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Transcript of 36th Annual General Meeting

Mr. D. Rajasekhara Reddy: Good morning, ladies and gentlemen. I extend my heartiest welcome to all the members, members of the Board of Directors, Auditors, and the management team to the 36th 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. The members attending this E-AGM through video conferencing facility are counted for the purpose of reckoning 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 36th AGM of the company is being held through Video Conference/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/Other Audio-Visual Mode is being made available to the members on a first-come, first-served 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 video conference pursuant to the applicable circulars issued by the Ministry of Corporate Affairs and the SEBI, physical attendance of the members has been dispensed with, and accordingly, the facility for appointment of the proxies is not available for this meeting. Members are requested to refer to the instructions provided in the Notice appearing on the video conference page for a seamless participation through video conference. In case members face any difficulty, they may reach out on 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.

Dr. Abburi Vidyasagar: Good morning to all of you. A very warm welcome to the 36th Annual General Meeting of the company. It's a pleasure to connect with all of you. On behalf of the Board of Directors of Avantel, I want to thank you for taking the 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 virtually and physically from their respective places. Mr. Vyasabhattu Ramchander, Independent Director and Chairman of the Audit Committee and Corporate Social Responsibility Committee. Mr. Myneni Narayana Rao, Independent Director and Chairman of Nomination and Remuneration Committee and Stakeholders Relationship Committee. Dr. Ajit T. Kalghatgi, Independent Director, who is participating from Canada. So it's a very late evening, so he still took

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time to join us. Thank you, Ajit. Thank you, Ms. Harita Vasireddi, Independent Director. Dr. Tamilmani Kandasamy, Independent Director. Mr. M. Lakshmi Narasimha Acharyulu, Independent Director. Mrs. Abburi Sarada, Director (Finance) and Chief Financial Officer. Mr. Abburi Siddhartha Sagar, Director (Strategy and Business Development), and Chairman of the Risk Management Committee. Thank you all. Apart from the Directors, our Statutory Auditors, M/s. Grandhy & Co. are represented by their partner Mr. Naresh Chandra Gelli, who has joined the meeting from Hyderabad. Our Secretarial Auditors M/s. P S Rao and Associates, Company Secretaries, represented by their senior 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. L. Phanindra, have joined the meeting from Hyderabad. Our Cost Auditors, M/s. MPR & Associates, represented by their partner Mr. D. Munisekhar, has joined the meeting from Hyderabad. The company has appointed Mr. M.B. Sunil, Partner, M/s. P S Rao & Associates, as a Scrutinizer to conduct the voting processes, e-voting and poll in a fair and transparent manner. In view of the presence of the requisite quorum, I call this meeting to order. Once again, I thank all the shareholders and members for joining this meeting. We are conducting today's meeting through video conference mode pursuant to the directions issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India. The live proceedings of this meeting are also being webcast on the KFin Tech 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 and relevant documents 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 convening the AGM, the Board's Report and Auditor's Report have already been circulated to the members, with the consent of the members present, the same are taken as read. The Statutory Auditor's Report and Secretarial Auditor's Report do not contain any qualification, reservation, adverse remark, or disclaimer. Accordingly, the Reports are not required to be read out pursuant to the provisions of the Companies Act. Before I go to the next thing, I would like to share what your company performed, how it performed in the last Financial Year 2026-27.

At the outset, I would like to bring to your Notice that Avantel, being a product company has to invest in intellectual property and development of technology as well as products which meet the specific and customized special requirements of the Indian Defense Services, which takes considerable time and effort in developing the product as well as going through the field trials to meet the requirements. So the performance of the company, it's very difficult to evaluate quarter by quarter or year on year. So, as the results of the effort that's put up by our team members at Avantel will give long-term results, and for sure. So as you have seen over the period of time that whatever R&D efforts that Avantel has put in has given good results over the period of time. I am proud to say that our company invests a good amount of money as a percentage of the total revenue, in fact even 5 to 6% of the revenue, and sometimes it was 10% even, when the average spending

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of the corporate sector is around 1% or sometimes less than 1% on R&D. So the main strength of the company is research and development, creation of IP, and development of products which actually meet the very special requirements of our services, which were otherwise met by imports. So now, with the idea of self-reliance and encouragement given to the Indian industry, to be self-reliant which is given good encouragement and support to a company like Avintel, which from inception itself follows the same path. So now in the last Financial Year 2025-26, your company has developed a wide range of products which will meet the requirements of the market for the next 5 years. Which can be classified into 3 different areas. One is software-defined radios for tactical communication. The second area is satellite terminals not only for the Indian Navy and Coast Guard, which you have been doing for quite some time, it also will be also useful for the Indian Army now. So, and we are also happy to inform you that, as you already know, We have got five projects on iDEX, and all the five projects are going well, and they are in the final stages of development now. And coming from next month onwards, we'll be offering those products for trials by our customers, which are Indian Navy and Indian Army. The 3 projects from the Indian Army and 2 projects from the Indian Navy, are almost 90% completed. And in the final stage of trials. And then subsequent to their recommendations, whatever comes through trials, we'll implement them to complete the development of the products as per their requirements. And we are very hopeful and confident that these products will go a long way in meeting their requirements and will be required in good numbers, and it will translate into, good sales revenue as well as profits. In addition to the iDEX projects, we have also taken up various variants of development of software-defined radios from HF to L-band. So various products and various models like for handheld or manpack, vehicle version, airborne version, shipborne version. So on different platforms, we have developed software-defined radios with compliance with the global standards like SCA, like Software Communication Architecture compliant, with frequency hopping for it, with electronic countermeasures. And if they are state-of-the-art products which earlier either they were imported or supplied by companies like Bharat Electronics or Hindustan Aeronautics, big companies for supplying these software-defined radios. We are now well positioned to meet the latest and state-of-the-art products which are required by all three services: Indian Air Force, Indian Army, and Indian Navy. All of them. So I am proud to say that from going forward, we will be able to contribute in a significant, significant way in the defense communication, which is an essential part of C4ISR. As you know, C4ISR means Command, Control, Communication, Computing, Intelligence, Surveillance, and Reconnaissance. In that, communication is a very - plays a very significant role in achieving the objectives and meeting the strategic requirements of our defense services. Okay, so that part also is taken care of through SDRs. And the third part, where we have now established a very good facility near Vijayawada, we have come for a rights issue for that. I'm happy to inform you that the entire rights issue has been used, and the project has been implemented, and it's monitored by the monitoring agency. As per the objectives given in the rights issue, all of them were fulfilled, and this unit is likely to be inaugurated in the first week of September. It's almost ready, so then it's in the final stage of completion. It should be

