

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

## **AVANTEL LIMITED**

### **TRANSCRIPT OF THE 33<sup>RD</sup> ANNUAL GENERAL MEETING OF AVANTEL LIMITED HELD AT 11.00 A.M. (IST) ON FRIDAY, JUNE 23, 2023 THROUGH VIDEO CONFERENCING / OTHER AUDIO-VISUAL MEANS**

**Moderator:** Good morning to all the dignitaries present. May I request all the KMPs to switch on their webcams. As we have the requisite quorum available, we'll start with the meeting. Chairman Sir, over to you Thank you.

**CS:** Good Morning ladies and gentlemen. I extend my heartiest welcome to all the members, the members of the Board of Directors, Auditors and the management team to the 33rd annual general meeting of Avantel Limited. This E-AGM is being held through video conference as per the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. Members attending this E-AGM through video conferencing facility are counted for the purpose of recording the quorum. We have the requisite quorum present to conduct the proceedings of this E AGM. I am pleased to inform you that Dr. Abburi Vidyasagar, the Chairman and Managing Director of the company is present in the meeting and I would request him to Chair this meeting. It gives me pleasure to inform you that the members of the Board of Directors of the Company are present at this meeting. I heartily welcome all the members of the Board.

The 33rd annual general meeting of the company is being held through video conference or other audio visual mode. I would like to take you through certain points regarding the participation at this meeting. The facility of joining the AGM through video conference or other audio visual mode is being made available for the members on a first come first serve basis. To avoid any background noise and to ensure smooth conduct of the meeting, all the members who have joined this meeting will be placed on mute mode by the host. Since this AGM is being held through VC pursuant to the applicable circulars of the Ministry of Corporate Affairs and the Securities and Exchange Board of India, physical attendance of the members have been dispensed with. Accordingly, the facility for appointment of proxies is not available for the meeting. Members are requested to refer to the instructions provided in the notice or appearing on the video conference page for a seamless participation through video conference. In case members face any difficulty, they may reach out to the Helpline Numbers mentioned in the notice of the AGM. May I now request Dr. Abburi Vidyasagar Sir, the Chairman and Managing Director of the company to conduct the proceedings of the meeting.

**Chairman:** Thank you. Good morning to all the shareholders. Very warm welcome to the 33rd Annual General Meeting. Indeed, it's a pleasure to connect with all of you. On behalf of the Avantel Board of

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

Directors, I want to thank you for taking time to join us today. Before we start the main proceedings of the meeting, I would like to introduce the board members attending the meeting physically and virtually from their respective places. Here we have Mr. Naveen, Independent Director and Chairman of the audit committee. Mr. Narayan Rao, Independent Director and Chairman of nomination remuneration committee and stakeholders' relationship committee. Mr. Y Kishore, Independent Director. Mr. V Ramchander, Independent Director. Mrs. Abburi Siddhartha, Director (F&A) & Chief Financial Officer. Mr. Abburi Siddhartha Sagar, Director, Strategy and Business Development. Thank you all.

Apart from the Directors, we also have our statutory auditors, M/s. Grandhy & Co, Chartered Accountants and they are represented by their partner, Mr. Naresh Gelli. He has joined the meeting from Hyderabad. Our Secretarial Auditors M/s. P. S. Rao & Associates, Company Secretaries represented by their Partner Mr. P S Rao has joined the meeting from Hyderabad. Our Internal Auditors M/s. Ramesh & Co., Chartered Accountants represented by their Partner Mr. K Ramesh, has joined the meeting from Hyderabad. The Company has appointed Mr. M B Suneel, Practicing Company Secretary, as the Scrutinizer to conduct the voting process (e-voting and poll) in a fair and transparent manner.

**Chairman:** In view of the presence of the requisite quorum, I'll call this meeting to order. Once again, I thank all the shareholders and members for joining this meeting. We're conducting today's meeting through video conference mode pursuant to the directions of the Ministry of Corporate Affairs, and Securities and Exchange Board of India. The live streaming of this meeting is also being webcast on KFinTech platform. The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. The statutory registers required to be made available for inspection at the AGM have been made available electronically for inspection by the members during the AGM. Since the notice is already circulated to all the members, I take notice and directors report along with the audited report as read.

Once again, thank you all. I thought of briefing about the company and its future during the question and answer session but before we go there, before we start the question answer session, I will give you a brief on the developments in your company and the way forward.

One of the major achievements is that we are able to execute and we are in the process of execution which will be completed by end of August or first week of September. But this is an order through L&T from railways. This is the real time train information system in which we have been supplying 6300 numbers of loco terminals, which is a state of the art satellite and 4G communication system where multiple technologies are integrated and which is very successful. So far we have supplied close to 3000 numbers. And then now, in the last month we have delivered around another 1000 numbers. So 2300 numbers more have to be supplied which will be completed by the end of August. Next month, first week we will be supplying another 1000 numbers. This is one of the big orders Avantel has bagged in the recent times other than one kilowatt HF communication systems supplied to Indian Navy. We have installed a

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

considerable number of systems in ships and as well as on the shore stations and the performance is satisfactory and it's a very good achievement. We are also participating in a tender for a similar system with indigenously developed, in house developed SDR in the HF. That requirement is from the Indian Air Force and Indian Army. We have participated in that tender. The trials are due in the end of August. So, once that is done, I mean that is another area where we can expect more opportunities.

