

To
The Corporate Relations Department
BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street,
Mumbai-400 001
Fax No.: 022-22723121/3719

Dear Sir,

Sub: Notice of 30th Annual General Meeting (AGM) and Annual Report of the Company for the F Y 2019-20

Ref: Company Code: 532406

With reference to the subject cited above, Please find the enclosed Notice convening the 30th AGM of the Company to be held on Thursday, 25th June 2020 at 10.00 A.M IST through Video Conferencing / Other Audio Visual Means (VC/OAVM).

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

This is for your information and necessary records.

For **Avantel Limited**



M Murali Krishna

Company Secretary & Compliance Officer



Avantel Limited

Registered Office

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

Corporate Office

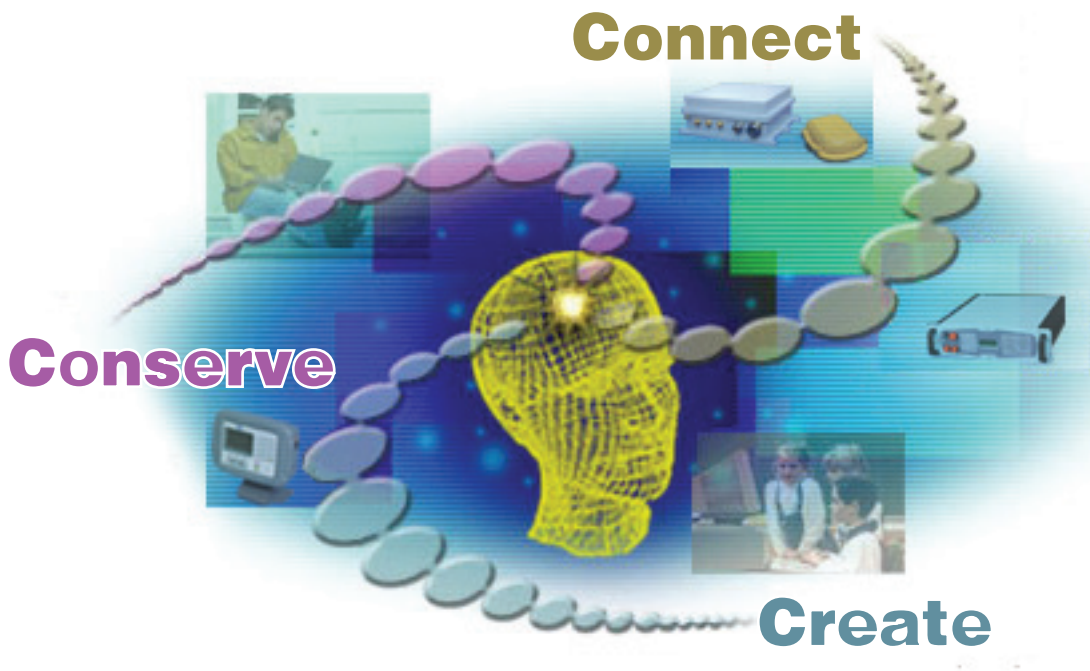
Plot No. 68 & 69, 4th Floor, Jubilee Heights
Survey No s. 66 & 67, Jubilee Enclave
Madhapur, Hyderabad - 500 081. Telangana
Tel : +91-40-6630 5000
Fax : +91-40-6630 5004

CIN - L72200AP1990PLC011334

www.avantel.in
compliance@avantel.in

AS 9100D
ISO 9001:2015
ISO 27001: 2013

avantel
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Annual Report
2019 - 2020

COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. Abburi Vidyasagar	-	Chairman & Managing Director
Smt. Abburi Sarada	-	Whole-Time Director
Shri. Raghu Prasad Pidikiti	-	Non Executive Director
Shri. Yalamanchili Kishore	-	Independent Director
Shri. Naveen Nandigam	-	Independent Director
Shri. Elluru Bala Venkata Ramana Gupta	-	Independent Director
Shri. Myneni Narayana Rao	-	Independent Director

Chief Financial Officer

Smt. Abburi Sarada

Company Secretary & Compliance Officer

Shri. M Murali Krishna (w.e.f 10.10.2019)

Registered Office:

CIN: L72200AP1990PLC011334

Sy. No. 141, Plot No 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam - 531 163, Andhra Pradesh

Phone: +91 - 891 - 2850000

Fax: +91 - 891 - 2850004

Corporate Office:

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

Registrars & Share Transfer Agents:

M/s. KFin Technologies Pvt.Ltd
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Phones: 040 - 6716 1565
Email: einward.ris@kfintech.com

Auditors:

M/s. Ramanatham & Rao,
Chartered Accountants
P. B. No. 2102, Flat No. 302, Kala Mansion,
Sarojini Devi Road, Secunderabad - 500003.

Internal Auditors:

M/s. Ramesh & Co., Chartered Accountants
6-3-661/B/1, Plot No: 78, Sangeeth Nagar,
Somajiguda, Hyderabad-500082, Telangana.
Tel No: 040-23311864/30686266.

Secretarial Auditors:

M /s. P. S. Rao & Associates,
Company Secretaries,
Flat No.10, 4th Floor, D. No.6-3-347/22/2
Ishwarya Nilayam, Opp: Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad – 500 082, Telangana, India

Bankers:

Canara Bank
Industrial Finance Branch,
H. No. 3-5-874/19/1 to 3,
Beside Old MLA Quarters, Hyderguda
Hyderabad – 500 029, Telangana
Ph. No. 040 – 23436945

Board Committees

Audit Committee

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

Nomination and Remuneration Committee

Shri. M. Narayana Rao	-	Chairman
Shri. N. Naveen	-	Member
Shri. Raghu Prasad Pidikiti	-	Member
Shri. Y. Kishore	-	Member

Stakeholders Relationship Committee:

Shri. M Narayana Rao	-	Chairman
Shri. Y. Kishore	-	Member
Dr. Abburi Vidyasagar	-	Member
Shri. Raghu Prasad Pidikiti	-	Member

Corporate Social Responsibility Committee:

Smt. A. Sarada	-	Chairman
Shri. N. Naveen	-	Member
Shri. Y. Kishore	-	Member
Shri. B.V.K. Durga Prasad	-	Member

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NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Avantel Limited will be held on Thursday, 25th day of June, 2020 at 10:00 A.M IST through Video Conference (“VC”)/ Other Audio Visual Means (“OAVM”) facility to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2020, together with the Report of the Board of Directors and Auditors thereon.
2. To declare final dividend of Rs. 2/- per Equity Share of Rs.10/- each to the shareholders for the Financial Year ended on March 31, 2020.
3. To appoint a Director in place of Dr. Abburi Vidyasagar (DIN: 00026524), who retires by rotation and being eligible, offers himself for re-appointment as Director.