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ready by the end of next month, but the formal inauguration may be in the first week of September. So the objectives of the rights issue have been— and that facility is also, is a state-of-the-art facility. There will be, initial— the first order that will be executed is supply of satellite ground stations to NSIL, Government of India, for about 9 satellite ground stations. In collaboration with the French company called Safran. Safran is a very big multinational company, and with their collaboration, and of course the indigenous content being more than 50%, so we are going to build those systems in the next 18 months, and we were very confident that we'll be completing that order successfully. Which lays the foundation for future requirement of satellite ground stations, both for GEO as well as LEO satellites. And as you know, now the Government of India is giving a lot of emphasis to the space sector. They want to encourage the private sector, and a lot of new projects are going to come both in LEO as well as GEO. So, we are geared up to meet those requirements as far as the ground stations are concerned and also the terminals, satellite terminals. So satellite terminals as well as ground stations, we're completely having the knowledge, infrastructure, capability, and capacity to meet the growing requirements in those sectors. So these three are the main areas. And, I will elaborate more on the financials and accounting while answering your questions later. Happy to say that there is good, what you call, interest from the shareholders. They have asked various questions which are, of course, similar to the ones which have been, which were asked in the earlier AGMs also. And some of the questions are common. I would like to answer those questions in the question-answer session, and which will give you more insights into the business plan and the growth prospects for the next five years, how we are going to do in the current Financial Year, and then in the next five years. And a lot of questions were there on the profitability and the sales revenue and utilization of rights issue funds and things like that. I will answer them during the question answer session. Now, I request the Company Secretary to go ahead with the next item on the agenda.

Mr. D. Rajasekhara Reddy: Thank you, sir. The company has received a request from a few members who registered themselves 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 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 the Companies Act 2013, read 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 36th Annual General Meeting of the company. The e-voting commenced on Sunday, June 21, 2026 at 10 AM and ended on Tuesday, June 23, 2026 at 5 PM. Further, in compliance with the e-voting rules framed under the Companies Act, 2013 and the circulars issued by the Ministry of Corporate Affairs, the voting at the AGM will also be conducted by the same e-voting system of KFin Tech, which was used during the remote e-voting. The shareholders who have not cast their vote during

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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 provided by KFin Tech. Members can click on the Vote tab on the video conference screen to avail this feature once the Chairman calls the item to vote. Members may note that once a vote is cast on a resolution, the same can't be modified subsequently. The company has appointed Mr. M.B. Sunil, Partner, P S Rao and Associates, Company Secretaries, as the Scrutinizer to scrutinize the votes cast in the remote e-voting process and the e-voting process during the AGM in a fair and transparent manner. Since the AGM is being held through Video Conference/Other Audiovisual Means, and the resolutions mentioned in the Notice convening this AGM have already been put to vote through remote e-voting, therefore there is no requirement for proposing and seconding the resolutions.

Dr. Abburi Vidyasagar: Thank you, Rajasekhar. Certain members have registered themselves as speaker shareholders and will now be invited to ask questions or offer comments. I now request the moderator to facilitate the speaker shareholders to raise their queries and seek clarifications regarding the financial statements and operations of the company during the Financial Year 2025-26. 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 3 minutes' time. We'll hear all the questions first, after which I would be pleased to give my responses to your questions in a consolidated manner.

Moderator: Thank you, sir. Now I will call all the pre-registered speakers one by one. The first registered speaker is Mr. Kamal Kishore Jhawar from Hyderabad. I request the speaker to unmute and proceed.

Mr. Kamal Kishore Jhawar: हलो, मेरा आवाज आ रहा है सर?

Moderator: जी सर। आ रहा है सर।

Mr. Kamal Kishore Jhawar: Okay. Thank you, KFin. हमारे चेयरमैन सर, ऑल डायरेक्टर्स को मेरा नमस्कार। सबसे पहले हमारे विद्यासागर साहब को बहुत-बहुत बधाई देता हूं साहब। आज आप कंपनी को कहां से कहा ले गए। मैं इस कंपनी में आईपीओ आए जब से शेरहोल्डर हूं। स्मॉल इन्वेस्टर रोको आप हार्ड वर्क से बहुत अच्छा रिटर्न मिला है हमारे लोगों को। बहुत अच्छे बोनस मिला सब कुछ मिला। टुडे शेर प्राइस बहुत बड़ा स्ट्रांग है। और आपका जो अध्यक्ष स्पीच था बहुत अच्छा था, पूरा डिटेल आप पूरा बता दिया [Not Clear]. तो हम इस कंपनी में बहुत खुश है साहब। और इसी तरह वीडियो कांफ्रेंस रखी है सर। और सर अपना 2026-2027 रेवेन्यू कितना आ सकता है? बीच में अपना रिलायंस से भी कुछ टाइप हुआ। और अपना पाइपलाइन में भी ₹900 करोड़ का ऑर्डर है। आगे और पाइपलाइन में कितना आर्डर आ सकता है? तो साल में कितना बिजनेस कितने करोड़ में टर्नओवर हो सकता है, उसके बारे में थोड़ा बताइए साहब। इसी तरह वीडियो कांफ्रेंस रखिए। और लास्टली, सेक्रेटेरियल डिपार्टमेंट की टीम, मिस्टर राजशेखर रेड्डी साहब, हम कभी भी मेल दिया इसे मिलता है सब और हमारे को बैलेंस शीट टाइम पर मिल गया। तो सेक्रेटेरियल

