unrecognised Deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items		
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Deductible temporary differences	-	-
Tax losses	-	-
Total	-	-

Note: 8. Inventories		(Rs. 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
Total	4,418.32	1,668.47

Note: 9. Trade Receivables Current		(Rs. 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 Whch have significant increase in credit risk	-	-
c) Trade Receivables - Credit Impaired	-	-
d) Trade Receivables from related parties	-	-
Less: Allowance for expected credit losses	-	-
Total	3,973.95	3,615.67

Trade Receivable ageing Schedule for the year ending March 31, 2023 & March 31, 2022							(Rs. In Lakhs)
Particulars	Outstanding for following periods from due date vof payyment						
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Yr.	Total
March 31, 2023							
(i) Undisputed Trade Receivable - Considered Good	3,470.88	503.07					3,973.95
(ii) Undisputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	3,470.88	503.07	-	-	-	-	3,973.95
March 31, 2022							
(i) Undisputed Trade Receivable - Considered Good	3,369 86	217.18	28.12	0.50	-	-	3,615.67
(ii) Undisputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	3,369.86	217.18	28.12	0.50	-	-	3,615.67

Note: 10. Cash & Cash Equivalents (Rs. 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	-	-
Total	0.45	0.32

Note: 11. Bank Balances other than above (Rs. 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
Total	100.60	81.31

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)		
Accrued Interest	14.95	33.84
Total	14.95	33.84

Note: 13. Current tax Assets (Rs. In Lakhs)

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

Note: 14. Other Current Assets (Rs. 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
Total	2,088.64	1,572.63

Note: 15. Equity Shares (Rs. In Lakhs)

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

Reconciliation of number of shares: (Rs. 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	-	-
Closing balance	1,62,17,972.00	40,54,493.00

No. of Shares in the company held by shareholder holding more than 5 percent					(Rs. 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					(Rs. 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 32nd 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		(Rs. In Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Capital Redemption Reserve		
Opening balance	109.82	109.82
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	109.82	-
Total	-	**109.82**
Secutities Premium Reserve		
Opening balance	79.30	79.30
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	79.06	-
Total	**0.24**	**79.30**
General Reserve		
Opening balance	345.98	345.98
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	345.98	-
Total	-	**345.98**
Surplus in Profit and Loss account		
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 Profits	(681.48)	-
Total	**9,565.93**	**7,431.35**
Total Other Equity	**9,566.17**	**7,966.45**

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 (Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	244.08	278.47
Total	244.08	278.47

Note: 18. Provisions Non Current (Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	62.00	22.09
Total	62.00	22.09

Note: 19. Borrowings Current (Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i)Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured*	2,790.34	1,286.65
(b)From Other parties	-	-
(iii) Deposits	-	-
Total	2,790.34	1,286.65

*

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 Managaing 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		(Rs. 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
Total	298.64	68.86

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
March 31, 2023						
(i) MSME	264.62	-	-	-	-	264.62
(ii) Others	34.02	-	-	-	-	34.02
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	298.64	-	-	-	-	298.64
March 31, 2022						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	68.86	-	-	-	68.86
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	-	68.86	-	-	-	68.86

Note: 21. Other Financial Liabilities Current		(Rs. In Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Liability for Expenses	35.43	20.83
Retention Money	-	3.54
Emplyoees salaries and other payables	272.63	113.72
Unpaid Dividend	15.74	14.12
Advance from Customers	29.74	650.29
Total	353.54	802.50

Note: 22. Provisions Current		(Rs. In Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Taxation (Net)	173.70	1.76
Total	173.70	1.76

Note: 23. Other Liabilities Current		(Rs. In Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory dues Payable	219.27	82.85
Total	219.27	82.85

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

(Rs. 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
Total	15,426.73	10,494.37

(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 (Rs. 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 eontract and its eustomary 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 (Rs. 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 Curreney	35.64	59.19
Total	**47.41**	**136.71**

Note: 26. Cost of Materials Consumed (Rs. In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed		
Indigenous		
Indigenous(Opening Stock)	532.71	83.03
Purchase	4,186.87	1,836.10
Sub Total	**4,719.57**	**1,919.12**
Indigenous(Closing Stock)	(1,345.46)	(532.71)
Cost of Raw Materials Consumed	**3,374.11**	**1,386.41**
Imported		
Imported(Opening Stock)	415.88	51.65
Purchase	5,060.99	4,046.60
Sub Total	**5,476.86**	**4,098.26**
Imported(Closing Stock)	(1,192.67)	(415.88)
Cost of Raw Materials Consumed	**4,284.20**	**3,682.38**
Total	**7,658.31**	**5,068.80**

Note: 27. Changes in Inventory (Rs. In Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in inventories of finished goods and work-in-progress		
Opening Balance	452.75	52.74
Closing Balance	(1,834.49)	(452.75)
Net (Increase) /Decrease	**(1,381.74)**	**(400.01)**

Note: 28. Employees' Benefit Expenses		(Rs. 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
Total	**1,665.45**	**1,310.63**

Note: 29. Manufacturing Expenses		(Rs. In Lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Jobwork 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 charge	231.66	106.92
Travelling	42.39	27.06
Other Manufacturing Expenses	51.06	46.99
Total	**1,186.94**	**693.58**

Note: 30. Research and Development Expenses		(Rs. 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
Total	**704.51**	**595.06**

Note: 31. Selling and Distrihution Expenses		(Rs. 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	-
Total	**226.32**	**122.06**

Note: 32. Depreciation And Amortization Expenses		(Rs. In Lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Depreciation / Amortisation for the year		
Depreciation on PPE	474.20	355.74
Depreciation on Right-to-use Assets	41.46	41.46
Total	**515.65**	**397.19**

Note: 33. Finance Cost		(Rs. 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
Total	**486.08**	**151.12**

Note: 34. Administrative & Other Expenses		(Rs. In Lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Repairs & Maintenance		
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
Total	**419.65**	**328.47**

(i)Amount paid to auditors'		(Rs. 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	-
Total	4.10	3.55

Note: 35. Income Tax		(Rs. In Lakhs)
A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:		
Particulars	**As at March 31, 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 (Rs. 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 Insutrance 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:

(Rs. In Lakhs)

I. Change in Defined Benefit obligation :	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
Defined Benefit obligation as at the end	**259.81**	**201.15**

II. Change in Fair value of plan assets	As at March 31, 2023	As at March 31, 2022
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
Fair value of planned assets at the end	189.10	170.96

	As at March 31, 2023	As at March 31, 2022
Current Service Cost	21.14	16.81
Total Net Interest cost	1.41	0.34
Defined Benefit Cost Included in Profit & Loss	**22.54**	**17.15**
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**
Total Defined Benefit Cost recognized in Profit & Loss and OCI	**62.62**	**31.42**

IV. Amounts recognized in the Statement of Financial Position	As at March 31, 2023	As at March 31, 2022
Defined benfit Obligagtion	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

V. Net Defined Benefit Liability /(Asset) Reconciliation	As at March 31, 2023	As at March 31, 2022
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

VI. Principal Assumptions	As at March 31, 2023	As at March 31, 2022
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: (Rs. In Lakhs)

List of Related Parties In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Subsidiary comapny, Company's Directors, Members of the Company's Management Council and company seceratary 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 & Manging 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

D. Transaction with Related Parties

Particulars	Nature of Transaction	2022-2023	2021-2022
a) Key Managerial Personnel:			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commisson on Profits	129.40	78.22
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commisson 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) Non-Whole time Directors:			
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	-
c) Transactions with Subsidaries:			
Imeds Global Private Limited	Equity Investment	675.00	500.00
d) Transactions with other Entities:			
Lakshmee Foundation	CSR Funds	46.46	-

Note: 38. Earnings per Share: (Rs. In Lakhs)

Particulars		2022-2023	2021-2022
Profit/ (Loss) after Tax	(Rs. 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	(Rs. In Lakhs)	10.00	10.00
Earnings per Share			
Basic	In Rs.	**18.52**	**11.83**
Diluted	In Rs.	**18.52**	**11.83**

(Rs. In Lakhs)

Note: 39. Contingent liabilities and commitments (to the extent not provided for)	2022-2023	2021-2022
Contingent liabilities		
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
Total	**1,416.29**	**2,521.92**

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.

Rs. 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
Assets:					
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
Liabilities:				-	-
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

Rs. 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
Assets:				-	-
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
Liabilities:					
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 liabilies that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized andmeasured 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 liabilies. (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 repormg period expressed in INR as on March 31, 2023 & March 31, 2022 is as follows:

Particulars	USD	EURO	USD	USD
Financial Assets:	As at March 31, 2023		As at March 31, 2022	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	48,242.00	20,254.93	2,24,500.00	-
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
Financial Liabilities:	-	-		-
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					**(Rs. In Lakhs)**
Paticulars	**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					**(Rs. In Lakhs)**
Paticulars	**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 obligaons 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 commited credit lines.