SPECIAL BUSINESS:

4. TO CONSIDER AND APPROVE THE REAPPOINTMENT OF SMT. ABBURI SARADA (DIN : 00026543) AS THE WHOLE-TIME DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act, Companies (Appointment and Remuneration of Managerial Personal) Rules,2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to approvals, if any required, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Smt. Abburi Sarada (DIN :00026543), as Whole-Time Director of the Company at a remuneration of Rs. 18,00,000/- (Rupees Eighteen Lakhs only) per annum and other superannuation benefits as per service rules of the Company and a perquisite of rent free Accommodation as approved by the Nomination and Remuneration Committee, for a term of Two years effective from 14th Day of May, 2020.”

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

“FURTHER RESOLVED THAT the overall amount of remuneration payable to Smt. Abburi Sarada (DIN :00026543) shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act,2013.”

“FURTHER RESOLVED THAT in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during her tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013.”

5. INCREASE IN BORROWING POWERS OF THE BOARD OF DIRECTORS

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

“RESOLVED THAT in supersession of the earlier resolutions passed by members vide postal ballot notice dated 15.12.2014 and pursuant to the provisions of section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, the consent of the members of the Company be and is hereby accorded to borrow, enhance or avail loan facility for the general, working capital and such other corporate purposes, from time to time as the board

may think fit, any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs. 100 Crores (Rupees Hundred Crores only) over and above aggregate of the paid up capital of the Company and free reserves."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above said resolution, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to filling of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

6. CREATION OF THE CHARGE /PROVIDING OF SECURITY OF THE ASSETS OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, consent of the members be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted / to be constituted to exercise its powers) to create mortgage and/or charge(s) and/or hypothecation(s) in addition to the mortgage(s)/charge(s)/hypothecation(s) created/to be created by the Company, in such form manner with such ranking at such time on such terms as the Board may determine, on all or any of the movable and/or immovable properties and assets of all kinds of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the Financial Institution(s)/ Banks/ Lender(s)/Agent(s) and Trust(s)/Trustee(s) for securing the borrowings availed/to be availed by the Company, by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/ partly Convertible Bonds/Debentures/Warrants and/or Non-Convertible Debentures or other debt instruments) issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013, together with interest, premium (if any) on redemption, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trust(s)/Trustee(s), in respect of the said loans/borrowings/bonds/debentures/warrants and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or committee thereof and the Lender(s)/Agent(s) and Trust(s)/Trustee(s)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things and to execute such deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgage(s)/charge(s)/hypothecation(s) as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to the above Resolution."

By order of the Board of Directors

For **Avantel Limited**

Sd/-

Abburi Vidyasagar

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 9th May, 2020

NOTES:

1. An Explanatory Statement setting out all the material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM, on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cssunil1427@gmail.com with a copy marked to evoting@nsdl.co.in
5. The Company has notified closure of Register of Members and Share Transfer Books of the company from 19th day of June, 2020 to 25th day of June, 2020 (Both dates inclusive) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched within 20 days from the date of AGM to those members whose names shall appear on Company’s Register of Members on 18th day of June, 2020. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. In case you are holding the Company’s shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. Further, in case you are holding Company’s shares in physical form, please inform Company’s STA viz. KFin Technologies Pvt. Ltd, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, by enclosing a photocopy of blank cancelled cheque of your bank account.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agents, KFin Technologies Pvt. Ltd in this regard.
8. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs, in case the shares are held by them in electronic form and with Avantel Limited in case the shares are held by them in physical form.
9. In case you are holding the Company’s shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect

to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform the Company's STA viz. M/s. KFin Technologies Pvt. Ltd, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, by enclosing a photocopy of blank cancelled cheque of your bank account.

10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before June 10, 2020 through email on cs@avantel.in. The same will be replied by the Company suitably.
14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.avantel.in, websites of the BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>
16. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) Shareholders are advised to visit the website of the company www.avantel.in for further instructions on this. .

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to einward.ris@kfintech.com by 11:59 p.m. IST on June 18th, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on June 18, 2020.

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

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

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Monday, June 22, 2020 (9:00 a.m. IST) and ends on Wednesday, June 24, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, June 18, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed M B Suneel (Membership No. ACS 31197) of P S Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system. Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices
i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2
i.e. cast your vote electronically.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.co.in Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the one-time password (OTP) based login for casting their votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company, which is I I 2947.
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to cssunil1427@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
 Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, KFin Technologies Pvt Ltd at shyam.kumar@kfintech.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Mr. Y Santhosh Reddy, Assistant Manager-NSDL at ysanthosh@nsdl.co.in / 040-44334178)/+91 9642000974.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at cs@avantel.in from June 19, 2020 (9:00 a.m. IST) to June 21, 2020(5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.avantel.in and on the website of NSDL <https://www.evoting.nsd.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

By order of the Board of Directors

For **Avantel Limited**

Sd/-

Abburi Vidyasagar

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 9th May, 2020

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

ITEM NO: 4

Smt. Abburi Sarada (DIN : 00026543) was appointed as the Whole Time Director of the company for a period of three years with effect from 14th day of May, 2017. Accordingly, her tenure expired on 13th day of May, 2020 and the members of the board, based on the recommendation of the Nomination and Remuneration Committee, on 9th day of May, 2020 have re-appointed her for a further period of Two years with a remuneration of Rs. 18,00,000/- per annum, with effect from 14th day of May, 2020, subject to the approval of the members at the ensuing Annual General Meeting of the company. Keeping in view of her rich and varied experience, and her involvement in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Smt. Abburi Sarada (DIN : 00026543) as the Whole-Time Director.