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डिपार्टमेंट का बहुत सर्विस बहुत अच्छा है। तो इसी के बारे में मैं ज्यादा बोलना नहीं चाहता हूं। कैफीन का भी बहुत सर्विस अच्छा है, जो हमारे को लिंक प्रोवाइड करी है। और हमारे CFO शरदा मैडम को भी नमस्कार जो डायरेक्टर्स को नमस्कार। Thank you, sir.

Dr. Abburi Vidyasagar: Thank you. Thank you very much.

Moderator: The next speaker is Mr. Kamal Sodhi from Bangalore. I request the speaker to unmute and proceed.

Mr. Kamal Sodhi: Good morning, ladies and gentlemen. I have no queries. I simply wanted to take the opportunity to congratulate the entire team of Avantel and Imeds. And I pray to the good Lord for your continuous success. And thank you so much for being there for all the shareholders. Thank you, ladies and gentlemen.

Moderator: Thank you, sir. The next speaker is Mr. Ramesh Shanker Golla from Hyderabad. Currently, Mr. Ramesh is not available. Moving to the next speaker. The next speaker is Mr. Ayush Mittal from Lucknow. I request the speaker to unmute and proceed.

Mr. Ayush Mittal: Hi, am I audible?

Moderator: Yes, sir, you're audible, sir. Please proceed.

Mr. Ayush Mittal: Yeah, thank you for the opportunity. Good morning to the entire Board. Thank you for the opportunity and congratulations to the entire team for all the developments that have been happening. Sir, I have already sent my list of questions. Should I repeat them here, or in the interest of time, I can just highlight the key important ones, and I'll request that you answer each of them in detail?

Mr. D. Rajasekhara Reddy: Yeah, actually, we have received all your questions.

Dr. Abburi Vidyasagar: Mr. Aayush Mittal, I received all the questions from you. And I'll answer all those questions because some of the questions are common for the many others who have sent their questions. So instead of repeating the same answer, I thought I'll consolidate that and answer the questions. I'll make sure that all your questions are answered, Mr. Mittal.

Mr. Ayush Mittal: Yes, sir. And just one request, sir, on the SDR and iDEX projects, if you could share as much as you can, that would be helpful. And also on the ground antenna segment that we are working on. Thank you, sir, and all the best to you and your team.

Moderator: Okay, thank you, sir. Moving to the last registered speaker. The last registered speaker is Mr. Ramesh Manguluru from Hyderabad. I request the speaker to unmute and proceed. Mr. Ramesh, please proceed, sir.

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Mr. Ramesh Manguluru: Hello?

Moderator: Yes.

Mr. Ramesh Manguluru: Hello, am I audible, sir?

Moderator: Yeah, yeah.

Mr. Ramesh Manguluru: Ah, sir, sir, good morning to everybody, sir. Sir, I am Ramesh Manguluru from Hyderabad. Sir, I have some—I need some clarifications, sir. Number 1, revenue declined from ₹248.48 crores to ₹221.35 crores by ₹27.13 crores, and net profit also declined from ₹259.9 crores to ₹22.49 crores. It's by ₹37.42 crores. What is the reason? I would like to know. And number 2, sir, what is the order book stands as of today and revenue visibility for the next 3 to 4 years? The last, last question is, sir, the breakdown of, breakdown of order book by segment: defense versus space versus railway versus meteorological. Thank you very much.

Moderator: Thank you, sir. Sir, the opportunity provided to all the available speakers. With this, we completed this speaker session and I hand the chair back to you, sir. Thank you.

Dr. Abburi Vidyasagar: See, I have got questions from one Mr. Shirag Satish. And then Abhishek, Hitesh, Sunny Agarwal, and Mr. Mittal, who was Ayush Mittal. And of course, I will also answer the questions raised during the, you know, some people who participated here. And then another shareholder, Nikunj Narendra Mehta, also raised some questions. So all these questions, I have looked into in detail and then I'll respond to them. Still, if somebody has any questions after that, I don't know if the moderator can permit them later if one or two persons want to ask questions, some seeking clarification on the answers given by us. You can, if the time permits, allow them so that there is a participative participation from the shareholders if they still have some doubts on that.

You see, the major concern expressed in all the questions was, for the first one regarding the finance and accounts, it is regarding decrease in the sales revenue and the profit. So, see, while, you know, earlier also I tried to explain to you that in defense sector it's very difficult to exactly, know, expect or you know, the performance based on the sales revenue and profit quarter by quarter or year on year, as the procurement cycle for defense itself is slightly different from what for the civilian applications, which have been most probably you must have understood by watching the performance of the company for so many years. So it is very difficult to give exact guidance regarding the top line as well as the bottom line, the sales revenue and, and the profits, quarter by quarter or year on year. But at the same time, I am happy to share with you, for the first time in the history of the company, I can confidently say that there is visibility for the next 3 years. It's the first time it's happening now. Earlier we had visibility maximum for a year or a— or a— maybe a year and a half maximum, not more than that. The first time we have visibility for 3 years.