In addition to that, we are also investing a lot of time and energy into development of SCA compliant SDRs and various frequency bands VHF, UHF, L band and S band both for terrestrial and aerospace applications. I'll dwell on that more during the question answer session as some of the questions related to that what we've got from the shareholders.

But at the outset I would like to say that the SDR market is quite a big one. There is a lot of future for that in the Indian defence services and your company's very well poised to leverage that and grow in that market, SDR market. The performance, as you can see from the annual report, is good. And the growth is now considerable, is significant. And we are also improving profitability and we expect to continue the same for the next three years, including 23-24.

The last two years have been very rewarding for the company, 2021-22, as well as 2023. The performance is very good, and we have moved from 104 crores to 154 crores and the profit also moved from 17 approximately 18 crores to around 27 crores this year. I think this is a commendable performance due to the hard work and contribution of my colleagues at Avantel. So, really, they worked really well with lot of commitment, passion and ownership. I take this opportunity to thank all my colleagues and their families for really contributing in a big way in the growth of the company. Thank you.

CS: Thank you, sir. The company has received requests from few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the chairman opens the floor for questions and answers. It may be noted that the company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM. The company had provided the facility to cast the votes electronically on all resolutions set forth in the notice. Further, I would like to inform you that pursuant to the provisions of Section 108 of the Companies Act 2013, set with the relevant rules, the company has extended e voting facility to its members in respect of all the businesses to be transacted at the 33rd annual general meeting of the company. The E voting commenced on Tuesday June 20th 2023 at 9am and ended on Thursday, June 22nd 2023 at 5pm. Further in compliance with the rules, E voting framed under the Companies Act 2013 and the circulars of MCA, the E voting at the AGM will also be conducted by the same E voting system of KFinTech, which was used during the remote E voting. The shareholders who have not cast their vote during the remote E voting process and otherwise not barred from doing so, shall be eligible to vote through E voting system during the AGM through the instapoll, our E voting system provided by KFinTech. Members can click on vote tab on the video conference screen

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

to avail this feature, once the chairman calls the items to vote. The company has appointed Mr. M B Sunil, practicing company secretary as scrutinizer to scrutinize the votes cast at the remote E voting process and E voting process during the AGM in a fair and transparent manner. Since the AGM is being held through VC or OAVM and the resolutions mentioned in the notice convening this AGM have been already put to vote through remote E voting, there will be no proposing or seconding of resolutions.

**Chairman:** A few shareholders have registered themselves as a speaker for raising queries and questions at the meeting. We have received queries from speaker shareholders. I now request the moderator to facilitate shareholders to speak or raise clarifications regarding the accounts and operations of the company during the year 2022-23. In the interest of time and with a view to give adequate opportunity to all, I request members to be judicious in time and restrict the same to three minutes time. We will hear all the queries first. Afterwards I would be pleased to give my responses to your queries in a consolidated manner. Moderator to activate speaker shareholder.

**Moderator:** Thank you. Our first speaker of the day is Mr. Bharat Gupta from Delhi. Mr. Bharat Gupta you requested to kindly unmute yourself, switch on your webcam if you desire to do so.

**Chairman:** I would request moderator to activate speaker shareholder.

**Moderator:** We have already done that. Mr. Bharat Gupta.

**Mr. Bharat:** Hello. Am I audible?

**Moderator:** Yes sir. You are audible.

**Mr. Bharat:** Sir, I have already mailed my query to you. I am not taking the time I am just mentioning some more points which I want to explain. Sir, this railway contract was from the L&T, this was from the last year. Any big contract you have received in this year or you are expecting that you will be getting in the near future? And this point number six is the inventory. There is an inventory of 44 crores in comparison to 16 crores over the last year and I have mentioned my 16 to 17 point in my query. I think you have the query. You can, I will not take any time. And the three things which I want to ask whether you have any plan to list on the NSE? That I have already asked in the last AGM also. And why you are splitting in the CRN? The ratio will be two in to one face value. And in the end, your prospects of the company in the next two to three years. This is from my side. Thank you.

**Moderator:** Thank you Mr. Bharat. We will move on to our next speaker, Miss Neha Kharodia from Mumbai. Miss Neha Kharodia, you're requested to kindly unmute yourself, switch on your webcam if you desire to do so and proceed with asking the question please. Miss Neha Kharodia from Mumbai. We see that you have unmuted yourself. We request you to kindly speak. We have not received any input from

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

Miss Neha Kharodia. We will move on to our next speaker and come back to Ms. Neha if she is available at the end of this speaker session. Mr. Vikram SomPrakash Sharma from Surat. Mr. Vikram SomPrakash from Surat, you are requested to kindly unmute.