Smt. Abburi Sarada (DIN : 00026543), did her Bachelors of Commerce from Osmania University and has also completed her Bachelors in Communication and Journalism from Padmavathi University. She has also pursued Masters in Business Administration from MadhuraiKamraj University during the year 2006. She is associated with Avantel Limited since 1992 and has made a significant contribution to the growth of the company during her tenure as Whole Time Director and Chief Financial Officer (CFO) of the Company.

Smt. A. Sarada (DIN : 00026543), is the spouse of, Dr. A. Vidyasagar (DIN : 00026524), Managing Director of the Company. Smt. A. Sarada (DIN : 00026543), holds 2,71,946 (Two Lakhs Seventy-One Thousand Nine Hundred and Forty-Six Only) equity shares constituting 6.71% of total equity share capital of the Company. Smt. A Sarada (DIN : 00026543), does not have any directorship or membership of committee of Board in any other listed Company.

The Board of Directors recommends the resolution in relation to the re-appointment of Whole Time Director, for the approval of the shareholders of the Company.

Employment Agreement containing the terms and Conditions of the appointment of Smt. Abburi Sarada (DIN : 00026543), would be available for inspection by members on the website of the Company.

Except Dr. A. Vidyasagar and Smt. Abburi Sarada (DIN : 00026543), or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

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

I General Information

- (1) Nature of industry: The company is specialized in integrating technologies related to wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development.
- (2) Date or expected date of commercial production: The company was incorporated in the year 1990 and the commercial production commenced simultaneously.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators:

(Rs. In Lakhs)

PARTICULARS	Financial Year 2019-20	Financial Year 2018-19
Total Revenue	5191.93	5051.12
Net Profit / Loss Before Tax (PBT)	1301.25	1250.03
Net Profit (PAT)	1075.74	958.92

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

(II) Information about the appointee

(1) Background details:

Smt. Abburi Sarada (DIN : 00026543), did her Bachelors of Commerce from Osmania University and has also completed her Bachelors in Communication and Journalism from Padmavathi University. She has also pursued Masters in Business Administration from Madhurai Kamraj University during the year 2006.

(2) Past remuneration:

Smt. Abburi Sarada (DIN : 00026543), was drawing a remuneration of Rs. 12,00,000 Lakhs per annum in the previous financial year.

(3) Recognition or awards:

Smt. Abburi Sarada (DIN : 00026543), played a vital role as the Whole Time Director, During her tenure, the company has bagged many prestigious awards like (a) “Excellence in Indigenous Development” by Society of Indian Aerospace Technologies & Industries (SIATI), Bangalore in September 2014 (b) “SME Excellence Award in innovation - for Electronic Goods & Component Sector” by Karnataka Small & Medium Business Owner’s Association (KSMBOA) in July 2015 (c) “IEI Industry Excellence Award 2015” by the Institute of Engineers (India) in the 30th Indian Engineering Congress held at Guwahati in Dec 2015 (d) “India SME 100 Awards” for the year 2016 by India SME forum (e) patent for “Integrated UHF (Satcom& LOS) for Voice and Data Communication to work with Indian Satellite” in December 2016. (f) “IEI Industry Excellence Awards” for the Year 2018. (g) “India SME 100 Awards” for the year 2018 by India SME forum. (h) “SME Empowering India Awards 2018” under the category of “Electronic Goods & Services 2018” by M/s. Arrucus Media Private Limited in coordination with National Productivity Council in May 2018. (i) “ELCINA Defennovation Awards 2018” in Excellence in R&D - MSME Category .(j) “FTCCI Excellence Award” under the category of “Excellence in Research & Development (Micro and Small Enterprise)” by The Federation of Telangana chambers of Commerce and Industry-FTCCI. (k) “TOP 25 Innovative Company by CII Industrial Innovation Awards 2019” by CII

(4) Job profile and her suitability:

Smt. Abburi Sarada (DIN : 00026543) was associated with Avantel Limited since 1992 and had made a significant contribution to growth of the company during her tenure as Director and Chief Financial Officer (CFO).

Keeping in view of the rich and varied experience of Smt. Abburi Sarada (DIN : 00026543) in the Industry and her involvement in the operations of the Company over a long period of time, it would be in the interest of the Company, the resolution commended for your approval.

(5) Remuneration proposed:

The board has recommended for a remuneration of Rs. 18,00,000 per annum (Rupees Eighteen Lakhs Only) along with the superannuation benefits as per the service rules of the company and a perquisite of Rent-Free Accommodation with effect from 14th May, 2020.

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

The proposed remuneration of Smt. Abburi Sarada (DIN : 00026543) is in line with the remuneration being paid to any Director in the relevant industry. Considering the background, competence and experience of Smt. Abburi Sarada (DIN : 00026543) the proposed remuneration as set out in the resolution is considered to be fair, just and reasonable.

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

Besides the proposed remuneration, Smt. Abburi Sarada (DIN : 00026543) is the spouse of Dr. Abburi Vidyasagar (DIN : 00026524) Chairman & Managing Director of the Company. As on 31.03.2020 Smt. Abburi Sarada (DIN : 00026543) holds 2,71,946 (Two Lakhs Seventy One Thousand Nine Hundred and Forty Six) equity shares constituting 6.71% of total equity share capital of the Company. She does not have any directorship or membership of committees of the Board in any other listed Company.

III. Other information:

1. Reasons for loss or inadequate profits:

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

2. Steps taken or proposed to be taken for improvement

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

3. Expected increase in productivity and profits in measurable terms

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

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

Particulars	Smt. Abburi Sarada	Dr Abburi Vidyasagar
Date of Birth	14/10/1964	15/06/1960
Date of Appointment	14/05/2017	01/04/2007
Qualifications	MBA	B.Tech, M.Tech, M.B.A. & Ph.D
Expertise in specific Functional area	Finance, Banking and Foreign Exchange Markets	1. Strategic Planning & Executive Decision making. 2. Design and Engineering of avionics equipment and Sales and marketing strategy & execution satellite communication products.
Directorship held in other public companies (excluding foreign companies)	Nil	Nil
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders/ Investors Grievance Committee)	Nil	Nil
Number of shares held in the company	2,71,946	8,23,193

ITEM NO.5 AND 6: INCREASE IN THE BORROWING POWERS OF THE COMPANY AND CREATION OF THE CHARGE /PROVIDING OF SECURITY OF THE ASSETS OF THE COMPANY

Keeping in view the opportunities in the areas in which the Company is engaged, existing Borrowing powers of the Board are inadequate to meet the present and future requirements of the Company. In order to meet the present and future

requirements, the Board may borrow an amount not exceeding Rs. 100 Crores (Rupees Hundred Crores only) over and above aggregate of the paid-up capital and free reserves of the company.