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So the efforts that have— we have put in the last 30 years are starting to give results and looks like we have reached some inflection points where we can confidently say that at least the next 3 years there could be, somewhere around 25% compound annual growth rate is, is, is very, very likely. Okay, so we are very sure of that. So that's a good point now, good thing to note in this AGM. So very, very sure of the performance of the company for the first time in the history of the company. Regarding the specific year between— if you— because these are raised concerns about '25-'26 and '26-'27. In the year '26-'27, if you look at the— where that whatever there's a difference in the profitability that you have quoted, a significant part of it— I have the breakup of the complete difference that is there in the, you know, in the reduction of the profit. See, basically you should look at this Financial Year as an investment for the future. We don't have the practice of capitalizing the R&D expenditure, though this is since the beginning we are doing the same. So many companies would capitalize the R&D expenditure because it generated IP which will have long-term results, so it is not shown in the P&L account but it is capitalized.. But as a practice, we thought whenever it comes, it comes, because we are not sure when the results will be made— come. So we have the R&D expenditure which generates IP for the long term, is part of the P&L account. In this Financial Year, the increase in R&D expenditure from the last year alone is ₹7 crores. Okay, and similarly We invested in capital equipment to build the capacity to reach, you know, to have higher revenue, okay? And to also address different market segments so that product mix is enlarged. For that, we have invested huge amounts on the test facilities, manufacturing facilities, and building facilities. So the depreciation account itself in the last one year, because of that investment in capital expenditure itself is 7 crores. So straight away, more than 14 crores has gone towards investment for the future, even though in the P&L account it is shown as an expenditure. So you should look at it as an investment rather than a reduction in profit. That's number one. The third point, which contributed to the reduced reduction in the profit, is the product mix. 2025-26, Almost 70 to 80% of the revenue has come from defense, and that too from the products which are proprietary article certified. That means there is no competition. We are the only company which supplies those products, which has been happening for quite some time because they are proprietary to Avantel. The technologies, we have patents and we have, we have, you know, um, IP on that. And, and if it's difficult for anybody to develop that, it will take about 4 or 5 years. Okay, so that leverage was there in the last Financial Year. Major part of the revenue was on account of those orders which are proprietary in nature. And for defense applications. That contributes to about 8 to 9 crores of profit because of that product mix being more defense and less of civilian application. In 2026-27, we did more for civilian application. That's for the fishing boats too, a requirement to NSIL, which is a Prime Minister's project. And we're happy to say that we are the— out of the 3 companies, we are the only company that completed all the requirements in time. Okay, suppose we have 27,000, all of them have been supplied well in time. And so we got some additional orders because another 5,000 numbers, and then the batteries required for those things, they have given to us because other companies are yet to complete that. But there the profit margins are low, not because we quoted low. We are not L1. There are other competitors,

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we knowingly, whatever it is their strategy, they have quoted very, very low prices. But it's because this is a project of national interest, we also agreed to match that price and do take up this project. And we successfully executed that, which will help in the, I mean at least more than 100,000 fishermen, and to have real-time online satellite communication with various features to know their location, SOS messages. They can operate through their phone itself even on high seas where there is no connectivity of mobile. So they can know where the fishing zones are, and it's a very, very, good project from the social impact point of view. So in fact, in terms of the impact, it's having an impact on, say, 100,000 fishermen and their livelihoods. So that project being the major part of the early last year, there obviously be—the margins will be lower when compared to the defense projects. That contribution alone would be around nearly, close to ₹9 crores. And some of the overheads, some of the people have mentioned about the, um, other expenses and other See, our new facility was inaugurated last year in ACT, which is now dedicated for the R&D mostly, even though we do some production, which is not very significant. But most of the production will happen in Vizag and in future in Vijayawada. But this is basically for R&D. I am happy to inform you there are about 180 engineers working in R&D in our company. So the results of that R&D you will see going forward in the future years. That's why with confidence we are able to say that we will be able to achieve 25% CAGR, very likely. And, and the increase in expenses are because of that, the overheads, because it's completely, about 100,000 square feet of new facility and associated overheads. There, that way if you look at it, it's, I don't consider them anything significant because that's only ₹5 crores approximately. And then manufacturing expenses are, as I explained, because of the transponders there is an increase of ₹5 crores. Because of the civilian application with lower margin, there is an increase of manufacturing to the extent of ₹5 crores. And obviously the sales were less last year because most of the orders which were expected have materialized during this year, which will be executed in the next 2 to 3 years. I'm happy to inform you that the PNC concluded or the rate contract is already on hand. It is totally, I could say, for '26-'27 onwards, for the, for the 3 years The orders are about ₹1,000 crores as of today, okay, including the railways order and the SATCOM ground stations order, IMD order for wind profile radars, and one order expected from DEAL where the PNC is concluded, [Not Clear], that's about ₹100 crores. All of them put together, it will be around ₹1,000 crores. So we are confident that we will be able to do something around ₹300 crores, and then followed by ₹375 crores to ₹400 crores, and then about 500 crores. So this is above with a CAGR of 25% approximately. So 500 plus 400 plus 300 is around 1,100, out of which we already have on hand ₹1,000 crores. So I am able to say confidently that these figures are completely achievable, with any minor deviations in that, with minor surprises. But otherwise, you can say that the next 3 years are very good. This excludes—this ₹1,000 crores is excluding all the developments I mentioned in my opening speech about SDRs, iDEX projects, and what we are going to do for NSIL SATCOM ground stations. All 3 projects or excluded what the potential opportunity for all the three. And the continuous R&D that I am doing right now in the next— this year and next year is going to be, really see the final products that are delivered. I mean, the outcomes, which pass through the trials and then gear up