The following table shows the maturity analysis ofthe Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

(Rs. In Lakhs)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
As on March 31 2023					
Trade Payables	298.64	298.64	-	-	-
Other Financial liabilities	353.54	353.54	-	-	-
As on March 31 2022					
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 safegaurd the companys ability to continue as going concem, 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 (Rs. In Lakhs)

Particulars	2022-2023	2021-2022
(i)Equity Shares		
Final Dividend for the year March 31 2023 Rs 4/- (March 31 2022 Rs. 4/-) per share of Rs. 10/- eash	1,62,17,972.00	1,62,17,972.00
(ii) Dividends not recognised at the end of the reporting period		
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.	1,62,17,972.00	1,62,17,972.00

Note: 43. Consumption Of Raw Materials:

Raw Material	2022-2023		2021-2022	
	%	`	%	`
Indigenous	44.06	3,374.11	27.35	1,386.41
Imported	55.94	4,284.20	72.65	3,682.38
TOTAL	**100.00**	**7,658.31**	**100.00**	**5,068.80**

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

Particulars	2022-2023	2021-2022
Materials	5,117.04	4,296.58
Capital Equipment	90.48	116.56
Total	**5,207.53**	**4,413.13**

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

Particulars	2022-2023	2021-2022
Purchases (Imports)	5,121.91	4,300.95
Foreign Travel	2.46	-
Total	5,124.36	4,300.95

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

Note: 47. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the appicability threshold, needs to spend at least 2% of its average net profit for the immediatly preceeding 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 benifit 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:

(Rs. 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 sepent 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 benifit of war widows and Contributions to Incubators		
(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: (Rs. In Lakhs)

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

Partuculars	2022-2023	2021-2022
Current:		
Financial Assets:		
First Charge (Primary Security)		
Trade Receivable	3,973.95	3,615.67
Non-Financial Assets:		
Inventories	4,418.32	1,668.47
Total Current Assets Pledged as Primary Security	**8,392.26**	**5,284.14**
Non-Currrent Assets (Collateral Security)		
Land	105.23	105.23
Plant & Machinery	475.16	328.53
Other Fixed Assets	1,072.32	1,341.82
Total Non-Current Assets Pledged as Collateral Security	**1,652.71**	**1,775.57**
Total Assets Pledged as Primary & Collateral Seurity	**10,044.98**	**7,059.71**

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 facilites 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 facilites 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 purchaes + 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 currnet asstes less Total current liabilities)	2.28	2.22	3%	
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 subsidary did not commence commercial Operations at its full capacity

Note: 50. Impact of COVID-I9

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. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

Place: Hyderabad
Date: 13.04.2023

for and on behalf of Avantel Limited

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 0002654

D RAJASEKHARA REDDY
Company Secretary
A61938

GRANDHY & CO
CHARTERED ACCOUNTANTS

201, Sunny Residency
Dwarakapuri Colony
Punjagutta
Hyderabad - 500082
landline : 040-23358191
email : grandhyco@gmail.com

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
Fair value assessment of trade receivables Trade receivables comprise a significant portion of the liquid assets of the Company. The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.	***Principal Audit Procedures*** 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: • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. 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. We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.
Revenue recognition 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. The accuracy and of revenue amounts recorded is an inherent industry risk Disclosures relating revenue recognition are in Note 23.	***Principal Audit Procedures*** Our audit procedures in respect of this area included: We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams Testing controls over software product sales including: – documentation evidencing internal and third party physical inspection and confirmation of complete status; We evaluated the adequacy of the disclosures included in Note 23.

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

1. 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, 2023 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, 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 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 misstatements

v. As stated in Note 41 to the consolidated financial statements:

a) The dividend proposed in the previous year by the Holding Company, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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 hy us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Naresh Chandra Gelli
Partner
Membership No. 201754

UDIN: 23201754BGXHYB5238

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 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 31^{st}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

Naresh Chandra Gelli
Partner
Membership No. 201754

UDIN: 23201754BGXHYB5238

Place : Hyderabad
Date : April 13, 2023

Avantel Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(Rs. In lakhs)

Particulars		Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Income				
i)	Revenue From Operations	23	15,445.11	10,495.35
ii)	Other Income	24	47.86	137.04
	Total Income		15,492.97	10,632.39
Expenses				
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	604.69
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
	Total expenses		11,826.14	8,385.56
Profit/(loss) before exceptional items and tax			3,666.83	2,246.83
	Exceptional Items			
Profit Before Tax			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
Profit/(loss) for the period from continuing operations			2,683.79	1,797.70
	Profit/(loss) from discontinued operations		-	-
	Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations after tax			-	-
I	Profit/(loss) for the Period		2,683.79	1,797.70
II	Other Comprehensive Income			
	i) Items that will not be reclassified to profit or loss			
	Remeasurment of defined benefit plan		(40.08)	(14.27)
	Tax on the above		14.73	6.65
			(25.34)	(7.62)
	ii) Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income		(25.34)	(7.62)
III	Total Comprehensive Income for the period		2,658.45	1,790.08
IV	Earnings per equity share :			
	Equity Shares of par value Rs. 10/- each			
	(1) Basic (Rs.)		16.55	11.08
	(2) Diluted (Rs.)		16.55	11.08

per our report of even date
for GRANDHY & CO
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

Place: Hyderabad
Date: 13.04.2023

for and on behalf of Avantel Limited

A.VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N .NAVEEN
Director
DIN: 02726620

A.SARADA
Whole-Time Director & CFO
DIN: 00026543

D RAJASEKHARA REDDY
Company Secretary
A61938

Avantel Limited

Consolidated Balance Sheet as at March 31, 2023

(Rs. In lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(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	-	-
Current Assets			
(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
Total Assets		**14,947.14**	**10,899.67**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,621.86	405.51
(b) Other Equity	15	9,126.32	7,846.39
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease Liabilities	16	244.08	278.47
(b) Provisions	17	62.00	22.09
(c) Deferred Tax Liability (Net)	6	46.81	100.64
Current liabilities			
(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
Total Equity and Liabilities		**14,947.14**	**10,899.67**
Significant Accounting Policies	1		

per our report of even date
for Grandhy & Co
Chartered Accountants
Firm Registration No. 001007S

for and on behalf of Avantel Limited

CA NARESH CHANDRA GELLI
Partner
ICAI Membership No. 201754

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 00026543

D RAJASEKHARA REDDY
Company Secretary
A61938

Place: Hyderabad
Date: 13.04.2023

Avantel Limited

Consolidated Cash Flow Statement For The Year Ended March 31, 2023

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	3,666.83	2,246.83
Discontinued operations	-	-
Profit before income tax including discontinued operations	3,666.83	2,246.83
Adjustments for		
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)
	4,681.33	2,720.12
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(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	-	-
Cash generated from operations	1,020.50	(2,835.06)
Income taxes paid	(853.14)	(396.74)
Net cash inflow from operating activities	167.36	(3,231.81)
Cash flows from investing activities		
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
Net cash outflow from investing activities	(1,015.63)	2,258.25
Cash flows from financing activities		
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)
Net cash inflow (outflow) from financing activities	820.83	945.36
Net increase (decrease) in cash and cash equivalents	(27.44)	(28.19)
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	-	
Cash and cash equivalents at end of the year	24.57	52.01

per our report of even date

for GRANDHY & CO

Chartered Accountants

Firm Registration No. 001007S

CA NARESH CHANDRA GELLI

Partner

ICAI Membership No. 201754

for and on behalf of Avantel Limited

A VIDYASAGAR

Chairman & Managing Director

DIN: 00026524

N NAVEEN

Director

DIN: 02726620

A SARADA

Whole-Time Director & CFO

DIN: 00026543

D RAJASEKHARA REDDY

Company Secretary

A61938

Place: Hyderabad

Date: 13.04.2023

Avantel Limited

Consolidated Statement of Changes in Equity for the period ended 31.03.2023

A Equity Share Capital

(Rs. In lakhs)

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	405.45
Changes in Equity Share Capital during the year	1,21,63,479	1,216.35	-	-
Add: Forfieted Shares (Amount originally paid up)		0.06		0.06
Closing balance	1,62,17,972	1,621.86	40,54,493	405.51

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 Sharebolders in the 32nd 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**

(Rs. 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	7,431.35	7,966.45
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-			2,658.45	2,658.45
Dividend	-	-	-	-	-	(162.18)	(162.18)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes: Capitalisation of Profits by giving Bonus Shares	-	-	(345.98)	(109.82)	(79.06)	(681.48)	(1,216.35)
Balance at the end of the reporting period	-	-	-	-	0.24	9,246.13	9,246.37

B. Other Equity as at March 31, 2022 (Rs. 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: 2 Property, Plant and Equipment (Rs. In lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Carrying Value 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/ Adjustments) During the year				0.44	1.51				(3.91)	(1.96)
Gross Carrying Value as at March 31, 2023	**922.01**	**1,048.50**	**45.74**	**157.74**	**1,257.18**	**246.91**	**237.09**	**157.18**	**712.23**	**4,784.60**
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)
Accumulated Depreciation As at March 31, 2023	**-**	**284.45**	**45.74**	**82.69**	**605.38**	**156.84**	**144.89**	**90.90**	**438.20**	**1,849.08**
Net Carrying Value As at March 31, 2023	**922.01**	**764.06**	**0.00**	**75.05**	**651.81**	**90.07**	**92.20**	**66.29**	**274.03**	**2,935.52**

Avantel Limited

Note 1: NOTE TO CONSOLIDATED FINANCIAL STATEMTNS

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 Subsidary 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 13th April, 2023.