According to the provisions of Section 180 (1) (c) of the Companies Act, 2013 the Board of Directors of a Company, can borrow money in excess of its paid-up share capital and free reserves only with the consent of the members by passing a Special Resolution. The borrowings of the Company are usually required to be secured by suitable mortgage/charge on all or any of the Movable and / or Immovable Properties of the Company in such form, manner, and as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). Such creation of the aforesaid security, in certain cases is regarded as disposal of whole or substantially the whole of the undertaking(s) of the Company, within the meaning of Section 180 (1) (a) of the Companies Act, 2013, hence it is necessary to obtain prior approval of the members by passing a Special Resolution.

Hence, the board recommends the resolutions as set out in Item No 5 & Items No. 6 for your approval.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the said resolution except to the extent of their shareholding in the Company.

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 30th Annual Report on the business of your Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2020

I. COMPANY PERFORMANCE:

Your Company's performance during the year ended 31st March, 2020, as compared to the previous financial year, is summarized as below:

(₹. In Lakhs)

PARTICULARS	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations	5191.93	5051.12
Other Income	119.67	91.12
Total Revenue	5311.60	5142.24
Expenses	3653.88	3629.51
Operating Profit	1657.72	1512.73
Depreciation	271.13	204.72
Finance Charges	85.34	57.98
Net Profit / Loss Before Tax (PBT)	1301.25	1250.03
Provision for Tax		
Current Tax	231.61	298.78
Deferred tax	(6.10)	(7.67)
Net Profit (PAT)	1075.74	958.92
Other Comprehensive Income (net Tax)	(17.23)	(8.13)
Total Comprehensive Income	1058.51	950.79

During the financial year 2019-20 the company has recorded a Profit before Tax of Rs.13.01 crores as against Rs.12.50 crores in the previous year with a marginal increase in profit as compared to previous financial year.

2. TRANSFER TO RESERVES

The Board of Directors of the Company has not recommended for transfer of any amount to the General Reserve for the Financial Year ended March 31, 2020.

3. DIVIDEND:

Your Directors recommended a final dividend of Rs. 2/- per share for the financial year 2019-20. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting. During the Financial Year 2019-20 the company has declared an interim dividend of Rs.2/- per equity share to the members of the company. A table containing the details of the dividend is mentioned below:

Particulars	Dividend (in Rs.)
Interim Dividend	2.00
*Final Dividend	2.00
TOTAL	4.00

* Recommended by the Board of Directors at the meeting held on 9th May, 2020. The payment is subject to the approval of the Shareholders at the ensuing Annual General Meeting scheduled to be held on 25th June, 2020.

* The Dividend will be paid to members whose names appear in the register of members as on Thursday the 18th day of June, 2020 and in respect of shares held in dematerialised form, it will be paid to the members whose names are furnished by NSDL and CDSL as beneficial owners as on that date

4. DIRECTORS & KEY MANAGERIAL PERSONAL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the company, Dr. Abburi Vidyasagar(DIN: 00026524), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the reappointment of Dr. Abburi Vidyasagar (DIN: 00026524) for the consideration of the members of the company at the ensuing annual general meeting. Brief details of Dr. Abburi vidyasagar (DIN: 00026524) has been mentioned in the notice convening the Annual General Meeting at “*Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors*”.

The tenure of Smt. Abburi Sarada (DIN : 00026543), Whole Time Director and Chief Financial Officer (CFO) of the company expired on 13th May, 2020. Taking in to consideration of her rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, passed a resolution on 9th May, 2020, recommending the reappointment of Mrs. Abburi Sarada (DIN : 00026543) as Whole-time Director of the Company for a further period of two years with effect from 14th May, 2020 to 13th May, 2022.

5. DECLARATION BY INDEPENDENT DIRECTORS

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

6. MEETINGS OF THE BOARD

The Board met Six times during the financial year 2019-20 viz., on 07.05.2019, 12.07.2019, 10.10.2019, 06.11.2019, 17.01.2020 and 12.02.2020. The maximum interval between any two meetings did not exceed 120 days.

7. STATUTORY AUDITORS:

M/s. Ramanatham & Rao, Chartered Accountants, were appointed as the statutory auditors of the company at the 29th Annual General Meeting (AGM) held on July 12, 2019, to hold office as such till the conclusion of the 31st Annual General Meeting of the company. Hence, the term of the said Statutory Auditors shall expire at the 31st Annual General Meeting of the company to be held in the year 2021.

8. AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Ramanatham & Rao., Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31st March, 2020.

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

9. INTERNAL AUDITORS:

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

10. SECRETARIAL AUDITORS:

M/s. P. S. Rao & Associates, Practising Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rule 9 there-under. The secretarial audit report for F.Y. 2019-20 forms part of this Report as **Annexure- I**.

11. SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks made by M/s. P. S. Rao & Associates, Practising Company Secretaries in their report for the Financial Year ended 31st March, 2020.

12. RISK MANAGEMENT POLICY

The Company has developed and is implementing a risk management policy which includes the identification therein of elements of risk, which in the opinion of the board may threaten the existence of the Company.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As part of the Corporate Social Responsibility initiative the Company has spent an amount of ₹ 15,70,000/- (Rupees Fifteen Lakhs Seventy Thousand Only) towards the various CSR activities during the financial year 2019-20. A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as **Annexure – II**.

The Company has adopted Corporate Social Responsibility Policy in line with Schedule-VII of Companies Act 2013, containing the activities to be undertaken by the Company as part of its CSR programs. The CSR Policy is disclosed on the website of the Company www.avantel.in.

Composition of Corporate Social Responsibility Committee:

Smt. A Sarada	-	Chairperson
Shri. N Naveen	-	Member
Shri. Y Kishore	-	Member
Shri Durga Prasad	-	Member (Non-Board Member)

14. COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Company comprises the following Members

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

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

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:

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

16. FORMAL ANNUAL EVALUATION OF PERFORMANCE OF THE MEMBERS OF THE BOARD AND COMMITTEES

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors,

relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

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

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

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

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

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

18. SUBSIDIARIES/ASSOCIATES COMPANIES/ JOINT VENTURES:

The Company has no Subsidiaries/ Associate Companies/ Joint Ventures as on 31st March 2020.