**Mr. Vikram:** Hello. Thank you for the opportunity. I have already shared my question with company secretary.

**Moderator:** Thank you. We'll move on to our next speaker Mr. Ayush Mittal. Mr. Ayush Mittal, my apologies. Mr. Ayush Mittal from Lucknow. Mr. Ayush you're requested to kindly unmute yourself, switch on your webcam if you desire to do so and proceed with asking the question please. Mr. Ayush Mittal. We have not received any input from Mr. Ayush Mittal. We will move on to our next speaker, Mr. Kamal Sodhi from Bangalore. Mr. Kamal Sodhi you are requested to kindly unmute yourself, switch on your webcam and proceed with asking the question if you desire to do some.

**Mr. Kamal:** Good morning to our Avantel family. I have been a shareholder with the company for nearly close to two decades. I really do not have any new questions. I would want to congratulate the entire team and the leadership of the Sarada family for basically taking the company to such fantastic growth path and levels. I am delighted at the services that the organization is providing to the strengthening of Indian defenses. And may God bless all of you and your families and your loved ones with greater success and more power to be able to empower a nation to reach to further glorious heights. I look forward to the commentary from the Managing Director and Chairman. And I wish you all Godspeed. Thank you.

**Moderator:** Thank you Mr. Kamal. We'll move on to our next speaker Ms. Smita Ashwin Shah from Ahmedabad. Miss Smita Ashwin, if you are available, we request you to kindly unmute yourself, switch on your webcam if you desire to do so and proceed with asking the question please.

**Mr. Smita:** Yeah, am I audible?

**Moderator:** Yes sir, you are audible. My apologies if I have mispronounced your salutation.

**Mr. Smita:** Oh no, that's okay. My name is Darshit and congratulations for the performance of the past year, which was really well. Sir, I have few questions on SDR. So, last time that we had mentioned that no, we have kind of developed the radio part as well which we are earlier importing from our partner in Germany. Sir, now can you let us know what would be the indigenous content in the orders that would be bidding versus what was earlier when we were importing the radio part from Germany? Sir, second question on SDR was there are a lot of orders being floated as we see from Ministry of Defense more specifically for Army and other segments. And they are from what we read is on 30 to 500 megahertz frequency range and around three kilometers range as well. So, can you briefly let us know what are our segments of SDRs that we are into and are we kind of going to build in other orders in 30 to 500 megahertz

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

as well or there is a specific segment of SDRs that we are more focused into? If you can broadly highlight to us that would be helpful. And sir, in terms of SDR, if you could highlight that what you have said that you want to start trials for Indian Air Force and Navy. So, any quantitative figure if you could tell us how big is this opportunity or what kind of SDR numbers are we looking at in this particular tender that we are bidding for Navy and Army? Sir, other thing is on our capex part on the four acre land that we are going to develop products for radar systems as well as small satellite systems. Can you let us know if the project I mean, what is the status of the capex project and when would this be operational? And if you could throw some more color on the kind of products, which we are planning to make for this nano satellites as well as radar systems? We would be glad to hear from you.

Also sir, on the Navy requirement, we have developed this five kilowatt HF transmitter systems. Can you briefly let us know, what is this import substitute opportunity for Indian Navy? If you could broadly give us some quantitative number that would be helpful. And lastly sir, I'd like to hear from Siddharth as well on the IMAX subsidiary. So what kind of products are we developing? What stage we are in developing those products? And we read in the annual report that we are in the process of developing a non invasive ventilator and some Syringe Pump through a technology transfer from one of the partners. If you can, Siddharth can briefly run through what these subsidiaries are into, what stage we are into this product development and what's the roadmap for next two to three years for this company? That would be really helpful. And sir once again, congratulations and we conservative in what we are guiding and overachieving from what we have guided. We are very grateful as a shareholder. Thank you sir.

**Moderator:** Thank you. We will move on to our next speaker Mr. Satya Prakash Mittal from Lucknow, Mr. Satya Prakash Mittal, you are requested to kindly unmute yourself, switch on your webcam if you desire to do so and proceed with asking the question please. Mr. Satya Prakash Mittal from Lucknow. Sir, we have seen that you have unmuted yourself. Would request you to kindly proceed with asking the question please. Mr. Satya Prakash Mittal, we have not received any input from you so we'll move on to our next speaker. Mr. Mithilesh Gupta from Mumbai. Mr. Mithilesh Gupta from Mumbai you are requested to unmute yourself, switch on your webcam if you desire to do so and proceed with asking the question please. Mr. Mithilesh Gupta from Mumbai. Unfortunately, we have not received any input from Mr. Mithilesh Gupta so we'll move on to Mr. Santosh Kumar Saraf from Kolkata, Mr. Santosh Kumar Saraf, you are requested to unmute yourself.