B. Basis of Preparation of Consolidated 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 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 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 – amortisedover 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.

Note: 2 Property, Plant and Equipment

(Rs. In lakhs)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Carrying Value 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/ Adjustments) During the year								-		-
Gross Carrying Value as at March 31, 2022	**573.53**	**975.97**	**45.74**	**120.12**	**889.76**	**193.31**	**163.78**	**150.62**	**648.57**	**3,761.39**
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	-							-		-
Accumulated Depreciation As at March 31, 2022	**-**	**229.04**	**40.63**	**63.54**	**395.67**	**110.69**	**124.29**	**60.78**	**290.75**	**1,315.39**
Net Carrying Value As at March 31, 2022	**573.53**	**746.93**	**5.11**	**56.58**	**494.09**	**82.62**	**39.49**	**89.83**	**357.81**	**2,446.00**

Note: 3. Capital Work-in-Progress (Rs. In lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022	
Capital Work-in-Progress (Construction of Buildings)					
	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)	**700.82**	**56.90**	**107.86**	-	**700.82**

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

Note: 4. Right-to-use Asset (Rs. 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
Total	**179.64**	**221.10**

Note: 5. Other Financial Assets Non Current (Rs. 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
Total	**189.69**	**371.51**

Note:6. Deferred tax Liabilities / (Assets)		(Rs. In lakhs)
Deferred tax assets and liabilities are attributable to the following:		
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Deferred Tax Liability		
Property, plant and equipment	(86.15)	(138.53)
Lease Asset	(52.31)	(64.38)
Sub Total	(138.46)	(202.91)
Deferred tax Assets		
Lease Liablity	71.08	81.09
Employee benefits	8.91	12.58
Remeasurment of defined benefit plan	11.67	8.61
Sub Total	91.66	102.28
Net Deferred Tax Assets/(Liabilities)	(46.81)	(100.64)

Movement in deferred tax balances during the year 2022-23				(Rs. 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	(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
Total	(100.64)	53.83	-	(46.81)

Movement in deferred tax balances during the year 2021-22				(Rs. 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
Total	(71.14)	(29.49)	-	(100.64)

Unrecognised Deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items		
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Deductible temporary differences	-	-
Tax losses	-	-
Total	-	-

Note: 7. Inventories		(Rs. In lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials		
- Indigenious	1,397.82	676.41
- Imported	1,227.56	547.83
Work in Progress	1,834.49	452.75
Total	4,459.87	1,677.02

Note: 8. Trade Receivables Current		(Rs. 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	-	-
Total	3,983.83	3,615.67

Trade Receivable ageing Schedule for the year ending March 31, 2023 & March 31, 2022 (Rs. 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
March 31, 2023							
(i) Undisputed Trade Receivable - Considered Good	3,480.76	503.07					3,983.83
(ii) Undisputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	3,480.76	503.07	-	-	-	-	3,983.83
March 31, 2022							
(i) Undisputed Trade Receivable - Considered Good	3,369.86	217.18	28.12	0.50	-	-	3,615.67
(ii) Undisputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - Whch have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Total	3,369.86	217.18	28.12	0.50	-	-	3,615.67

Note: 9. Cash & Cash Equivalents		(Rs. 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	-	-
Total	24.57	52.01

Note: 10. Bank Balances other than above		(Rs. 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
Total	100.60	81.31

Note: 11. Other Financial Assets Current		(Rs. In lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured (considered good)		
Accrued Interest	14.95	33.84
Total	14.95	33.84

Note: 12. Current tax Assets		(Rs. In lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax paid for the FY 2021-22 (Net)	2.25	2.25
TDS and TCS (Net)	0.03	0.03
Total	2.28	2.28

Note: 13. Other Current Assets		(Rs. 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
Total	2,190.61	1,698.12

Note: 14. Equity Shares		(Rs. In lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
Ordinary shares of par value of Rs. 10/- each		
Number	2,00,00,000	70,00,000
Amount in Rs.	2,000.00	700.00
Issued, subscribed and fully paid		
Ordinary shares of par value of Rs.10/- each		
Number	1,62,17,972	40,54,493
Amount In Rs.	1,621.80	405.45
Add Forfieted Shares (Amount originally paid up)	0.06	0.06
Total In Rs.	1,621.86	405.51

Reconciliation of number of shares:		(Rs. 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	-	-
Closing balance	1,62,17,972	40,54,493

No. of Shares in the company held by shareholder holding more than 5 percent					(Rs. 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					(Rs. 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 32nd 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: 15. Other Equity		(Rs. In lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Capital Redemption Reserve		
Opening balance	109.82	109.82
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	109.82	-
Total	-	109.82
Secutities Premium Reserve		
Opening balance	79.30	79.30
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	79.06	-
Total	0.24	79.30
General Reserve		
Opening balance	345.98	345.98
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	345.98	-
Total	-	345.98
Surplus in Profit and Loss account		
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: Capitalisation of Profits	(681.48)	-
Total	9,126.08	7,311.29
Total Other Equity	9,126.32	7,846.39

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 (Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	244.08	278.47
Total	244.08	278.47

Note: 17. Provisions Non Current (Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	62.00	22.09
Total	62.00	22.09

Note: 18. Borrowings Current (Rs. 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	-	-
Total	2,790.34	1,286.65

*

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 Managaing 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

(Rs. 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
Total	305.38	70.61

(Rs. 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
March 31, 2023						
(i) MSME	270.53	-	-	-	-	270.53
(ii) Others	34.84	-	-	-	-	34.84
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	305.38	-	-	-	-	305.38
March 31, 2022						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	70.61	-	-	-	70.61
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	-	70.61	-	-	-	70.61

Note: 20. Other Financial Liabilities Current

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for Expenses	35.79	21.42
Retention Money	-	3.54
Emplyoees salaries and other payables	273.33	114.36
Unpaid Dividend	15.74	14.12
Advance from Customers	29.77	650.29
Total	354.63	803.74

Note: 21. Provisions Current

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Taxation (Net)	173.70	1.76
Total	173.70	1.76

Note: 22. Other Liabilities Current

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory dues Payable	222.03	83.81
Total	222.03	83.81

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

(Rs. 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
Total	15,445.11	10,495.35

(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

(Rs. 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	1,100.85	2,302.97
Closing Balance	4,716.51	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 (Rs. 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
Total	**47.86**	**137.04**

Note: 25. Cost of Materials Consumed (Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed		
Indigenous		
Indigenous(Opening Stock)	540.67	83.03
Purchase	4,245.86	1,864.68
Sub Total	**4,786.54**	**1,947.71**
Indigenous(Closing Stock)	(1,375.46)	(540.67)
Cost of Raw Materials Consumed	**3,411.08**	**1,407.04**
Imported		
Imported(Opening Stock)	415.88	51.65
Purchase	5,077.03	4,046.60
Sub Total	**5,492.91**	**4,098.26**
Imported(Closing Stock)	(1,204.22)	(415.88)
Cost of Raw Materials Consumed	**4,288.68**	**3,682.38**
Total	**7,699.76**	**5,089.42**

Note: 26. Changes in Inventory (Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in inventories of finished goods and work-in-progress		
Opening Balance	452.75	52.74
Closing Balance	(1,834.49)	(452.75)
Net (Increase) /Decrease	**(1,381.74)**	**(400.01)**

Note: 27. Employees' Benefit Expenses		(Rs. 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	-
Total	**1,777.23**	**1,326.67**

Note: 28. Manufacturing Expenses		(Rs. In lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Jobwork 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 charge	231.66	106.92
Travelling	49.55	27.06
Other Manufacturing Expenses	51.06	46.99
Total	**1,216.91**	**705.12**