19. NOMINATION AND REMUNERATION POLICY:

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178 of Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 to recommend a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. The policy is also posted in the investors section of the company's website.

20. FIXED DEPOSITS:

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

21. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS:

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

22. POLICY ON SEXUAL HARASSMENT:

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2020, the company has not received any complaints pertaining to sexual harassment.

23. DIRECTORS RESPONSIBILITY STATEMENT:

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

- i) In preparation of annual accounts for the financial year ended 31st March, 2020 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2020 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. VIGIL MECHANISM:

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

25. RELATED PARTY TRANSACTIONS:

Related party transactions entered during the financial year under review are disclosed in Note No. 36 of the Financial Statements of the Company for the financial year ended 31st March, 2020. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed herewith as **Annexure – IV**.

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

26. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure – V**. Further, pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 the Annual Return of the company is placed on the website of the Company www.avantel.in on the following link <http://www.avantel.in/inversteinfo.php>.

27. STATE OF AFFAIRS OF THE COMPANY

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

28. MANAGEMENT DISCUSSION AND ANALYSIS:

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

29. CORPORATE GOVERNANCE REPORT:

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

30. PARTICULARS OF EMPLOYEES:

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

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

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

31. HUMAN RESOURCES:

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

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

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

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

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

34. ACKNOWLEDGMENT AND APPRECIATION:

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

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

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

By order of the Board of Directors

For **Avantel Limited**

Sd/-

Abburi Vidyasagar

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 9th May, 2020

Annexure-I

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2020

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

To
The Members

Avantel Limited

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. **(Not applicable to the company during the audit period).**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not applicable to the Company during the audit period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;**(Not applicable to the Company during the audit period)**
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other specifically applicable laws to the Company:
- Telecom Regulatory Authority of India Act, 1997;
 - The Micro, Small and Medium Enterprises Development Act, 2006;
 - Industries (Development and Regulation) Act 1951;
 - Indian Telegraph Act, 1985.
 - Indian Wireless Telegraphy Act, 1933.

We have also examined compliance with the applicable clauses, Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. (There were no changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.)
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that:

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- there were no such specific events/ actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the company's affairs.

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report

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

Sd/-

MB Suneel

Company Secretary

C.P. No.: 14449

UDIN:A03 | 197B00022 | 178

Place: Hyderabad

Date: 9th May, 2020

ANNEXURE-A

To
The Members
Avantel Limited

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. A Substantial portion of the audit programme was completed prior to the outbreak of the pandemic COVID-19. However, owing to the lockdown measure imposed in the country and the cascading impact thereof, for certain verifications and cross checks, we have relied on management representations and assurances, wherever required, for forming our opinion and eventual reporting.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Hyderabad
Date: 9th May, 2020

Sd/-
MB Suneel
Company Secretary
C.P. No.: 14449
UDIN:A031197B000221178

ANNEXURE –II REPORT ON CSR ACTIVITIES

The CSR is being reported from 1st April, 2019 to 31st March, 2020.

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

(A) CSR POLICY

CSR Vision Statement & Objective

CSR Vision:

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

Objective:

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

Resources:

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

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

Implementation Process:

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

Monitoring:

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

(B) COMPOSITION OF THE CSR COMMITTEE

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

- | | | |
|----------------------|---|--|
| a) Smt. A Sarada | - | Chairperson |
| b) Shri. N Naveen | - | Member |
| c) Shri. Y Kishore | - | Member |
| d) Shri Durga Prasad | - | Member (Non-Board Member/ Special Invitee) |

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

Rs. 7,51,56,900/- (Rupees Seven Crores Fifty-One Lakhs Fifty Six Thousand Nine Hundred Only)

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

2% Average net profit of the Company for last three financial years is Rs. 15, 03, 138/- (Rupees Fifteen Lakhs and Three Thousand one Hundred Thirty-Eight only)

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

- a) Total amount spent for the financial year:Rs. 15,70,000/-
 b) Amount unspent, if any: Nil
 c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programme (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1.	<p>Pursuant to the CSR policy the company has contributed an amount of Rs. 14,50,000/- to Smt. Abburi Lakshmikantham Charitable Trust for carrying out various CSR activities.</p> <p>The following is the brief description of the various activities carried out in this regard: - The Trust has provided financial support to 35 Poor Children for pursuing their Education from 1st Class to Post Graduation for the year 2019-20 through various educational institutions.</p>	Education	Children Studying Various Schools and Colleges in the States of Andhra Pradesh & Telangana		6,76,040	6,76,040	By the Trust

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programme (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
2.	The Trust has initiated for construction of inner cement Roads to connect all Class rooms, Dining hall, Wash Rooms at ZPH School Taduvai. (Finally The ZPH School, Taduvai has become a Model School with all facilities i.e. Digital Class Room, Science Lab, Furniture to all Class Rooms, construction of new building for Dining Hall and Kitchen along with furniture, Wash Rooms for Girls and Boys, RO Plant for Drinking Water and cement roads laid to connect all class rooms, Dining hall, wash rooms.)		ZPH School, Taduvai W.G.Dt. Andhra Pradesh		1,00,000	1,00,000	By the Trust
3.	Donated 36 sets of School Benches (Dual Desks) to MPP School Taduvai W.G.Dt. from Class I to Class V	Education	Taduvai West Godavari, Andhra Pradesh.		1,58,705	1,58,705	By the Trust
4	The Trust has provided Smart School Solution to the below Schools: 1. Vigan Jyothi Public School 2. Keshav Memorial School 3. Burgula Rama Krishna Rao High School 4. Vivekananda Convent High School	Education	Hyderabad, Telangana		5,04,276	5,04,276	By the Trust

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programme (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
5.	The Trust has donated to ICHA Foundation for Mentally Challenged	Food	Achuthapuram, Visakhapatnam		10,979	10,979	By the Trust
6.	Contributions to 'PM Cares Fund'.	Covid-19	Pan India by the Central Government		1,20,000	1,20,000	By the Company
			Total		15,70,000	15,70,000	