**Mr. Saraf:** Hello. Moderator, one minute. Video शेयर कर रहा हूँ just a minute. माननीय अध्यक्ष जी उपस्थित निर्देशक सदस्यगण और मेरे शेयरहोल्डर भाइयो और बहनो जो आज वीडियो कांफ्रेंस के through present है मैं Santosh Kumar Saraf Calcutta से आप सभी को नमस्कार करता हूँ आशा करता हूँ इस समय आप अच्छे स्वास्थ्य में होंगे सुरक्षित होंगे सर कंपनी काफी अच्छा काम कर रही है काफी अच्छा रिजल्ट भी आप दे रहे हैं लेकिन सर last year से ज्यादा income होने के बावजूद भी आपने डिविडेंड नहीं बढ़ाया तो मैं चाहूंगा डिविडेंड बढ़ाकर दीजिये सर और सर हमारे यहाँ female employee का percentage कितना है at present तो percentage काफी low है तो



File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

इससे मैं चाहूंगा की अगले साल जब मिले तो हमारी percentage बढ़ाईये सर और future plan क्या है सर ? कोई कंपनी नई takeover करने का या capital expansion या capital raise करने का कोई plan हो तो जरूर बताईयेगा सर ज्यादा मैं समय नहीं लूंगा वीडियो कांफ्रेंस मीटिंग में बहुत से शेयरहोल्डर बोलने के लिए रहते है अपना मैं वक्तव्य यहीं समाप्त करता हूँ आशा करता हूँ मैंने जो दो तीन मेरे प्रश्न किये है मुझे उनके उत्तर जरूर देंगे और सर यह वीडियो कांफ्रेंस मीटिंग काफी अच्छी है सर देखिये कोई आपको Ahmedabad से join कर रहा है कोई Bombay से join कर रहा है कोई दिल्ली से join कर रहा है सर मैं चाहूंगा future में इसको continue रखिये ताकि अगर physical मीटिंग करने की जरूरत पड़ती भी है तो साथ में आधे घंटे का वीडियो कांफ्रेंस करके पुरे India में जो शेयरहोल्डर है वह अपने मन की बात प्रकट कर सके last में मैं सर हमारे जितने भी डायरेक्टर है जितने भी अधिकारीगण है जितने भी शेयरहोल्डर भाइ बहन video conference के through present है उनको उनके परिवार के अच्छे स्वास्थ्य की कामना करता हूँ और भगवान् से प्रार्थना करता हूँ भगवान् २०२३-२४ सभी के लिए healthy, wealthy and prosperous रहे इसके साथ मैं मॉडरेटर के भी धन्यवाद देता हूँ जो इतनी अच्छी service दे रहे है मैं चाहूंगा सर की जो कार्वी का यह platform है काफी अच्छा है और future में इसी तरह कार्वी का platform सिर्फ कार्वी के प्लेटफार्म से एक request है कभी कभी एक लिंक भेज दिया करें जिससे हमें पता लगे की हमारा रजिस्ट्रेशन हो गया है जय हिन्द जय भारत नमस्कार सभी को

**Moderator:** Thank you, Mr. Santosh. I assume that Mr. Bharti Saraf is the next speaker but since Mr. Santos Saraf and Bharti Saraf are together, we combined that as one. Chairman sir, with your permission, I'll request your permission to call Ms. Smita Ashwin Shah, because he has desired to ask one more question. Smita Ashwin Shah, please.

**Mr. Smita:** Yeah, thank you sir for giving me the opportunity. Sir. I just would just like to know, what is our current order book, if you could let us know? And also kind of, if you can tell us more about some orders, which we are going to bid in the pipeline for next one or two years or so. So that we can broadly understand the opportunity, size that we are looking at, in terms of execution. That's it. Thank you so much for letting me ask another question.

**Moderator:** Thank you. We'll just move on to the next speakers who were available, but were not able to unmute themselves on time. Mr. Satya Prakash Mittal, if I'm audible to you, you're requested to kindly try now please. Mr. Satya Prakash Mittal from Lucknow. We have not received any audio input from Mr. Satya Prakash Mittal. We'll just try Miss Neha Kharodia from Mumbai. Ms. Neha, if you are able to unmute yourself? Miss Neha Kharodia from Mumbai. Well, we have not received any input, we have provided an opportunity to all the registered speaker shareholders. Chairman sir, with that, I hand it back to the board to continue with the rest of the session. Thank you.

**Chairman:** If anybody is interested to join now, we will permit a couple of them. If they are interested to ask questions anymore. I mean, we request.

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

**Moderator:** Sure sir. I will try once again to call out the individuals

**Chairman:** I mean who are not covered in this, some of them want to ask.

**Moderator:** Sure sir.

**Chairman:** We have some time, we can do that.

**Moderator:** Sure sir, I will try. Mr. Mithilesh Gupta from Mumbai. Mr. Mithilesh Gupta, if I'm audible to you, I request you to kindly unmute yourself, switch on your webcam if you desire to do so. Mr. Mithilesh Gupta we are not receiving any input from you. Chairman sir, Mr. Kamal Sodhi has requested for one more opportunity to speak one more question. Thank you, sir. Mr. Kamal Sodhi if you can unmute yourself and proceed with asking the question please.

**Mr. Kamal:** Sorry for this afterthought, but it would be nice if you could also let us know the decision on the stock split and the ratio but and by when can we expect that please? Thank you.

**Moderator:** Thank you, Mr. Kamalji. We will move on to our next speaker. We would like to try Miss Ayushi Mittal. Ms. Ayushi Mittal if you're available, we request to kindly unmute yourself. We have not received any. Ms. Neha Kharodia.