Note: 29. Research and Development Expenses		(Rs. 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
Total	**704.51**	**604.69**

Note: 30. Selling and Distribution Expenses		(Rs. 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	-
Total	**234.81**	**130.62**

Note: 31. Depreciation And Amortization Expenses		(Rs. In lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Depreciation / Amortisation for the year		
Depreciation on PPE	535.31	361.34
Depreciation on Right-to-use Assets	41.46	41.46
Total	**576.76**	**402.79**

GRANDHY & CO. HYD

Note: 32. Finance Cost		(Rs. 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
Total	**486.29**	**151.30**

Note: 33. Administrative & Other Expenses		(Rs. In lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Repairs & Maintenance		
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, Postages ,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
Total	**511.61**	**374.96**

(i)Amount paid to auditors'		(Rs. In lakhs)
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
As Auditor	3.55	3.25
For Taxation Matters/Tax Audit	-	-
For Other Services	0.13	0.30
For Reimbursement of Expenses	0.75	0.33
Total	**4.43**	**3.88**

Note: 34. Income Tax

(Rs. In lakhs)

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
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	
Net tax expense for the year	968.30	442.48

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 possiblility 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

(Rs. In lakhs)

a) 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.

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 Insutrance 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 :	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
Defined Benefit obligation as at the end	**239.81**	**201.15**

II. Change in Fair value of plan assets	As at March 31, 2023	As at March 31, 2022
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
Fair value of planned assets at the end	**189.10**	**170.96**

III. Components of Defined Benefit Cost:	As at March 31, 2023	As at March 31, 2022
Current Service Cost	21.14	16.81
Total Net Interest cost	1.41	0.34
Defined Benefit Cost Included in Profit & Loss	**22.54**	**17.15**
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**
Total Defined Benefit Cost recognized in Profit & Loss and OCI	**62.62**	**31.42**

IV. Amounts recognized in the Statement of Financial Position	As at March 31, 2023	As at March 31, 2022
Defined benfit Obligagtion	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

V. Net Defined Benefit Liability /(Asset) Reconciliation	As at March 31, 2023	As at March 31, 2022
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

VI. Principal Assumptions	As at March 31, 2023	As at March 31, 2022
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: (Rs. In lakhs)

List of Related Parties In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Subsidiary comapny, Company's Directors, Members of the Company's Management Council and company seceratary 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 & Manging 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 Kinds Private Limited	Same Directors
Laksbmi Foundation	Controlled Trust

E. Transaction with Related Parties

Particulars	Nature of Transaction	2021-2022	2021-2022
a) Key Managerial Personnel:			
Dr. Abburi Vidyasagar	Remuneration	36.00	36.00
Dr. Abburi Vidyasagar	Commisson on Profits	129.40	78.22
Mrs. Abburi Sarada	Remuneration	18.00	18.00
Mrs. Abburi Sarada	Commisson 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) Non-Whole time Directors:			
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	-
c) Transactions with Subsidaries:			
Imeds Global Private Limited	Equity Investment	675.00	500.00
d) Transactions with other Entities:			
Lakshmee Foundation	CSR Funds	46.46	-

Note: 37. Earnings per Share: (Rs. In Lakhs)

Particulars		2021-2022	2020-2021
Profit/ (Loss) after Tax	Rs 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 Rs.	10.00	10.00
Earnings per Share			
Basic	In Rs.	**16.55**	**11.08**
Diluted	In Rs.	**16.55**	**11.08**

(Rs. In lakhs)

Note: 38. Contingent liabilities and commitments (to the extent not provided for)	2021-2022	2020-2021
Contingent liabilities		
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
Total	**1,416.29**	**2,521.92**

Note: 39. Segmental Reporting : (Rs. In lakhs)

Ind AS 108 establishes standards for the way that public business enterprises report information about operatin segments and related disclosures about products, services,
The business segments comprise the following:
a) Communications and Signal Processing Products: Manufacturing of Wireless front end, Satelite Communication, Embedded Systems, Signal Processing, Network
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
1. Segment Revenue		
(a) Communications and signal processing Products	15,474.15	10,631.08
(b) Health Care	18.82	1.31
Gross Revenue from sale of Products and services	**15,492.97**	**10,632.39**
2. Segment Results		
(a) Communications and signal processing Products	3,992.96	2,364.17
(b) Health Care	(326.13)	(117.34)
Profit before tax	**3,666.83**	**2,246.83**
3. Segment Assets		
(a) Communications and signal processing Products	14,560.53	10,513.06
(b) Health Care	386.61	386.61
Total Assets	**14,947.14**	**10,899.67**
4. Segment Liablities		
(a) Communications and signal processing Products	4,192.00	2,641.13
(b) Health Care	6.97	6.66
Total Liabilities	**4,198.97**	**2,647.79**

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
Assets:					
Cash & Cash Equivalents	24.57	-	-	24.57	24.57
Trade Receivable	4,459.87	-	-	4,459.87	4,459.87
Deposits	274.54	-	-	274.54	274.54
Other Financial Assets	30.69	-	-	30.69	30.69
Liabilities:				-	-
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, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:				-	-
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
Liabilities:					
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 liabilies that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No finaneial instruments are recognized andmeasured 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 liabilies. (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 primaty 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 repomg period expressed in INR as on March 31, 2023 & March 31, 2022 is as follows:

Particulars	USD	EURO	USD	USD
Financial Assets:	As at March 31, 2023		As at March 31, 2022	
Cash & Cash Equivalents	-	-	-	-
Trade Receivable	48,242.00	20,254.93	2,24,500.00	-
Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
Financial Liabilities:	-	-		-
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					(Rs. In lakhs)
Paticulars	**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					(Rs. In lakhs)
Paticulars	**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 obligaons 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 commited credit lines.
The following table shows the maturity analysis ofthe Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

(Rs. In lakhs)

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
As on March 31 2023					
Trade Payables	305.38	305.38	-	-	-
Other Financial liabilities	354.63	354.63	-	-	-
As on March 31 2022					
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 safegaurd 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 (Rs. In lakhs)

Particulars	2022-2023	2021-2022
(i)Equity Shares		
Final Dividend for the year March 31 2022 Rs 4/- (March 31 2021 Rs. 4/-) per share of Rs. 10/- eash	162.18	162.18
(ii) Dividends not recognised at the end of the reporting period		
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	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: (Rs. In lakhs)

Raw Material	2022-23		2021-2022	
	%	(Rs. In lakhs)	%	(Rs. In lakhs)
Indigenous	44.30	3,411.08	27.35	1,386.41
Imported	55.70	4,288.68	72.65	3,682.38
Total	**100.00**	**7,699.76**	**100.00**	**5,068.80**

Note: 43. Value of Imports (Calculated in CIF Value): (Rs. In lakhs)

Particulars	2022-23	2021-2022
Materials	5,133.05	4,296.58
Capital Equipment	96.34	116.56
Total	5,229.39	4,413.13

Note: 44. Expenditure in Foreign Currencey: (Rs. In lakhs)

Particulars	2022-23	2021-2022
Purchases (Imports)	5,137.95	4,300.95
Foreign Travel	3.41	-
Total	5,141.36	4,300.95

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

Note: 46. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the appicability threshod, needs to spend at least 2% of its average net profit for the immediatly preceeding three financial years on corporate soial responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare, women empowerment, measures for the benifit 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 are as under:

(Rs. 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 sepent 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		
(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

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset	-	-	-
Other than (i) above:	-	-	-

Note 47. Assets Pledged as Security: (Rs. In lakhs)

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

Partuculars	As on March 31, 2023	As on March 31, 2022
Current:		
Financial Assets:		
First Charge (Primary Security)		
Trade Receivable	3,973.95	3,615.67
Non-Financial Assets:		
Inventories	4,418.32	1,678.47
Total Current Assets Pledged as Primary Security	8,392.27	**5,294.14**
Non-Currrent Assets (Collateral Security)		
Land	105.23	105.23
Plant & Machinery	475.16	328.53
Other Fixed Assets	1,072.32	1,341.82
Total Non-Current Assets Pledged as Collateral Security	**1,652.71**	**1,775.58**
Total Assets Pledged as Primary & Collateral Scurity	**10,044.98**	**7,069.72**

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 facilites 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 facilites 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 purchaes + 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 currnet asstes 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 Grandhi & Co
Chartered Accountants
Firm Registration No. 001007S