For and on behalf of the Board of Directors
Avantel Limited

Place: Hyderabad
Date: 9th May, 2020

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

ANNEXURE- III

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

A. CONSERVATION OF ENERGY:

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

B. PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT (R&D) SPECIFIC AREAS, IN WHICH R & D WAS CARRIED OUT BY THE COMPANY:

a) Technology Absorption Adoption and Innovation

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

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

b) Research and Development

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

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

- ✓ Transceivers with voice and data communication for aircraft and helicopters
- ✓ TR system for 49 MHz Wind profiler
- ✓ MSS Tracker for Fighter Aircrafts
- ✓ High Power Amplifiers for EW systems
 - Power Amplifier 100-500MHz-500W
 - Power Amplifier 500-1000MHz-500W
 - Power Amplifier 1- 2GHz-500W
 - Filter Switching Unit 100-2000MHz-500W
- ✓ Development and application of Air Space and Airport Field Simulation

- ✓ Environmental Radiation Monitoring System with Satellite
- ✓ Development of MSS transceiver for EKM submarines with Digital Beam Former.
- ✓ Development of UHF Satcom System for Helios and P8I aircraft

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

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

e) Future plan of Action:

- ✓ Development of IKW HF System for Indian Airforce
- ✓ MSS transceiver with electronic beam former
- ✓ HF Modem development
- ✓ Upgradation of MSS HUB stations with LDPC
- ✓ Development of UHF Satcom System for Helios and P8I aircraft

f) Expenditure on Research & Development:

₹. in Lakhs

Capital	70.85
Recurring	443.02
Total	513.87
Total R & D expenditure % as of Turnover	9.90%

C. Foreign Exchange Earnings and Outgo:

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

Foreign exchange earnings	:	Rs 13.21 Lakhs
Foreign exchange outgo	:	Rs. 539.22 Lakhs

For and on behalf of the Board of Directors
Avantel Limited

Place: Hyderabad
Date: 9th May, 2020

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

ANNEXURE – IV FORM NO. AOC-2

Particulars of Contracts / Arrangements made with related parties

[Pursuant to clause (h) of sub-section (3) of section 134 of the act and rule 8(2) of the Companies (Accounts) Rules, 2014]

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount in Rs.
Smt. Abburi Sarada (DIN : 00026543) Whole Time Director & CFO, Spouse of Dr. Abburi Vidyasagar (DIN :00026524)	Rent	Ongoing	N.A	30.10.2009	10,00,350

For and on behalf of the Board of Directors
Avantel Limited

Place: Hyderabad
Date: 9th May, 2020

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

Annexure-V
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L72200AP1990PLC011334
2	Registration Date	30/05/1990
3	Name of the Company	AVANTEL LIMITED
4	Category/Sub-category of the Company	Company limited by Shares
		Indian Non - Government Company
5	Address of the Registered office & contact details	Sy. No. 141, plot no.47/P, APIIC Industrial Park, Gambheeram(v), Anandapuram (m), Vishakhapatnam, Andhra Pradesh, India - 531163
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Pvt.Ltd Selenium, Tower B, Plot No - 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad -500032 India Toll Free No : 18003454001 Email : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Telecom Equipment	61900	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 st March 2019]				No. of Shares held at the end of the year [As on 31 st March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	15,51,098	0	15,51,098	38.26%	16,57,122	0	16,57,122	40.87%	2.61%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	15,51,098	0	15,51,098	38.26%	16,57,122	0	16,57,122	40.87%	2.61%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	15,51,098	0	15,51,098	38.26%	16,57,122	0	16,57,122	40.87%	2.61%
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Alternate investment Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Foreign venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Foreign Portfolio Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) FIs/Banks	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%

h) Provident Funds/Pension Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Any Other (Specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (B)(1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Central Govt/State Govt/President of India	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (B)(2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
3 . Non-Institutions									
a) Bodies Corp.									
i) Indian	1,47,164	200	1,47,364	3.63%	1,04,317	100	1,04,417	2.58%	(1.05%)
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2lakh	15,11,057	53,643	15,64,700	38.59%	15,10,548	40,743	15,51,291	38.26%	(0.33%)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	7,12,108	0	7,12,108	17.56%	6,56,607	0	6,56,607	16.19%	(1.37%)
c) NBFC's registered with RBI	250	0	250	0.01%	--	-	-	-	(0.01)%
d) Others (specify)									
Non Resident Indians	43,095	0	43,095	1.06%	39,329	0	39,329	0.97%	(0.09)%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	497	0	497	0.01%	5525	0	5525	0.14%	0.13%
Trusts	0	0	-	0.00%	0	0	-	0.00%	0.00%
Foreign Bodies – D R	0	0	-	0.00%	0	0	-	0.00%	0.00%

IEPF	35,381	0	35,381	0.87%	40,202	0	40,202	0.99%	0.12%
Sub-total (B)(3):-	24,49,552	53,843	25,03,395	61.74%	23,56,528	40,843	23,97,371	59.13%	(2.61)%
Total Public (B)	24,49,552	53,843	25,03,395	61.74%	23,56,528	40,843	23,97,371	59.13%	(2.61)%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	40,00,650	53,843	40,54,493	100.00	40,13,650	40,843	40,54,493	100.00	0.00%