**Ms. Neha:** Yeah. Am I audible?

**Moderator:** Yes, ma'am. You're audible now.

**Ms. Neha:** Thanks for the opportunity. So firstly, I would like to congratulate the management for the great performance that we have delivered. I have got four questions. The most important question for me is regarding the OCF. So in the last two years our OCF generation has been miniscule due to rising working capital. Mostly because of the inventory's rising. So firstly, what is the reason for the same? Second thing is how do we plan to rectify this thing? And like what is the stable state OCF to EBITDA that we can generate in probably the medium term or so?

Second question is on the capacity front. So, we have doubled our capacity and the new capacity shall come on board in 2023 itself. So if you can elaborate on the same. What exactly it caters to and what hardware equipment that we will be making there? Third question is on the growth outlook in the medium term. So, given the industry related developments that are happening as in the new Indian Space Policy also has come up in 2023. And the way we have also delivered growth in the past, so, do we aspire generating maybe a 500-600 crore revenue in next five years? Or is that estimate conservative for you? And then, like with the rising scale, what will be our margin trajectory? Do we see any improvement? If



File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

you can probably talk about that. And last question is about the IMAX revenue target, as in, what do we target over there in next three to five years? And when do we expect to break even for IMAX? And after the questions, I just have one suggestion. So now, we are more than 1,000 crore market cap company and we would really appreciate, if we can have more investor conversations as in terms of quarterly calls or so. So, if that is a possibility and if management can consider that it would be great. That's it from my end and thanks a lot for the opportunity.

**Moderator:** Thank you Ms. Neha.

**Chairman:** Thank you Ms. Neha.

**Moderator:** Chairman sir, with that, we come to the end of the session. We request the board to continue with the rest of the event. Thank you.

**Chairman:** Thank you for the participation, Mr. Bharat Gupta, Ms. Neha, Kamal Sodhi, Shri Santosh Kumar Saraf for all your questions and there are others who have sent questions, lot of them. Though they have not participated here, but they have sent questions. Like Mr. Vikram Sharma, Mr. Rajesh Mittal, then we have Satya Prakash Mittal, Mithilesh Gupta, Bharti Saraf. So some of them have sent very detailed questions. Most of the questions raised during this meeting also are covered in them. So, we have a consolidated reply to all these things, which I hope will satisfy your understanding about the company's present and future.

So I'll go one by one and try to give as comprehensive replies as possible. See, basically one of the questions is about financially about what are the orders on hand and on what is the plan for the next two years. I would like to share with you that we have about 188 crores of orders in hand. After executing close to around 68 crores so far in this quarter. I mean, it's quarter in, I mean one more week. But right now it's about 68 crores other than 188 crores which we have orders on hand. So, we should be comfortable and achieving 200 crores turnover during the financial year 2023 and 24. The margins relatively almost remain same. And most of you should have gone through the ratio analysis and all where by and large we are around 20% net profit after tax and this year it's slightly higher 23%. With that around, with that kind of ratios we should be able to maintain. The interest about financial expenses is mostly related to the working capital increase because of the increase in the turnover. And also because of the supply chain related issues, we have to procure some of the imported components in advance to be able to comply and meet the delivery schedules as expected by the customer. So, with that I think fairly good Ebitda as well as PAT is expected for the next couple of years also. So, this is mostly on the financial side.

Coming to the queries, Neha also asked me about the working capital. Our working capital is based on the kind of payment terms given by the customers and then how and also the input content that is there in those orders. So, we cannot exactly, it's not product mix changes from year to year and the contract terms

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

changes from order to order. So, it all depends upon how the whole production cycle works. So, the inventory management, inventory holding costs and the receivables vary with that. Some of the, one of the shareholders asked about the inventory being 44 crores. Inventory was 44 crores as on 31st March. But, as I told you earlier, we have already completed 68 crores and another 60 crores will be done in the next quarter. So, almost all the inventory that is there on 31st March, most of it is consumed in the first quarter and whatever remains will be consumed in the second quarter. So, in the first two quarters itself we'll be doing close to 130 crores turnover. So that's the reason for the higher inventory, because we have to have say suppose there are 1500 components in one of the, any one of systems. So, all are important and all are required at the same time. Accordingly, we have a very good software which is built in house to make sure that the inventory turnover is optimized. Coming to the next questions about SDR. See, software defined radio market in the defense segment. Right now is about \$300 million per annum. So, as per the last three years, the purchases from the defense and going forward 5% growth is expected. CAGR is expected. So it's a decent opportunity size, it comes around 2500 crores approximately per annum. So there were not many players in this of course, there are established players like Bharti Electronics is there and there are others who are also joining this now, what you call, getting into this SDRs. As far as Avantel is concerned, we are way ahead because we are not only developing an SDR we are developing an SCA compliant SDR. We have already developed in the HF. And Mr. Sodhi, or not Mr. Sodhi I think the query is from Ashwin. He was telling about the import content earlier and now. Earlier import content was 100%. When we took from the Germany it is obviously 100%. We bought the radio. Now the import content may be around 35%. So from 100% to 30% that is a difference in the import content okay. So obviously as we move forward and make, develop SDRs in L band and S band, we'll be well positioned to bid for all tenders for SDR. So that's the end. We're looking looking forward to a significant share in the opportunity going forward in particularly from 2005 onwards. Right now also we have orders but it will be significant from 2005 because we'll be completing the development of almost all the flavors of SDR covering frequency range from HF to S band. That's about the SDR part.