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for the next future, next 5 years, are going to be completed during this '26-'27, which is a crucial year from the R&D perspective. So there's a lot of focus on development of all those products, iDEX as well as SDR products, with various flavors. They should all be in place by the time we meet next year AGM. They all should be in place. They should have completed development and most of them have gone through trials. That is the good news. Because of that, even 5-year business projections look good, and this 25% CAGR should continue for 4th and 5th year also. With that, I think that's the bottom line. And in addition to that, we are also thinking of doing something in the energy sector, if we are still exploring, and, because we want to have something which is having continuity in the orders flow. And also reach a higher level of sales revenue so that we can compete, for bigger orders which are of ₹2,000 crores or ₹3,000 crores kind of orders, which they should be, the qualification criteria is based on the annual turnover of the company. So those we have to go through some other company, or as the, you know, main bidder, we can go and directly bid for those orders meeting the qualification criteria as per the DPP. That is another development which I cannot give any commitment right now, but you will see when the things materialize, I'll be informing you all through our announcements or whatever statutory requirements are there. Anyway, we'll be informing you. I think this is broadly the— our perspective on the performance in the last year as well as the projections for the future 3 to 5 years, projections for the next 3 to 5 years. Coming to— I think I have answered the question on operating margin in detail about The difference in PAT of ₹37.36 crores is explained in terms of R&D and other expenses because of the new facilities and depreciation because of the new investment in capital equipment, capital assets, manufacturing expenses, and loss of margin due to decrease in sales because of the product mix. And of course, financial expenses slightly increased because of the receivables. And even though they are directly or indirectly related to the Government of India only, because of their own procedural issues between different ministries and all, there was quite a delay of— in getting the receivables. And some of them we have already received on March 31st, and some of them we are receiving now in May and June. We have received some more, and they are— nothing is going to be a bad debt. But everything we'll get, there is not going to be any bad debts. But it's only a question of time due to government procedural issues. Because of that, there was an— there is an increase in working capital, and the interest on working capital. And further, there are a lot of bank guarantees we had to give because the huge order book was there. For every order book, we have to give a performance bank guarantee. And for the advances we receive, again, we have to give a bank guarantee, 100% on the advances. So all those charges put together, the financial expenses, there is a slight increase of around ₹2.6 crores. So for the projections we are talking about and for the development that happened in R&D, I think that's not very significant. Okay, and you may be knowing that our debt equity ratio is very, very low. It's— I think, I'm not sure if it's around 0.1. Which is very, very low, and interest coverage ratio and all that are very, very healthy, almost 11 times BSCR. So that way, I don't see, I mean, we have been very conservative and then we are doing very well in terms of financial management. Further, we also got, now, limits from SBI, in addition to Canara Bank, with multiple banks. We have very good comfort in the working capital

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limits now, which is very much required to be able to execute orders to the extent of ₹1,000 crores in the next 3 years. The working capital requirements are very much— are very important, and the banks have been supporting us very well. And very much thankful to both Canara Bank and SBI for extending the credit limits and then supporting us., you know, through this growth process, growth stage. So with that, I think the financial expenses part also I have covered.

Then coming to, then I think borrowing limit also utilization, all that is related to the same, the increase in turnovers and debt receivables extending to 4 to 5 months. These are the reasons for, you know, the borrowing limits being high and all. But even though we have taken ₹350 crores permission from the Board, as of, as of now, the fund and non-fund-based limits put together, the sanctioned limit is around ₹250 crores only. And we have not utilized all of them. There is still a good scope for us to use. Whatever we used on as-on-date leaves a lot of scope for comfort in the working capital. And the other question is the rights issue. Yes, the rights issue process has been completed. As for the credit monitoring agency, that monitoring agency which is CARE, and as per the— they have monitored whether we have spent the money as per the objectives of the rights issue. And, while meeting all the requirements, we have successfully completed the implementation of the project as well as utilization of the rights issue funds. I have already discussed the order book value. Um, the product margins and competition and pricing pressure, it depends on from product to product and customer to customer and tender to tender. There is nothing like uniformity that we can say that we are— I mean, I am having one particular product which I am making 100,000 of them. So this product, these are the major competitors, and this is the gross margins, and this is the financial expenses. So this is— that is not possible in our company because it's a technology-driven company working in various domains, various types of customers. And both defense and civilian applications, some are proprietary and some are competitive bidding. And it's very difficult to generalize and then say that this will be our gross margin or net margin and things like that. So, but overall, we ensured that the company, or the, keep generating profits and also build the base both in terms of capability as well as capacity, for sustainable growth and profitability in the years to come. And it's not far, as I told you, in the next 3 years itself. You have— I've told you that there will be a CAGR of 25%, but profit margin varies from year to year based on the product mix and the type of tenders used. I cannot give guidance on that. And next point I would like to tell our shareholders also that there is some information I cannot share because it is sensitive. Market sense. I will only be giving the information to our competitors or, or which is against the interest of the company. So more than certain details, it is difficult to tell order by order or customer by customer, segment by segment. Margins cannot be disclosed and it's not in the interest of the company and its shareholders. So, but overall, yes, I mean, quarter by quarter you are getting the results and you are seeing that and we're very transparent. So you can draw your own conclusions based on that. Product capacity utilization is also very difficult to define here because the product mix is wide, as I told you, a wide range and completely different technologies. So I mean, if you ask me, if you have the orders in hand, I mean,