CA NARESH CHANDRA GALLI
Partner
ICAI Membership No. 201754

Place: Hyderabad
Date: 13.04.2023

for and on behalf of Avantel Limited

A VIDYASAGAR
Chairman & Managing Director
DIN: 00026524

N NAVEEN
Director
DIN: 02726620

A SARADA
Whole-Time Director & CFO
DIN: 0002654

D RAJASEKHARA REDDY
Company Secretary
A61938

ACCOUNTING RATIOS

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Consolidated Audited Financial Statements included in "*Financial Statements*" on page 77 of this Draft Letter of Offer:

Particulars	As at and for the year ended March 31, 2024 (Consolidated Results)	As at and for the year ended September 30, 2024 (Consolidated Results)
Basic EPS *(₹)*	2.16	1.24
Diluted EPS *(₹)*	2.14	1.23
Return on Net Worth *(%)*	32.02%	15.38%
Net Worth *(₹ Lakhs)*	16,411.92	19,685.24
Net Asset Value per Equity Share *(₹)*	6.75	8.09
EBITDA *(₹ Lakhs)*	8321.84	4964.25

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period
Diluted EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of March 31, 2024
EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, depreciation and amortisation expense, exceptional items, other income as presented in the Audited Consolidated Financial Statements

STATEMENT OF CAPITALIZATION

(In ₹ Lakhs)

Particulars		Pre-Issue as at September 30, 2024 (Consolidated Results)	As adjusted for the issue (Post Issue) *
Borrowings:			
Current borrowings	**A**	1165.49	[●]
Non-current borrowings	**B**	0	[●]
Total borrowings	**C=A+B**	1165.49	[●]
Shareholder's fund (Net worth)			[●]
Share Capital	**D**	4865.45	[●]
Other Equity^	**E**	14819.79	[●]
Total shareholder's fund (Net worth)	**F=D+E**	**19685.24**	[●]
Non-current borrowing's/shareholder's fund (Net worth) ratio	**B/F**	0	[●]
Total borrowings /shareholders' funds (Net worth) ratio	**C/F**	5.92 %	[●]

**To be updated in the Letter of Offer*
^excludes non-controlling interest

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Limited Review Unaudited Consolidated Financial Statements for the six months ended on September 30, 2024, and Audited Consolidated Financial Statements as of and for the year ended March 31, 2024, included in this Letter of Offer. Our Audited Consolidated Financial Statements for Fiscal 2024 and Limited Review Interim Consolidated Financial Statements as of and for the six months period ended September 30, 2024, were prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Consolidated Financial Statements of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 21 *and* 18 *respectively.*

Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Avantel Limited on a consolidated basis, as applicable in the relevant period, unless otherwise stated.

BUSINESS OVERVIEW

Our Company is a technology driven AS 9100D, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO/IEC 17025: 2017 & ISO 27001:2013 certified company with a legacy of close to three decades in the strategic sector. The company is well known for its capabilities in Design, Development, Manufacturing, Installation & Commissioning, System Integration, Testing & Evaluation of Defence Electronics, Satellite Communication Systems, Telecom Systems and Development of Embedded, Network Management & Application Software. Avantel core competencies include RF System Design, Wireless & Satellite Communication Systems, Embedded Systems, Digital Signal Processing, Network Management & Software Development and Engineering Services.

Our Company has designed and developed various first of its kind, customized wireless/Satcom products and solutions to meet the special requirements of Indian Defence Services and allied establishments. We connect ideas, create value and conserve resources through innovation in integration of new ideas and technologies across varied domains. The guiding principle for Avantel is "Nation First".

Our Corporate Office & Software Development Centre is housed in a leased premise at Madhapur, Hyderabad, Telangana. The company's Registered Office is located in its own complex spread across a 35,800 Square Feet area at Visakhapatnam, Andhra Pradesh. The complex is a self-contained Gold rated green facility and houses the State-of-the-art Design, Development, Manufacturing & Test Facilities. Avantel's in-house R&D facility is recognized by DSIR, GoI and is a centre of excellence and innovation for self-reliance in strategic electronics and communication requirements of Indian Defense Services. Avantel on an average of 3 years has been invested around 4.90% of its annual turnover year on year in Research & Development activities and thus could provide various fully indigenous solutions to its customers resulting in valuable savings of foreign exchange in the strategic domain.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 21 of this Draft Letter of Offer.

The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

Supply Chain Dependence and Logistical Issues

Avantel's production cycles depend on a well-coordinated supply chain. Any supply chain disruption, including delays in receiving key materials or components, could result in production halts or slowdowns. Given the recent global supply chain vulnerabilities, especially in semiconductor availability, this risk has grown in prominence.

Business Continuity Risks and Facility Dependence

Avantel's operations rely significantly on the seamless functioning of our facilities and infrastructure, as any unexpected disruptions could have a material impact on our ability to fulfil contracts and maintain consistent revenue. Our primary production facilities are integral to manufacturing and testing activities that ensure product quality and meet stringent requirements for our customers, especially in the defence and communications sectors.

Equipment and Technical Malfunctions

Given the high level of technical precision required in manufacturing our products, the failure or malfunction of critical equipment can significantly disrupt production schedules. Prolonged equipment downtime could delay order fulfilment, leading to contractual penalties and reputational damage.

Supply Chain Dependence and Logistical Issues

Avantel's production cycle depends on a well-coordinated supply chain. Any supply chain disruption, including delays in receiving key materials or components, could result in production halts or slowdowns. Given the recent global supply chain vulnerabilities, especially in semiconductor availability, this risk has grown in prominence.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled "Audited Financial Information" on page 77 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the Notes to the Accounts in the chapter "Audited Financial Information" on page 77 of this Draft Letter of Offer has been no change in accounting policies in last **[●]** years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Audit Report issued by our Statutory Auditors for the year ended March 31, 2024, had the following reservations, qualifications and adverse remarks:

a. The company has/ has not provided gratuity in accordance with The Payment of Gratuity Act, and this could have an impact on the financial statements, as the company may be liable to pay gratuity to its employees in the future. However, the impact on the financial statements could not be estimated as the Gratuity liability estimation was not obtained from Actuarial Valuation.

b. Following are the undisputed statutory dues as on March 31, 2024, which are outstanding for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Amount (Rs. lakhs)	Period to which amount relates	Forum where Undisputed Payment is pending
The Income Tax Act, 1961	Income Tax	219.05	Assessment Year-2022-23 (Previous Year 2021-22)	The Commissioner of Income Tax (Appeals)

RESULTS OF OPERATIONS

The following table sets out selected data from the Financial Statements for Financial Year 2024 and Financial Year 2023, together with the percentage that each line item represents of our total revenue for the periods presented.

(Audited) (₹ in Lakhs)

Particulars	FY 2024		FY 2023	
	₹ in Lakhs	**% of total income**	**₹ in Lakhs**	**% of total income**
Income				
Revenue from operations	22,436.70	99.37%	15,445.11	99.69%
Other Income	142.16	0.63%	47.86	0.31%
Total Income from Operations	**22,578.86**	**100.00%**	**15,492.97**	**100.00%**
Expenses				
Purchase of Stock in Trade	7,784.98	34.48%	7,699.76	49.70%
Changes in Inventories	(77.61)	-0.34%	(1,381.74)	-8.92%
Employee Benefit Expenses	3,562.57	15.78%	1,777.23	11.47%
Depreciation and amortization expenses	749.80	3.32%	576.76	3.72%
Finance cost	417.82	1.85%	486.29	3.14%
Other Expenses	2,987.09	13.23%	2,667.84	17.22%
Total Expenses	**15,424.65**	**68.31%**	**11,826.14**	**76.33%**
Profit / (Loss) before exceptional items and Tax	**7,154.21**	**31.69%**	**3,666.83**	**23.67%**
Exceptional Items	-		-	
Profit /(Loss) before tax	7,154.21	**31.69%**	3,666.83	**23.67%**
Tax Expense	**1,898.74**	**8.41%**	**983.04**	**6.34%**
Current Tax	1,968.98	8.72%	1,033.80	6.67%
Deferred Tax	(70.24)	(0.31%)	(50.76)	(0.33%)
Profit / (Loss) After Tax	**5,255.48**	**23.28%**	**2,683.79**	**17.32%**
Other Comprehensive Income/(Loss)	**(36.76)**	**(0.16%)**	**(25.34)**	**(0.16%)**
Total Comprehensive Income /(Loss)for the Year	**5,218.72**	**23.11%**	**2,658.45**	**17.16%**
Earnings per Share (Basic) (in Rs.)	2.16		1.10	
Earnings per Share (Diluted) (in Rs)	2.14		1.10	