And coming to the land that is question on land. We have got land, four acres of land and we already started construction and it should be operational by this time next year. Maybe by May, June it should be operational. That will be used for not only for SDRs but radars and other electronics equipment, in EW also. Electronic warfare also, it will be manufactured there. So, that will be a 70,000 square feet facility in electronic city, close to airport, maybe five minutes drive from airport and airport. But there the facility is coming up. So, because the existing facility in Vizag is already fully occupied, and we have taken some place where it's on lease just opposite to our factory. And we have very good comprehensive facilities in Vizag itself, but for the diversification and growth plan, we need some more space. So, this facility is being built, the land in E city. And another question about IMAX. I see in medical equipment side the certification process is very long and it takes time. So, initial incubation period will be high for medical equipment. We have entered into transfer of technology, MOU with Andhra Pradesh Medtech zone. There we have already signed for patient monitors. Then we are also trying for infusion pumps. We are also signing for infusion pump. So, those two products technology will come from AMD side. In addition to

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

that, you know the final stage of development of ventilators, CPAP, BIPAP, all respiratory equipment development is getting completed

We'll also for certification in about three months from now and then certification process is little, it will take about six months. So, these products will be commercialized in 2024-25. So, the break even of the company will be in 24-25. 23-24 also we may have some losses. Right now whatever surgical staplers we started that and oxygen concentrators is there, not much of market. But surgical staplers are certified and now we are in the market. And right now we are supplying about 50,000 per month approximately. So that's already commercialized. And we have also taken two acres of land in AMTZ Visakhapatnam. That building construction will start sometime in August or September and hopefully we should want to complete that by May 2024 that facility also. This is regarding IMAX. And then there are some few questions on the recent order from Coastguard. It is for development of MSS systems on geostationary satellites for coast guard ships. It includes two hub stations as well as MSS terminals and that's about the order from Indian coast guard which is slightly more than 50 crores. There are some questions on five kilowatt HF systems. Again we are the first company in India to develop that and supply to Indian Navy through Bharat Electronics, that is HF five kilowatt system and there is a good requirement from Indian Navy for that and there will be a tender coming up in a couple of months from now most probably. And we are well prepared to participate in that. So that's about the five kilowatt HF systems question.

Regarding RTS I think I mean, we as earlier explained, so the 6300 our number order will be completed by end of August and there could be a requirement of another say 10 to 12,000 numbers. And that tender also may come by the end of this financial year, it should maybe, may come. So we'll definitely have an advantage having executed this order successfully. We'll have an advantage in while participating in this big tender for close to 10,000 loco devices. That's based on information I have now, the numbers may change depending upon what the plan of railways is all about. But that is a potential opportunity where we have the product and successfully delivered and the same thing will be a repeat order kind of thing. About radars, we have supplied this wind profile radar to ISRO. And now we are developing low level lightweight radars. We have submitted the response to the expression of interest from Indian army. So, once we get the project sanction order or RFP then we will invest more time and resources on that radar. So, there is a big market, but we propose to our client to diversify into that from 24-25 onwards. Not in this financial year. From next financial year onwards, we would like to work, put more resources on that. So, that from 25 we should be able to participate in the market opportunities for radars also.

About some NSL, a subsidiary of ISRO, they've gone for a tender for one lakh terminals, transponder for weather communication support system for marine fishing vessels and we are participating in that tender and we have the product. So, I mean, we also participated in the IDEX program and we have been already shortlisted for a couple of them. And we should be able to take up those development programs on IDEX also. Regarding market, we have already completed the development work, their production is going on and that also should be completed by September. There's one question on the status of market.

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

Regarding capex I mean, capex will be there five to six crores in this financial year and something like 10 crores next year. So, around 15 to 16 crores will be there. This is in relation to the buildings that we are constructing and everything can be met from the internal resources. We are not going for any long term loan for this. We plan to fund the facility in electronic city with our own resources both for buildings, land, building and equipment. This is about this and I have already covered. There is a question on advance from customers. That depends upon the type of contract. It's as per DPP, defense procurement policy thing. Then they give 15% advance but on all other orders they will not give that advance.

So, about the future, three to five years and we are expecting a healthy growth of 20 to 25% for the next three years. There is a question on effective tax rate also, 13.17% ?

So, I think I've covered most of the questions. If there is anything else left? You can, I think I've covered most of the questions.

Someone is asking about the split of shares. Of course, obviously to improve the liquidity of the company and increase participation of small investors. Yes, this is going on. And today afternoon we have the board meeting, the Board will decide and by the end of the day you will get the information about the split shares. So, we are doing the split only to increase the liquidity so that small investors can participate in that.