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we can even with the same infrastructure, we can make ₹1,000 crores. Same infrastructure, even ₹1,500 crores and ₹2,000 crores. Yes. So I mean, so how do you define the production capacity that way? The production capacity varies, depending on— depending on the product mix and the customer requirements. Okay. And, and the, the point here is In electronics industry, product capacities, you can— if you want to define and based on how many PCBs you can assemble or how many PCBs you can test, that is not— that way you can outsource the SMT line and then you can make ₹5,000 crores also. That's not the problem. But we are an IP-based, product-oriented company, so it's very difficult to give you the guidance in terms of capacity utilization or profit margins and, and the, and the competitiveness and things like that. So I, I can assure you that return on capital employed, because we are not going to increase the equity, return on capital employed and EPS and things would only improve year on year for the next 3 years. Definitely I can make sure because we have orders on hand. So we know what we are getting into, what is the— what are the margins and what are the ORs. We have a very clear idea on that. So there will be definite improvement on the return on capital, and I mean, return on earnings for the, per share. EPS will definitely— I can ensure it will be definitely much better than what you have experienced during '26-'27, which is a year of investment in R&D and enhancement of the capacity of the company by improving the infrastructure and capability.

Factory visit, of course, you are most welcome. All the shareholders are welcome to visit the factory at Vizag or Hyderabad or Vijayawada. But the only thing is, you should please write to a Company Secretary and he will fix the date and time and then enable the visit. Also, we'll be more than happy to help you visit the— your company and see for yourself what is happening. About current liabilities and all contingent liabilities, they are by and large, they are related to the bank borrowings only from Canara Bank and SBI. And there are some things like advances we receive from customers because for big tenders there is a practice of giving advance against bank guarantee. So we have to give 100% bank guarantee and get them. That's part of the— most of the, what you call, liabilities are around that. Otherwise, the short-term provisions are related to the tax and other things which we have to— now we have to make provisions. They're mostly provisions. If you look at the creditors, out of the ₹35 crores 57 lakhs we have shown, that whatever, so the ₹1.78 crores only is the creditors. ₹71 Crores is the debtors receivable. ₹1.78 Crores only is the trade payables, and all of them are less than 30 days. Okay, so that is the level of discipline with which the company works. So there is, if you look at the current ratio and all, they will be very, very highly positive and all that. So there is absolutely no worry on the current liabilities, yeah, point of view. So if you want any further details, and I think they have given in the annual Report also the details of current liabilities, you can have. And if you want further, you can ask for consultancy fees and all. Some people went into details and asked about consultants. Obviously consultancy fees, legal and professional fees will be increasing, I know, as the company grows. And they are all— there is nothing discretionary in that. All are non-discretionary

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compulsory spending only: regulatory filings, compliances, certifications, statutory approvals, and things like that.

Okay, so the new Directors— I am very happy to say that we have a very good Board with all accomplished professionals with very rich experience in various fields. More than anything else, I'm very proud of our Board. The kind of experience they bring to the table is— I mean, you can't ask for anything more. We are very grateful for them to agree to join us and then share their experience for the benefit of the company. And the new Directors you have, that is, we have already shared the experience of Dr. Tamilmani sir and Shri Acharyulu గొర్రె. Both have been very clearly given in the annual Report. Please go through that. They have excellent experience. Dr. Tamilmani sir retired as Director General of Aerospace from the DRDO with about 40 years of illustrious, no, profile in aerospace industry. And thousands of companies came up under his guidance, and he is the architect of self-reliance and indigenization in the aerospace sector. And I cannot say more, and I have already elaborated more in the annual Report. Regarding Acharyulu sir, he is also having very good experience in various domains and very varied domains at a very senior level as the managing Director of the company. Turned around the companies which are not doing well and took them to great heights. And he worked in a very technology-intensive company, particularly the chip design company, way back, some 20— more than 20 years back, and led the company to greater heights. And so I think we have elaborated on all this, and he brings a lot of experience in the financial side also. I'm very sure the company is very fortunate to have him on the Board, and I look forward to his guidance, particularly on the financial side, on how to take the company to the next level and reach a turnover of at least ₹1,000 crores in the next five years by 2030. So I hope Acharya sir can guide us in that respect. So how to structure the company financially, raise the resources required to reach that turnover and grow further in the next five years. Thank you, sir. Thank you for joining. Thank you, Kamimani sir, and thank you very much. I have already explained what you see in the next 3 years. I have already explained orders on hand, minimum growth is assured, and I am not able to give figures, but there is a very good scope for all the iDEX projects as well as the SDR. And someone has asked a specific question on the deal order. And [Not Clear] order— one more order we are getting, that is on the hub side, that's about ₹100 crores. And the earlier order was only around ₹10 crores for satellite terminals. So these are highly secured satellite communication terminals for communication on the move using S-band, on different satellites, both for civilian application, defense applications. For defense applications [Not Clear] Dehradun, we have got this order and, that will add a layer of security, high level of security, high grade of security to the— particularly to the Indian Army services. They are looking for that. That will be, we are taken care of in this order, which is a prestigious order from [Not Clear] Dhara Dun. We'll work together And in the next 1.5 to 2 years, we have to complete both the orders, both the hub as well as the terminals. And that is important in terms of mobile satellite services and the mobile satellite terminals in S-band. We will occupy a very niche space, both from the iDEX point of view and also our collaboration with the [Not Clear] Dehradun in that