Particulars	Six Months Ended September 30, 2024		Six Months Ended September 30, 2023		FY 2024		FY 2023	
	₹ in Lakhs	**% of total income**	**₹ in Lakhs**	**% of total income**	**₹ in Lakhs**	**% of total income**	**₹ in Lakhs**	**% of total income**
Income								
Revenue from operations	12,918.42	99.39%	12,328.13	99.52%	22,436.70	99.37%	15,445.11	99.69%
Other Income	79.18	0.61%	60.16	0.48%	142.16	0.63%	47.86	0.31%
Total Income from Operations	**12,997.60**	**100.00%**	**12,388.29**	**100.00%**	**22,578.86**	**100.00%**	**15,492.97**	**100.00%**
Expenses								
Purchase of Stock in Trade	4,294.18	33.04%	4,251.42	34.32%	7,784.98	34.48%	7,699.76	49.70%
Changes in Inventories	(726.12)	-5.59%	1,522.34	12.29%	(77.61)	-0.34%	(1,381.74)	-8.92%
Employee Benefit Expenses	2,656.85	20.44%	1,415.48	11.43%	3,562.57	15.78%	1,777.23	11.47%
Depreciation and amortization expenses	581.52	4.47%	320.79	2.59%	749.80	3.32%	576.76	3.72%
Finance cost	136.32	1.05%	300.27	2.42%	417.82	1.85%	486.29	3.14%
Other Expenses	1,808.43	13.91%	1,218.45	9.83%	2,987.09	13.23%	2,667.84	17.22%
Total Expenses	**8,751.18**	**67.33%**	**9,028.75**	**72.88%**	**15,424.65**	**68.31%**	**11,826.14**	**76.33%**
Profit / (Loss) before exceptional items and Tax	**4,246.41**	**32.67%**	**3,359.54**	**27.12%**	**7,154.21**	**31.69%**	**3,666.83**	**23.67%**
Exceptional Items	-	-	-	-	-	-	-	-
Profit /(Loss) before tax	4,246.41	32.67%	3,359.54	27.12%	7,154.21	**31.69%**	3,666.83	**23.67%**
Tax Expense								
Current Tax	1,218.43	9.37%	951.41	7.68%	1,968.98	8.72%	1,033.80	6.67%
Deferred Tax	-	-	-	-	(70.24)	(0.31%)	(50.76)	(0.33%)
Profit / (Loss) After Tax	**3,027.98**	**23.30%**	**2,408.13**	**19.44%**	**5,255.47**	**23.28%**	**2,683.79**	**17.32%**
Other Comprehensive Income/(Loss)	**-**	**-**	**-**	**-**	**(36.76)**	**-**	**(25.34)**	**(0.16%)**
Total Comprehensive Income /(Loss)for the Year	**3,027.98**	**23.30%**	**2,408.13**	**19.44%**	**5,218.71**	**(0.16%)**	**2,658.45**	**17.16%**
Earnings per Share (Basic) (in Rs.)	1.24		0.99		2.16		1.10	
Earnings per Share (Diluted) (in Rs)	1.23		0.99		2.14		1.10	

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

(₹ in Lakhs)

Particulars	March 31 2024	March 31, 2023	March 31, 2022
Net Cash Flow from/ (used in) Operating Activities (A)	6,517.90	167.36	(3,231.81)
Net Cash Flow from / (used) in Investing Activities (B)	(4,160.87)	(1,015.63)	2,258.25
Net Cash Flow from / (used) in Financing Activities (C)	(2,270.56)	820.83	945.36
Net increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	**86.47**	**(27.44)**	**(28.19)**
Cash and cash equivalents at the beginning of the year/period	24.57	52.01	80.20
Cash and cash equivalents at year/ period end	**111.04**	**24.57**	**52.01**

Contingent Liabilities

Our contingent liabilities were ₹ 219.05 Lakhs as on March 31, 2024, and ₹ 219.05 Lakhs as on March 31, 2023.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Major changes in these factors can significantly impact income from continuing operations.

There are/ are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "Risk Factors" on page 21 of this Draft Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 21 and 279 respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase/decrease in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths we will be able to stay competitive. For further details, kindly refer the chapter titled "Our Business" on page 64 of this Draft Letter of Offer.

SECTION VI

SECTION VI: LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is 5% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company.

(iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

I. LITIGATION INVOLVING COMPANY

A. Litigation against Company

1. *Criminal Proceedings – Nil*
2. *Actions taken by Statutory/Regulatory Authorities - Nil*
3. *Tax Proceedings - Nil*
4. *Disciplinary action against Company by SEBI or any stock exchange in the last five Financial Years - Nil*
5. *Other Material Civil Litigations- 1*

a. Parchuri Hemasri Bhargavi Devi and another Vs. The Manager, Avantel Limited and another (Company is arrayed as defendant/Respondent in SOP No. 8 of 2024)

The Succession Original petition (SOP) is filed by legal heirs of a deceased shareholder i.e. Parchuri Hemasri Bhargavi Devi and another before the Senior Civil Judge Cum Assistant Sessions Judge, Medchal Malkajgiri District at Kukatpally under the Indian Succession Act for issuance of Succession certificate by declaring them as the legal heirs of Parchuri Sambasiva Rao. Though the company is arrayed as a Respondent in the said SOP, there is no relief claimed against the Company in the same. The matter is posted on 19-12-2024 under the caption "FOR APPEARANCE".

As on date of this Draft Letter of Offer, except the above-mentioned litigation there are no proceedings involving the Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of the Company.

B. Details of the cases filed by company:

1. *Criminal Proceedings - NIL*
2. *Tax Proceedings – NIL*
3. *Other Material Litigations-1*

a. M/s Avantel limited Vs Commercial Tax Officer and Ors (Company is arrayed as petitioner in WP No. 29416 of 2014).

The said Writ Petition is filed before the Hon'ble High Court for the State of Andhra Pradesh to issue a writ or order or direction particularly one in the nature of Writ of Mandamus setting aside the impugned Demand for unpaid Tax in FORM VAT 202 dated 08-09-2014 issued by Commercial Tax Officer in directing the payment of tax of Rs 1,07,763/- for the month of June 2014 without carrying forward the declared excess Input Tax Credit of Rs 4,82,724/- contained in return filed in May 2014 in FORM VAT 200.

The Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh and Telangana vide its order dated 26-09-2014 granted interim order and held that the Company is liable to be given credit of Rs 4,83,724/- and it is only for tax due, beyond the input tax credit available which shall be called upon for payment. The said Writ Petition is still pending adjudication before the Hon'ble High Court of Andhra Pradesh. The next date of hearing is not available on the website of the High Court. However, the status of the Petition appears as "FOR ADMISSION" and the last date of hearing was 26/09/2014.

II. LITIGATION INVOLVING SUBSIDIARIES

A. Cases filed against Subsidiaries

1. *Criminal Proceedings- Nil*
2. *Actions taken by Statutory/Regulatory Authorities- Nil*
3. *Tax Proceedings- Nil*
4. *Other Material Litigations- Nil*
5. *Disciplinary action against Subsidiaries by SEBI or any stock exchange in the last five Fiscals- Nil*

B. Cases filed by Subsidiaries

1. *Criminal Proceedings -5*

a) M/s Imeds Global Private Limited Vs. ENDOLAP Surgical India and another (Company is arrayed as complainant in CC No. 309 of 2023)

The said Criminal Complaint is filed by M/s Imeds Global Private Limited, wholly owned subsidiary of the Company before the XVI Metropolitan Magistrate, Bhiminupatnam Vishakhapatnam City, Andhra Pradesh under section 138 and 142 of the Negotiable Instruments Act, 1881 for recovery of an amount of Rs 2,00,000/- receivable vide cheque No. 119960 dated 20-09-2022. The matter is posted on 04-02-2025 for issuance of Non-bailable/ Bailable warrant.

b) M/s Imeds Global Private Limited Vs. ENDOLAP Surgical India and another (Company is arrayed as complainant in CC No. 310 of 2023)

The said Criminal Complaint is filed by M/s Imeds Global Private Limited, wholly owned subsidiary of the Company before the XVI Metropolitan magistrate, Bhiminupatnam, Visakhapatnam City, Andhra Pradesh under section 138 and 142 of the Negotiable Instruments Act, 1881 for recovery of an amount of Rs 2,58,993/- receivable vide Cheque No. 119961 dated 20-10-2022. The matter is posted on 04-02-2025 for issuance of Non-bailable/ Bailable warrant.

c) **M/s Imeds Global Private Limited Vs. ENDOLAP Surgical India and another (Company is arrayed as complainant in CC No. 312 of 2023)**

The said Criminal Complaint is filed by M/s Imeds Global Private Limited, wholly owned subsidiary of the Company before the XVI Metropolitan magistrate, Bhiminupatnam, Visakhapatnam City, Andhra Pradesh under section 138 and 142 of the Negotiable Instruments Act, 1881 for recovery of an amount of Rs 5,00,000/- receivable vide Cheque No. 119959 dated 20-11-2022. The matter is posted on 04-02-2025 for issuance of Non-bailable/ Bailable warrant.