(ii) Shareholding of Promoter and promoter group

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shares holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Abburi Vidyasagar	7,88,376	19.44%	0%	8,23,193	20.30%	0%	0.86%
2	Abburi Sidhartha Sagar	2,74,873	6.78%	0%	2,91,941	7.20%	0%	0.42%
3	Abburi Sarada	2,19,750	5.42%	0%	2,71,946	6.71%	0%	1.29%
4	Abburi Sailaja	2,31,479	5.71%	0%	2,33,422	5.76%	0%	0.05%
5	Abburi Venkateswara Rao	36,620	0.90%	0%	36,620	0.90%	0%	0.00%
	Total	15,51,098	38.25%	0%	16,57,122	40.87%	0%	2.62%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year	01.04.2019	N.A	15,51,098	38.25%	15,51,098	38.25%
Changes during the year	24.05.2019	purchase	13,841	0.34%	15,64,939	38.59%
	31.05.2019	purchase	1,523	0.04%	15,66,462	38.63%
	07.06.2019	purchase	2,295	0.06%	15,68,757	38.69%
	19.07.2019	purchase	3,127	0.08%	15,71,884	38.77%
	26.07.2019	purchase	10,941	0.27%	15,82,825	39.04%
	09.08.2019	purchase	2,045	0.05%	15,84,870	39.09%
	16.08.2019	purchase	8,173	0.2%	15,93,043	39.29%
	23.08.2019	purchase	9,000	0.22%	16,02,043	39.51%
	06.09.2019	purchase	357	0.01%	16,02,400	39.52%
	01.11.2019	purchase	5,829	0.14%	16,08,229	39.66%
	08.11.2019	purchase	4,827	0.12%	16,13,056	39.78%
	15.11.2019	purchase	3,734	0.09%	16,16,790	39.87%
22.11.2019	purchase	17,585	0.44%	16,34,375	40.31%	
29.11.2019	purchase	22,747	0.56%	16,57,122	40.87%	
At the end of the year	31.03.2020	N.A	16,57,122	40.87%	16,57,122	40.87%

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs)*

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	K SWAPNA						
	At the beginning of the year	01.04.2019	N.A.	3,00,000	7.40%	3,00,000	7.40%
	Changes during the year	NA	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	3,00,000	7.40%	3,00,000	7.40%
2	VASUDEVARAO DHANEKULA						
	At the beginning of the year	01.04.2019	N.A.	98,000	2.42%	98,000	2.42%
	Changes during the year	13.12.2019	Purchase	290	0.00%	98,290	2.42%
		27.03.2020	Purchase	1,710	0.02%	1,00,000	2.47%
At the end of the year	31.03.2020	N.A.	1,00,000	2.47%	1,00,000	2.47%	
3	GIRISH GULATI HUF						
	At the beginning of the year	01.04.2019	N.A.	54,460	1.34%	54,460	1.34%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	54460	1.34%	54,460	1.34%
4	NAGENDRA BABU NAGABHYARVA						
	At the beginning of the year	01.04.2019	N.A.	48,000	1.18%	48,000	1.18%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	48,000	1.18%	48,000	1.18%
5	Hindustan Candle MFG Co. Pvt. Ltd						
	At the beginning of the year	01.04.2019	N.A.	43,657	1.08%	43,657	1.08%
	Changes during the year	NA	NA	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	43,657	1.08%	43,657	1.08%
6	VARALAKSHMI GUTTIKONDA						
	At the beginning of the year	01.04.2019	N.A.	41,643	1.03%	41,643	1.03%
	Changes during the year	19.07.2019	Purchase	3,170	0.08%	44,813	1.11%
		26.07.2019	Purchase	30	0.00%	44,843	1.11%
		29.11.2019	Purchase	3,300	0.08%	48,143	1.19%
		06.12.2019	Purchase	4,239	0.10%	52,382	1.29%
		17.01.2020	Purchase	3,086	0.08%	55,468	1.37%
		28.02.2020	Purchase	5,000	0.12%	60,468	1.49%
		06.03.2020	Purchase	2,000	0.05%	62,468	1.54%
At the end of the year	31.03.2020	N.A.	62,468	1.54%	62,468	1.54%	

7	UTSAV PRAMOD KUMAR SHRIVASTAV						
	At the beginning of the year	01.04.2019	N.A.	41,000	1.01%	41000	1.01%
	Changes during the year	02.08.2019	Sale	(11,000)	0.27%	30,000	0.74%
		09.08.2019	Sale	(13,370)	0.33%	16,630	0.41%
		16.08.2019	Sale	(6,630)	0.16%	10,000	0.25%
		23.08.2019	Sale	(10,000)	0.25%	0	0.00%
At the end of the year	31.03.2020	N.A.	0.00%	0.00%	0	0.00%	
8	NILAKSHI SODHI						
	At the beginning of the year	01.04.2019	N.A.	38,210	0.94%	38,210	0.94%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	38,210	0.94%	38,210	0.94%
9	RAJASHEKHAR GUTTIKONDA						
	At the beginning of the year	01.04.2019	N.A.	37,326	0.92%	37,326	0.92%
	Changes during the year	22.11.2019	Sale	(3,300)	0.08%	34,026	0.84%
		28.02.2020	Sale	(5,000)	0.12%	29,026	0.72%
		06.03.2020	Sale	(2,000)	0.05%	27,026	0.67%
		23.03.2020	Sale	(4,400)	0.11%	22,626	0.56%
		27.03.2020	Sale	(13,300)	0.33%	9,326	0.23%
At the end of the year	31.03.2020	N.A.	9,326	0.23%	9,326	0.23%	
10	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M						
	At the end of the year	01.04.2019	N.A.	35,381	0.87%	35,381	0.87%
	Changes during the year	19.04.2019	Purchase	1,654	0.04%	37,035	0.91%
		03.05.2019	Purchase	21	0.00%	37,056	0.91%
		31.12.2019	Purchase	3,006	0.08%	40,062	0.99%
		10.01.2020	Purchase	140	0.00%	40,202	0.99%
At the end of the year	31.03.2020	N.A.	40,202	0.99%	40,202	0.99%	