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respect. That's— I hope that answers your question in, , on, the iDEX and all that, you know. Some questions were there, and sat phone, convoy management, broadcast receiver, all were completed to a great extent, and the final stage, last 10%, is only there. That is due to the trials, pending trials for— from the customer. And, Ku-band and antennas for Navy, it may take another 4 to 5 months, these, uh 3 for Army are completed. This Ku-band will take another maybe 4 months, 3 to 4 months to be able to offer to the Indian Navy for trials. So, defensible against BEL, L&T data patterns and all, actually ours is a niche strategy. We don't compare ourselves with anybody. We always find opportunities. We have advantages in terms of IP, intellectual property, in terms of technology, and there is some kind of entry barrier. So though we compete with them on certain products like wind profile radars, or, you know, with BEL in some cases of [Not Clear], SDRs and things like that, I would say that SDR will be in top 3 for sure. Satellite terminals will be in, I think S-band terminals will be number 1. In other SATCOM terminals, in other frequency bands, we will be in the top 5. So that way you can understand your positioning in terms of the— our competition with other companies. Some of you have mentioned there, LEO/GEO ground stations model ramp-up depends upon the Government of India's policies and how fast they can roll out, the launching of different satellites, and in both in GEO and LEO, both in private sector as well as the defense sector, how fast they can roll out the whatever expectation they have and projection they are giving. The moment there is a launch of satellites, obviously the satellite terminals and satellite ground stations where we are positioned will have demand. So exact timelines, it depends upon the satellite launch, right? So that depends on the Government of India, their policies, and also particularly the most important point, there is availability of orbit slots and frequency allocation. That is the main point which is bothering us in terms of GEOs. The growth is limited by availability of orbit slots. If the Government of India and InSpace and all, they can find a good number of slots and a good number of frequency allocations are there for launching of geo-satellites. There will be a huge demand for that. And we are also geared up to make the satellite also, but it depends on how NSIL and the Government of India, InSpace and those— they are the people who actually lead this growth. They are the people who decide the— how fast and in what direction the country should grow. They decide and we only can say that we are ready to, support those initiatives and then be ready also in terms of satellite assembly integration, satellite terminal development and supply, and also give satellite ground stations for both LEOs as well as GEOs. I think, I think by and large, most of the things have been covered. Some of the questions which are very specific, their financial guidance, I cannot assure beyond what I have already briefed in terms of three years visibility and five years visibility. And I hope to see 25% CAGR and reach ₹1,000 crores at the earliest, but definitely that, that growth rate we would like to continue. Three Years ensured and five years very likely. Regarding EBITDA margins and, and profitability and all, it all depends upon the competitive landscape and then how others bid, not how we bid. So it depends on that. So, I would not like to comment or give any guidance on that part. Um, what else?

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Yeah, regarding Avantel's differentiation, somebody asked the interesting question, that on how Avantel is differentiated from others. That question I can answer you. There are companies which are good in wireless design, RF and microwave. Very good companies, maybe like Astra, you can take it as an example. And there are good, very good companies in radar space like Data Patents. And of course, BEL is one of the largest electronics suppliers for the country, serving the country's interest for more than 50 years, and they're doing an excellent service to the Government of India. But where Avantel is differentiated is Avantel has got 5 different competency centers. Some are good in wireless, some are good in software, some are good in signal processing and embedded radar and things like that. Avantel, one competence entry is RF design. Excellent competency in terms of software tools and design capability and test facilities to, you know, evaluate that RF design. Then the next part is signal processing. We are very good in signal processing in digital communication. Very few companies in the country have that. There are good companies, maybe better than Avantel, but Avantel is equally good and good in signal processing and digital communication. The third is working on different types of processors, controllers, FPGAs, embedded systems. We have a good competency group in that. And the fourth group is on the software, application software as well as network management software, and the software specific to communication. Communication software on the client side as well as network side, both the Avantel has the capability. And the fifth is to integrate all of them and engineer that product to meet the mill standards and global standards. This is where Avantel stands out with respect to any of the companies, many of the companies. I would not say the company specifically mentioned by you, I won't say specifically, I cannot say because they are all good companies. I have nothing, but where Avantel is differentiated is this, this integration of all the 5 competency centers. Good, world class. And another question is, yeah, KU-band products will be used for Navy and naval vessels, and that is very much there. What I said is another 3 to 4 months, we'll offer them for the trials. And the major focus would be on SDRs. SDRs, we're expecting around ₹3,000 crores per annum minimum for the various versions of SDRs required by defense services including Army, Navy, and Air Force. ₹3,000 Crores, and we expect to take at least 20% of the stake year on year. That's our goal, and we are, in terms of technology, in terms of capacity and capability, we are geared up for that. AAT, I have already answered. Yeah. I think that RTS, we have already given the breakup, and that is the rate contract, and most of the orders will be executed in the next 18 months. After that, AMC will continue for the next 5 years. So the CMC component is about ₹160 crores in that. So that should give you an idea of, you know, about ₹460 crores is the basic contract value. So overall, the overall contract value, out of which ₹160 crores is going towards the CMC for the next 5 years. Input suppliers, you know, it depends upon the technology, and most of the semiconductor components are imported. And Indian suppliers are not really anybody as far as semiconductors are concerned. We import all of them from various countries. So, we don't have much of a choice. I mean, it depends on the design, which design works for that particular product. Based on the design, corresponding semiconductors have to be imported. And the last question, which is there, is regarding the Imeds, our healthcare subsidiary. I would say that the performance of the Imeds