d) **M/s Imeds Global Private Limited Vs. ENDOLAP Surgical India and another (Company is arrayed as complainant in CC No. 308 of 2023)**

The said Criminal Complaint is filed by M/s Imeds Global Private Limited, wholly owned subsidiary of the Company before the XVI Metropolitan magistrate, Bhiminupatnam, Visakhapatnam City, Andhra Pradesh under section 138 and 142 of the Negotiable Instruments Act, 1881 for recovery of an amount of Rs 5,00,000/- receivable vide Cheque No. 119958 dated 20-12-2022. The matter is posted on 04-02-2025 for issuance of Non-bailable/ Bailable warrant.

e) **M/s Imeds Global Private Limited Vs. ENDOLAP Surgical India and another (Company is arrayed as complainant in CC No. 311 of 2023)**

The said Criminal Complaint is filed by M/s Imeds Global Private Limited, wholly owned subsidiary of the Company before the XVI Metropolitan magistrate, Bhiminupatnam, Visakhapatnam City, Andhra Pradesh under section 138 and 142 of the Negotiable Instruments Act, 1881 for recovery of an amount of Rs 5,00,000/- receivable vide Cheque No. 119964 dated 09-01-2023. The matter is posted on 04-02-2025 for issuance of Non-bailable/ Bailable warrant.

2. *Tax Proceedings-Nil*
3. *Other Material Litigations- N*il

III. LITIGATION INVOLVING PROMOTERS / PROMOTER GROUP: NIL

A. Cases filed against Promoters / Promoter Group

1. *Criminal Proceedings- Nil*
2. *Actions taken by Statutory/Regulatory Authorities- Nil*
3. *Tax Proceedings- Nil*
4. *Other Material Litigations- Nil*
5. *Disciplinary action against Subsidiaries by SEBI or any stock exchange in the last five Fiscals- Nil*

B. Cases filed by Promoters / Promoter Group

1. *Criminal Proceedings- Nil*
2. *Tax Proceedings- Nil*
3. *Other Material Litigations- Nil*

IV. LITIGATION INVOLVING DIRECTORS (Excludes Promoter Directors)

A. ***Cases filed against Directors***

Except for the proceedings disclosed under the head Company and who are the directors authorized on behalf of the Company, there are no cases filed against any of other Directors.

1. *Criminal Proceedings- Nil*
2. *Actions taken by Statutory/Regulatory Authorities- Nil*
3. *Tax Proceedings- Nil*
4. *Other Material Litigations- Nil*
5. *Disciplinary action against Directors by SEBI or any stock exchange in the last five Financial Years- Nil*

B. ***Cases filed by Directors***

1. *Criminal Proceedings- Nil*
2. *Tax Proceedings- Nil*
3. *Other Material Litigations- Nil*

V. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

The pending payments to Small Scale Undertakings and various creditors as on 31st March 2024 was Rs. 442.44 Lakhs. These amounts are scheduled to be paid during the regular course of business with the respective payment schedule.

VI. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither Company, nor Promoters, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

VII. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

VIII. MATERIAL DEVELOPMENTS

Except as stated below and in this Draft Letter of Offer, to our knowledge, no circumstances have arisen since March 31, 2024, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors at its meeting held on October 24, 2024, have authorised this Issue pursuant to Section 62(1)(c) of the Companies Act, 2013.

Our Board of Directors / Rights Issue Committee has at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee duly constituted by the Board in their meeting on 04.12.2024.

Our Company has received 'in-principle' approval letter from BSE vide letter dated [●] and NSE vide letter dated [●] for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28(1) of SEBI Listing Regulations. Our Company will also make applications to BSE Limited and NSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page 294 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our directors and persons in control of the Promoter and the Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities underany order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter and Directors have been categorized or identified as wilful defaulters or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company and our Promoters are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on both BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

(i) Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one years immediately preceding the date of filing of this Draft Letter of Offer with the stock exchange.
(ii) The reports, statements and information referred to above are available on the website of BSE and NSE.
(iii) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at least once every year and as and when required, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is less than ₹5000 lakhs.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://www.avantel.in/

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicablelaws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular sectionof investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centre.

No dealer, salesperson or other person is authorized to give any information or to represent anything not containedin this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Drat Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad, Telangana only.

Disclaimer Clause of BSE Limited & NSE Limited

As required, a copy of the Draft Letter of Offer has been submitted to BSE Limited and NSE Limited. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Letter of Offer, will be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

BSE Limited being the Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and theRights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer / Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your informationand may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares, or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transferof the Equity Shares or Rights Entitlement.

Listing

Our Company will apply to BSE / NSE for final approval for the listing and trading of the Rights Equity Sharessubsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciationfrom any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer.Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer / Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance withall applicable laws, rules and regulations.

Our Company, in consultation with the Registrar to the Issue, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws ofthe jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any EquityShares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United Statesin compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where thoseoffers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHERJURISDICTION AT ANY TIME.

Filing

This Draft Letter of Offer is being filed with the BSE / NSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Draft Letter of Offer has been filed with Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transferof shares and effective exercise of voting rights. Venture Capital and Corporate Investments Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue relatedmatters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs wherethe Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" at page 294 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

KFIN Technologies Limited
Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032, Rangareddy, Telangana, India
Telephone Number: 1800 309 4001
Website: https://www.kfintech.com/
E-mail: avantel.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

Investors may contact the **Company Secretary and Compliance Officer** at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit /Refund Orders etc.

Mr. D Rajasekhar Reddy is the Company Secretary and Compliance Officer of our Company.
His contact details are:
Sy No.66 & 67, Plot No. 68 & 69, 4th Floor, Jubilee Heights, Jubilee Enclave,
Madhapur, Hyderabad – 500081, Telangana State, India.
Tel: +91 40 6630 5000
Fax: +91 40 6630 5004
Email: cs@avantel.in

Consents and Expert Opinion

Consents in writing of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor to the Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated 26th November, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Letter of Offer as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its, in their capacity as the Statutory Auditors and in respect of their:

(i) Limited Review Report dated July 19, 2024 / October 5, 2024, related for the financial results for quarter / half year ended September 30, 2024;
(ii) Financial Statements for the financial years ended on March 31, 2023, and March 31, 2024; and
(iii) Statement of Special Tax Benefits dated 26th November, 2024, in this Draft Letter of Offer.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Circulars SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 ("**SEBI – Rights Issue Circular**"), all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.*

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association of our Company, the provisions of Companies Act, the terms and conditions as may be incorporated in the FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ('**Issue Materials**') only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at https://www.avantel.in /;
b) the Registrar to the Issue at https://www.kfintech.com/ ; and
c) the Stock Exchanges at www.bseindia.com and https://www.nseindia.com/

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at https://www.kfintech.com/ by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., https://www.avantel.in/).

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please see "*Terms of Issue—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 306 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see "*Terms of Issue—Grounds for Technical Rejection*" on page 302 of this Draft Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see "*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 298 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

a. Ensure that the necessary details are filled in on the Application Form including the details of the ASBA Account.

b. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

c. Ensure that the Applications are submitted to the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

e. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

f. Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

g. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

h. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

i. Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

c. Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

e. Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, Avantel Limited.

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository).

3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record

Date)/DP and Client ID.

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue.

5. Number of Equity Shares held as at Record Date.

6. Allotment option – only dematerialized form.

7. Number of Rights Equity Shares entitled to.

8. Number of Rights Equity Shares applied for within the Rights Entitlements.

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for.

11. Total amount paid at the rate of ₹ [●] per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB.

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained.

14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account.