Regarding supply chain, I mean, it's getting better now. Last year or last two years it was bit difficult, very highly challenging, particularly for semiconductor components, like FPGA, microcontroller and ADC, DAC and all. There is a lot of problem. So somehow we managed by coming out with design changes because the technology is in house and it's our own technology. We could make a lot of changes in the design without compromising on the performance, functionalities, specifications. We could do that very quickly and then find alternate components and equivalents. And then because of the technology strength, we could work on those shortages and still deliver the products in time, which is really commendable performance from our R&D team and design development team. They have done an extremely good job and quickly raising to this occasion and solving the problems. And that is really commendable. So because of that we could overcome the supply chain issues. But now it's getting better. Now it's getting better.

So, regarding foreign exchange variations in as far as defense contracts are concerned, it is covered, exchange rate variation is covered. I mean, if there is a change in dollar rate, accordingly, the import costs, whatever import content is there, the increase in that will be covered in the contract. Anything else? Anything else? NSE listing, one question is there I believe, yes. We are planning to go for NSE listing in 2000, next year. After the results are out, audited results are out maybe in May, June. Once the balance sheet is ready, then we will apply for NSE listing. That may happen in June-July of next year. Anything else? Any questions? Harshita, all questions are covered? We'll see, I mean depending on the situation and current situation.

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

I think I have covered most of the questions. The moderator is there, right, still there. If anybody has missed that question, you can join now, I mean for five minutes. After these clarifications, if they still have one or two doubts, give five minutes for their questions so that that nothing is left out.

**Moderator:** Sure, Chairman sir. As of now, there is no new speaker who has joined into this event. If there are any existing speakers who are currently available and if they wish to ask any questions, they can just message for the moderator in the chat and we will be able to take it up or allow them the permission to speak. We'll just wait for them sir. Thank you sir.

**Chairman:** Thank you very much.

**Moderator:** Mr. Satya Prakash Mittal from Lucknow, you had a desire to speak. Are you able to speak now through your microphone?

**Mr. Satya:** Hello, am I audible sir?

**Moderator:** Yes, you are audible now, sir.

**Mr. Satya:** Thank you so much sir. Thank you for giving me opportunity thrice. So first of all, good morning to the board. And thank you, Chairman sir, for patiently answering every single question that all the shareholders have put up. So, sir, most of the questions have been answered, just few more. I think on the SATCOM we had mentioned and we have been a strong player in India. So, if you could just also talk about a little more of its capabilities and journey behind this whole fleet. And we have mentioned that we are consolidating our positioning by entering into MSS system. So if you could shed a little more light on what exactly we are doing and how big this opportunity can be? Next sir, if you could also talk about our medical devices. So I think you did cover upon it that we are applying for a lot of certifications and approvals. But if we look at the medical device business, it is very tough to get into these devices. So what is our team like? What is our strategy like to build on to this business? Because this is a little different from what we have been doing for last several decades. Next sir, I think we have one couple of orders in past from customers like Boeing, Lockheed Martin, Russian Federation. So were these one of contracts were in these were part of some set of projects, or can we also expect to get some bigger size orders from customers like these? And sir lastly, I think, recently we had won a big contract for 50-55 crores regarding SATCOM terminals and hub stations. So is this the same usual SATCOM equipment that we're doing or does this hub station is something new and synergistic that we have begun recently? So, these are my few questions sir. Rest you have covered all.

**Moderator:** Thank you. Chairman sir, would you like to answer or can I continue with the next speaker?

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

**Chairman:** I can answer this. Actually, see I'll start from the last question. See now ISRO and Ministry of Defense, they're coming up with multiple beam satellites, with multiple different dual polarization also. So, the challenges are like know how to build terminals which work on multiple beams. I mean, there could be five, 7, 10 Like, different level beams covering the ocean region as well as the landmass. So, I mean, we are able to develop terminals, which work on multi beams and at the same time give an omnidirectional mobile performance on geostationary satellites. That is the challenge. So, this is a continuous process increasing the data rates. We are going from data to voice to video, and going from single beam to multi beam. Going from single polarization to dual polarization. These things, this evolution is going on to make mobile satellite services more what to call more functional and more useful to the services on different platforms including ships, aircraft, helicopters, submarine and vehicles moving in remote areas and things like that.

So we are addressing that, what to call coverage issues using highly secured satellite communication. And Avantel is basically into ground station equipment market station, the terminals. By and large the focus is on that. However, in future Avantel also can offer its assembly testing and integration facility for small satellites also, because the facilities that we have are sufficient for that. We lack abilities for that, but there are no big numbers right now. When the numbers are there, Avantel is having the capability to produce even small satellites. And the question regarding medical equipment, of course, it's very competitive. But the focus of ours is mostly on some import substitution kind of products where you know, where you can make healthcare more affordable and accessible by offering equipment which is required for outpatient care, as well as for hospital care. With all the features that are available in imported equipment from the standard, very established companies like Johnson and Johnson, or. So an equivalent product should be available from indigenous source, that is our focus. We're also coming out with hospital care at home by integrating many of the things that are there in the ICU. You should be able to have it in a gated community in the clubhouse or in individual, if you can afford that, individual can have it at home. So nurse can administer that. So there is no reason for hospitalization. That is another thing that we are doing in NYMEX. I think broadly this is the, I think this really should answer your question.