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is a surprise for me too, because we didn't forecast or anticipate that the certification process takes a long time in medical equipment. And, but at the same time, I'm happy to inform you that for almost 5 products we got the certification. That's one patient monitoring ventilator, CPAP, IPAP, oxygen concentrator, surgical staplers. All these products, we have got the certification. And happy to inform you that, I mean, the complete development has taken place within the company. And they're good products, which, I mean, we are likely to get an industrial license next month and then start marketing them. So it took a long time for us, for the product development. And the flagship product which we had— we had in mind, Care at Home, we have not started because all these products have to be integrated in that Care at Home product, which is in the design phase now. And, in the next one year, we would like to complete the development of the product, which is like having a mini ICU, medical ICU kind of thing at home, so that all elders and they need not go to hospitals for treatment. That is going to be integrated with AI, IoT, and the patient's condition can be monitored, medicines administered through experts anywhere in the world, anywhere in the country, and their family members can be anywhere in the world. All of them have real-time information, and then the treatment can be given at home or in the community center, in a clubhouse, or wherever some room is available, and the flats, residential communities, or in Villa communities everywhere. This can be, the target price is around ₹10 lakhs for the product. So, I mean, this product, we want to integrate now with all the products that we have developed and some more products which we can have licensed manufacturing from other companies. So this product will be completely AI as well as IoT integrated. So this is the, this is the direction in which this company is going. And our marketing team of Imeds has visited China, visited about 15 companies, shortlisted 15, out of that 10 companies. And there, most of them are interested in white labeling their products, giving them in SKD form. We can assemble them here and then market them in the Indian market. So I think that they'll be tying up with around 4 to 5 companies now. For various respiratory products and medical products, and that's the thing that in the next couple of months this will be— MOUs will be signed. That's the second one. The third part is contract manufacturing. Right now it's at a very— value-wise it's not much, but two companies from the USA, they have wanted us to do contract manufacturing for air purifiers, and one is the HealthPod. It's like a health ATM kind of thing that got FDA approvals in the USA. So they want us to do contract manufacturing. This is the second line of things that we are working on. The final other product is that one company from Germany and one company from Japan wanted us to participate in co-development of two products. One is the operation theater lights that's called Dr. Mack, is a popular company in Germany. And there is another company in Japan which wants us to build cameras for endoscopic cameras and things like that, which is again a niche product. They want us to build that. So that is about co-development of the product. So this is the strategy Mr. Siddharth is working on all these aspects. And he is looking into Imeds-related aspects. Our Board has been reviewing this progress continuously and then going in a very cautious manner about the investment in Imeds. It may look more, but if you look at the kind of product development, and final overall investment including land and building, if you see, it's about not even \$4 to \$5 million.

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That's all. I mean, any startup, if you see, for 1, 2 products itself, they look for \$5 million to \$10 million. But you have so many products, when out of which land and building itself is, \$2 million. So another \$2 million, they've got so many products. But I am having little difficulty in explaining this thing, so our Board has suggested also, and we are under serious consideration, we are exploring the possibility of finding a strategic investor, if required take majority stake, so that it will not be an Avantel subsidiary anymore, but Avantel can have investment But everything is subject to valuation by a merchant banker or a professional body, then followed by the Board's consideration and Board suggestions and recommendations, and then finally the approval of yourself, the shareholders. So we'll be very transparent. We'll try to do that to see that the balance sheet of Avantel is not affected even in the near short term because Medicare is looking like a long-term game. And it's a different thing altogether because the scale is important. And China has a very high scale, I mean, exporting to 70 to 100 different countries, so their economies of scale are different from the Indian market. So, these are the big issues to be considered by the Government of India and overall policy and all will have an influence on how much indigenization can be done. Self-reliance we can achieve in medical equipment, it depends on those aspects. So, keeping in view, we want to keep healthcare out of this main, Avantel business, but the final decisions will be taken by the Board and shareholders. We'll only propose the things, after the valuation is done by a merchant banker. And if there is a potential buyer, then only we will put it up to the Board and the shareholders. That's my answer on the Imeds.

I hope I have answered all the questions. If you still have any questions you can send a mail to the Company Secretary. Siddharth, our Director, will answer all the queries. He's handling all the shareholders, you know, engagement. So anytime you have any queries, please feel free to call our Company Secretary, send a mail, and all the mails will be responded to in time. And if you are still not satisfied with the reply still, you can come to our office or you can send— talk to them over phone. Visit our facility, you are most welcome. So we are very transparent and there is nothing else, nothing to hide except the sensitive information which will be harmful, I mean, which will affect our competition positioning, competitive positioning. It will compromise our business interests, which is not good for you. That only will be sensitive, which we cannot share. But for that, everything else, I think Mr. Siddharth and Mr. Rajasekhar, they'll be more than happy to engage and interact with you and do the needful. Thank you very much. Once again, thank you for the time. I think I'll ask— request Rajasekhar to take the next item on the agenda. We request the shareholders whose questions still remain unresolved or whom we could not register as speakers for technical or other reasons, please send us an email with your query. We'll ensure that you will get a suitable response to your query. Okay, that's what Rajasekhar has clearly stated. And then, so anything else, Rajasekhar, now? So it's concluding? Now, I can conclude. Okay, thank you, Rajasekhar.

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Members may note that the voting on the KFin Tech 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, partner, M/s. P S Rao Associates, as a scrutinizer to supervise the remote e-voting and 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, Company Secretary and Compliance Officer, to receive the scrutinizer's Report and declare the voting results on behalf of the company. The results would be announced on or before June 25th, 2026, and the same would be intimated to the Stock Exchanges and uploaded on the website of the company. The resolutions as set forth in the Notice will be deemed to be passed today, subject to receipt of a requisite number of votes. The Board places on record its sincere appreciation to the shareholders, customers, bankers, government authorities, business associates, and employees for their continued support and confidence in the company. The Board also expresses sincere gratitude to the employees of the company for their dedication, commitment, and contribution during the year. Here I would like to mention that more than gratitude to the employees of the company, I would say that I am sincerely grateful to the families of the company who really sacrificed their family time, many times in the interest of the company. I mean, I keep on saying that we are really grateful to the families which supported the company. We are grateful to all our shareholders who joined us today through video conferencing. Thank you all for attending the meeting, and hereby declare the proceedings as closed. With your consent, the other Board members and I would like to leave the meeting and wish all the members good health, happiness, and prosperity. Thank you very much. The moderator may take over.