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at avantel.rights@kfintech.com ; and

All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Purchases and Resales*" on page 321 of this Draft Letter of Offer and shall include the following:

"I/ We hereby make representations, warranties and agreements set forth in "Restrictions on Purchases and Resales" on page 321 *of this Draft Letter of Offer.*

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://www.kfintech.com/.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB, or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date.

c) The remaining procedure for Application shall be same as set out in "*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 298 of this Draft Letter of Offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Terms of Issue—Basis of Allotment*" on page 314 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an application

a) Please read the Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under "*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 298 of this Draft Letter of Offer.

d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.

f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. The investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

m) Investors are required to ensure that the number of Rights Equity Shares applied by them does not exceed the prescribed limits under the applicable law.

n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

q) Do not pay the Application Money in cash, by money order, pay order or postal order.

r) Do not submit multiple Applications.

s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

t) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated Feb 13, 2020, and press release dated June 25, 2021, and September 17, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

b) Details of PAN mentioned in the Application do not match with the PAN records available with the Registrar.

c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.

d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

e) Funds in the ASBA Account whose details are mentioned in the Application Form have been frozen pursuant to regulatory orders.

f) Account holder not signing the Application or declaration mentioned therein.

g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.

m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allows the Investor to subscribe to their Rights Entitlements.

p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

r) Application from Investors that are residing in U.S. address as per the depository records.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see "*Terms of Issue—Procedure for Applications by Mutual Funds*" on page 305 of this Draft Letter of Offer.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure*" on page 45 of this Draft Letter of Offer.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised Stock Exchanges in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, inter alia, the following conditions:

a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised Stock Exchanges in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed

10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors, or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Terms of Issue—Basis of Allotment*" on page 314 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (https://www.kfintech.com/) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., https://www.avantel.in/).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar https://www.kfintech.com/. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, "[●] RE Suspense Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stockbroker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN: [●] band indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE /NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see "*Issue Information*" on page 294 of this Draft Letter of Offer.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●] the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up rank *Pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principal approval from the BSE and NSEvthrough letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532406) and NSE (Scrip Name: Avantel)under the ISIN: INE005B01027. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “Capital Structure”- Intention and extent of participation by our Promoters and Promoter Group in the Issue” on page 45 of this Letter of Offer.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

a) The right to receive dividend, if declared;

b) The right to receive surplus on liquidation;

c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

d) The right to free transferability of Rights Equity Shares;

e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and

f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language local newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is located).

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out there in (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at (https://www.kfintech.com/). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to avantel.rights@kfintech.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 315 OF THIS DRAFT LETTER OF OFFER.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**[●]**
ISSUE OPENING DATE	**[●]**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	**[●]**
ISSUE CLOSING DATE*	**[●]**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**[●]**
DATE OF ALLOTMENT (ON OR ABOUT)	**[●]**
DATE OF CREDIT (ON OR ABOUT)	**[●]**
DATE OF LISTING (ON OR ABOUT)	**[●]**

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://www.kfintech.com/). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://www.kfintech.com/) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favor, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who, having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of

Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or its Rights Issue Committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favor, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application.

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days' period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

a) Unblocking amounts blocked using ASBA facility.

b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

c) **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, a refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite agreement dated 22nd January 2000 amongst our Company, NSDL and the Registrar to the Issue; and

b) Tripartite agreement dated 16th May 2024 amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares, and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who –

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
3. The funds required for unblocking unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. As of the date of this Draft Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Draft Letter of Offer, our Company has not issued any outstanding convertible debt instruments.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "**Avantel Limited– Rights Issue**" on the envelope and postmarked in India) to the Registrar at the following address:

   KFIN Technologies Limited
   Selenium Building, Tower-B, Plot No 31 & 32,
   Financial District, Nanakramguda, Serilingampally,
   Hyderabad - 500 032, Rangareddy, Telangana, India
   Tel No: 1800 309 4001
   Website: https://www.kfintech.com/
   E-mail: avantel.rights@kfintech.com
   Investor Grievance Email: einward.ris@kfintech.com
   Contact Person: M.Murali Krishna
   SEBI Registration No.: INR000000221
   CIN: L72400TG2017PLC117649

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://www.kfintech.com/). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is + 1800 309 4001

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://www.kfintech.com/

   b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://www.kfintech.com/

   c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://www.kfintech.com/

   d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: https: https://www.kfintech.com/

This Issue will remain open for a minimum 7 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will not be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs through the FDI Circular 2020 (defined below).

The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under the FEMA Rules will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22,2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that the Letter of Offer will be filed with the Stock Exchanges and submitted to the SEBI for information and dissemination.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone: (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer and any other Issue Materials should not distribute or send the Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India except in accordance with applicable law.

The Letter of Offer is, and the other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements, or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

The Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. It is not required to, and does not, contain all the information which would be required in a disclosure document.

Any offer in Australia of the Rights Entitlements and Equity Shares under the Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Letter of Offer, and any offers made under the Letter of Offer, you represent to the Issuer that you will not provide the Letter of Offer or communicate any offers made under the Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to the Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("CBB"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("MOICT") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in the Letter of Offer, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. The Letter of Offer is only intended for Accredited Investors as defined by the CBB We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and the Letter of Offer will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved the Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares has been or will be made to the public in the British Virgin Islands.

China

No action has been taken by our Company which would permit an offering of Rights Entitlements or the Rights Equity Shares or the distribution of the Letter of Offer in the People's Republic of China ("**PRC**"). The Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements, and the Rights Equity Shares may not be offered or sold and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of the Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. The Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an "offer to the public" in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "Qualified Institutional Investor"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to a small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Kuwait

The Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

The Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than SGP$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation.

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or

c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, the Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a "**Relevant Person**"). If you are not a Relevant Person, you should not take any action on the basis of the Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "UAE") or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlement and the Rights Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved the Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this subsection have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Equity Shares offered in the Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Letter of Offer, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions, as defined in and in compliance with Regulation S. Neither the receipt of the Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholders who has received the Letter of Offer and its accompanying documents directly from our Company.

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser, by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted, acknowledged and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

2. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.

3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

4. The purchaser acquiring the Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference herein to 'the purchaser' to include such accounts.

5. The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020 dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

6. The purchaser is investing in the Rights Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, the purchaser is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, each as amended and/or substituted from time to time.

7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with the Stock Exchanges and its submission with the SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements (except in India) or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.

9. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to us and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

11. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent financial results, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes the "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information, has been prepared solely by our Company.

13. The purchaser acknowledges that no written or oral information relating to the Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by our Company.

14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, undertakings and agreements and other information contained in the Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under applicable securities laws.

15. The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in accordance with Regulation S.

16. The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.

17. The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

18. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If, in the future, the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares: (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

19. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for, and authorized to consummate the purchase of, the Rights Equity Shares in compliance with all applicable laws and regulations. If the purchaser is outside India:

a) the purchaser, and each account for which it is acting, satisfies: (i) all suitability standards for investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe, and is subscribing, for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence; and

b) the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

20. Except for the sale of Rights Equity Shares on the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

21. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.

22. Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties, acknowledgements and agreements set forth above and elsewhere in the Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

23. The purchaser acknowledges that our Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to our Company, and are irrevocable.

24. The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bhopal, Madhya Pradesh, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Letter of Offer and other Issue Materials.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available for inspection at the registered office of the Company till the issue closing date on working days and working hours between 11:00 A.M. to 5:00 P.M. and also shall be available on the website of the Company at https://www.avantel.in/ from the date of this Draft Letter of Offer until the Issue Closing Date.

Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to cs@avantel.in.

1. Material Contracts for the Issue

(i) Registrar Agreement dated 4th November 2024 entered into amongst our Company and the Registrar to the Issue.

(ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

(i) Certified true copies of the Certificate of Incorporation, the Memorandum of Association and the Articles of Association of our Company as amended from time to time.

(ii) Resolution of the Board of Directors dated 24th October, 2024 in relation to the approval of this Issue.

(iii) Resolution passed by our Rights Issue Committee dated [●] finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio

(iv) Resolution of the Rights Issue Committee dated 04.12.2024 approving and adopting the Draft Letter of Offer.

(v) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.

(vi) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Reviewed Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.

(vii) Copies of Annual Reports of our Company for Financial years 2024, 2023 and 2022.

(viii) Audit reports dated April 25, 2024, of the Statutory Auditor, on our Company's Audited Financial Statements, included in this Draft Letter of Offer.

(ix) Statement of Tax Benefits dated 26th November, 2024 from M/s. Grandhy & Co., Chartered Accountants, Tax expert included in this Draft Letter of Offer.

(x) Tripartite Agreement dated 22nd January 2000 between our Company, NSDL and the Registrar of the Issue.

(xi) Tripartite Agreement dated 16th May 2024 between our Company, CDSL and the Registrar to the Issue.

(xii) In principle listing approval dated [●] issued by BSE Limited.

(xiii) In principle listing approval dated [●] issued by NSE Limited.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made there under or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

Sd/-

Name: Dr Abburi Vidyasagar
(Chairman & Managing Director)

Sd/-

Name: Mrs. Abburi Sarada
(Whole-Time Director)

Sd/-

Name: Mr. Abburi Siddhartha Sagar

(Whole-Time Director)

Sd/-

Name: Mr. Myneni Narayana Rao

(Independent Director)

Sd/-

Name: Mr. Vyasabhattu Ramchander

(Independent Director)

Sd/-

Name: Dr. Ajit Tavanappa Kalghatgi

(Independent Director)

Sd/-

Name: Ms. Harita Vasireddi

(Independent Director)

Place: Hyderabad
Date: December 4, 2024