**Moderator:** Thank you Chairman sir. Mr. Mithilesh Gupta from Mumbai. Mr. Mithilesh Gupta, if I'm audible to you, request you to kindly unmute yourself if you have any questions sir. Mr. Mithilesh Gupta, we are not getting any audio feed. So we'll move on to Mr. Kamal Sodhi. Mr. Kamal Sodhi has requested one again for one last question. Mr. Kamal. Mr. Kamal if I'm audible to you, request you to kindly unmute yourself.

**Mr. Kamal:** Thank you sir, for this wonderful commentary on the funnel. So, I just did a rough calculation. Since the RTI has ordered expected inquiry tender expected as of 12,000 pieces, and the last one was for 6000 at a value of around 125 crore plus AMC. So, this would be around 250 crores maybe with the price escalation possible repeat order. Then the repeat orders from Boeing, Lockheed, then Bharat Electronics has an order book already have multiple 1000s and they have given a forecast of 20,000 crore



File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

new orders for this current fiscal year. Plus there were big orders expected last year. And then the ISRO one lakh terminal tender and then be HF tender. So my estimation is that the funnel of tenders is roughly around 1500 crores for Avantel to possibly bid for in this current fiscal year or maybe they have already bid for. So, my request is to roughly in a very conservative way please advise what could be the likely orders that could be expected and please be as conservative as you feel you need to be because the funnel seems extremely, extremely bright and you've given the developments and the indigenisation and the multiple beam SDR that you spoke of. Sir, if you could please throw some light on possible order book in a very conservative basis, because the radars and the satellite plant would start from May or June next year. So that would bring in additional capacity. So, if you could just give us some approximation, that would be very helpful. Thank you sir.

**Chairman:** Thank you Kamal. As I told you earlier, see the challenges and each one of them you mentioned are different. So and Avantel is not the only company participating in all those opportunities including fisheries or Indian Air Force, Indian Army, HF system and you know, all those things you mentioned except for those from Boeing, Lockheed Martin and some MSS terminals for our Navy and Coast Guard, where we have some advantage because in terms of the technology and being the only player. But otherwise, other tenders are competitive and depends there are competitors obviously are there from Bharat Electronics and L&T, Alpha design, data pattern, shastra. So, many people are there. So, I would say we are hopeful and positive that after completing 200 crores this year, we should be able to do next two years around 550 crores. So, 250 and 300 crores. That is the target we kept for ourselves. Okay, so, I cannot say anything more than that.

**Moderator:** Chairman sir, can we take one more question please?

**Chairman:** Please, go ahead.

**Moderator:** Thank you, sir. There was a request from the representative of Ms. Smita Ashwin Shah to be able to ask one more question.

**Mr. Smita:** Yeah, thank you, sir. Sir, we've also spoken in the annual report about the space policy which the government has introduced. And we see lot of private companies putting lot of CapEx there and we understand the small satellite market both domestic and export is a very big opportunity. So sir, making small satellite is I mean the costs in hundreds of crores. So, where are we going to fit into this particular segment one two years down the line? And what role can we play in this particular segment, if you can broadly, give us a color on that would be really helpful, thank you.

**Chairman:** We don't want to invest in launching or making and launching of satellites on our own. So that plan is not there for Avantel. However, we have the capacity to build satellites as a service. I mean, like you know, if some company is launching some small satellites, satellites 100 kg or 150 kg kind of

File Name	Meeting Date
AVANTEL LIMITED	23-06-2023

configuration, we have the capacity and capability and infrastructure to assemble and test those satellites. Thank you.

**Moderator:** Chairman sir, we have not requested any more, we have not received any more requests. My apologies. We can cut through the session if you desire to do so. Thank you sir.

**CS:** Since we are over with question and answer session. We would request the shareholders whose queries still remain unresolved or whom we could not register as speaker for technical or other reasons, to please mark us a mail with your query. We will ensure that you will get a suitable response to your query. With that I will hand over back to Chairman sir.

**Chairman:** Thank you Rajshekhar. Members may note that the voting on the KFin platform will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so. The board of directors has appointed Mr. M B Sunil, practicing company secretary as the scrutiniser to supervise the remote E voting and the E voting process. Further on receipt of the consolidated report from the scrutinizer, the results of the voting will be declared. I hereby authorize Mr. D Rajasekhara Reddy, the company secretary to declare the results of the voting. The results will be announced on or before June 24, 2023 and the same would be intimated to Stock Exchange and uploaded on website of the company. The resolutions as set forth in the notice shall be deemed to be passed today subject to receipt of requisite number of votes. We're grateful to all our shareholders who joined us today through video conferencing. Thank you all for attending the meeting and I hereby declare the proceedings as closed. With your consent I and other board members would like to leave the meeting and wish all the members a healthy future and be safe and take care of your family members. thank you very much.

\*\*\*\*\*