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Abburi Vidyasagar						
	At the beginning of the year	01.04.2018	NA	7,88,376	19.44%	7,88,376	19.44%
	Changes during the year	24.05.2019	Purchase	1,906	0.05%	7,90,282	19.49%
		07.06.2019	Purchase	562	0.01%	7,90,844	19.51%
		19.07.2019	Purchase	3,127	0.08%	7,93,971	19.58%
		26.07.2019	Purchase	5,367	0.13%	7,99,338	19.71%
		09.08.2019	Purchase	2,000	0.05%	8,01,338	19.76%
		16.08.2019	Purchase	5,300	0.13%	8,06,638	19.89%
		23.08.2019	Purchase	5,000	0.12%	8,11,638	20.02%
		06.09.2019	Purchase	357	0.01%	8,11,995	20.03%
		01.11.2019	Purchase	5,829	0.14%	8,17,824	20.17%
		08.11.2019	Purchase	3,005	0.07%	8,20,829	20.24%
	15.11.2019	Purchase	1,014	0.03%	8,21,843	20.27%	
22.11.2019	Purchase	1,350	0.03%	8,23,193	20.30%		
At the end of the year	31.03.2020	NA	8,23,193	20.30%	8,23,193	20.30%	
2	Abburi Sarada						
	At the beginning of the year	01.04.2019	NA	2,19,750	5.42%	2,19,750	5.42%
	Changes during the year	24.05.2019	Purchase	4,958	0.12%	2,24,708	5.54%
		31.05.2019	Purchase	1,523	0.04%	2,26,231	5.58%
		07.06.2019	Purchase	1,733	0.04%	2,27,964	5.62%
		26.07.2019	Purchase	5,000	0.12%	2,32,964	5.75%
		22.11.2019	Purchase	16,235	0.40%	2,49,199	6.15%
		29.11.2019	Purchase	22,747	0.56%	2,71,946	6.71%
At the end of the year	31.03.2020	NA	2,71,946	6.71%	2,71,946	6.71%	
3	Naveen Nandigam						
	At the beginning of the year	01.04.2019	NA	-	0.00%	-	0.00%
	Changes during the year	N.A.	NA	-	0.00%	-	0.00%
At the end of the year	31.03.2020	NA	-	0.00%	-	0.00%	
4	Yalamanchili Kishore						
	At the beginning of the year	01.04.2019	NA	-	0.00%	-	0.00%
	Changes during the year	N.A.	NA	-	0.00%	-	0.00%
At the end of the year	31.03.2020	NA	-	0.00%	-	0.00%	
5	Raghu Prasad Pidikiti						
	At the beginning of the year	01.04.2019	NA	-	0.00%	-	0.00%
	Changes during the year	N.A.	NA	-	0.00%	-	0.00%
At the end of the year	31.03.2020	NA	-	0.00%	-	0.00%	

6	Myneni Narayana Rao						
	At the beginning of the year	01.04.2019	N.A.	-	0.00%	-	0.00%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.		0.00%	-	0.00%
7	Eluru Bala Venkata Ramana Gupta						
	At the beginning of the year	01.04.2019	N.A.	1736	0.04%	1736	0.04%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	1736	0.04%	1736	0.04%
8	Ravindra Mamilapalli						
	At the beginning of the year	01.04.2019	N.A.	-	0.00%	-	0.00%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.		0.00%	-	0.00%
9	M Murali Krishna						
	At the beginning of the year	10.10.2019	N.A.	-	0.00%	-	0.00%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the end of the year	31.03.2020	N.A.	-	0.00%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.(Amt. RS.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration Name	Name of MD/WTD/ Manager		Total Amount (In ₹.)
		Dr. Abburi Vidyasagar	Smt. Abburi Sarada	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	12,00,000	48,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	24,10,255	42,06,363	66,16,618
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	60,10,255	54,06,363	1,14,16,618
	Ceiling as per the Act			

B. Remuneration to other Directors

Sl. No..	Particulars of Remuneration	Name of Directors				Total Amount ₹.
1	Independent Directors	Y. Kishore	N. Naveen	EBV Ramana Gupta	M Narayana Rao	
	Fee for attending board committee meetings	1,20,000	1,70,000	1,30,000	1,60,000	5,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (I)	1,20,000	1,70,000	130,000	1,60,000	5,80,000

2	Other Non-Executive Directors	-	Raghu Prasad Pidikiti	-	-	-
	Fee for attending board committee meetings	-	1,00,000	-	-	1,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	1,00,000	-	-	6,80,000
	Total Managerial Remuneration	-	-	-	-	1,20,96,618
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (₹)
			Abhuri Sarada	M Ravindra (from 01.04.2019 to 07.05.2019)	M Murali Krishna (wef 10.10.2019)	
	Designation	CEO	CFO	CS	CS	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	12,00,000*	26,300	1,72,432	13,98,732
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	42,06,363*	-	-	42,06,363
	- others, specify	-	-	-	-	-
5	Others, please specify					-
	Total	-	54,06,363*	26,300	1,72,432	56,05,095

* Paid as Whole-Time Director & CFO

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board of Directors
Avantel Limited

Place: Hyderabad
Date: 9th May, 2020

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

ANNEXURE – VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

(A) Industry and Business Overview:

Review of Operations:

Your company has recorded turnover of Rs. 51.92 Crores in the financial year FY 2019-20. Your company has received order for supply of Products for Wind Profiler Radar Systems from SDSC, SHAR-ISRO, Supply of Mobiles satellite service terminals to MO Kochi, Indian Navy and Supply of Airborne satellite systems for fitment on Helicopters of Indian Navy. Avantel has also successfully flight tested the MSS Airborne version on Helicopters and this is likely to pave way for fitment of this system in various aircraft of Indian Navy including new inductions.

The company has recorded a Profit (before tax) of Rs.13.01 Crores as against Rs. 12.50 Crores in the previous year with an increase in profit by 4% compared to last fiscal.

Outlook for the next year

The Union Budget presented by the Hon'ble Finance Minister had no specific announcements with regard to the defence sector. The total allocation for defence has been increased from INR 4,31,011 crore [Budget Estimate (BE)FY 19-20)]to INR 4,71,378 crore (BE FY 20-21) an increase of 9.37%. An increase of 5.03% is discernable when compared to Revised Estimate (RE)FY 19-20 which stood at INR 4,48,820.

The Capital Outlay (INR 1,13,734 crore) has witnessed an increase of 3.0% when compared with the RE FY 19-20 which stood at INR 1,17,810 crore. However, the Capital Outlay has been increased by 10.0% when compared to the BE FY 19-20 figure of INR 1,03,394 crore. The allocation for Revenue expenditure (INR 2,09,319 crore) has been increased by 1.7% as opposed to RE FY 19-20 figure of INR 2,05,902 crore. The Revenue expenditure has only witnessed an increase of 3.7% when compared with the BE FY 19-20 figure of INR 2,01,902 crore

(Source:<https://assets.kpmg/content/dam/kpmg/in/pdf/2020/02/Unionbudget-2020-POV-Defence.pdf>).

Your company's business mainly emanates from the strategic sector and as such the capital / revenue allocations in the defence business segment have direct bearing on Avantel's business operations. Post Budget announcements, Avantel is expected to maintain a healthy order book from strategic sector and replicate similar growth trajectory as observed over previous years.

Risks And Concerns:

Risks:

The primary risk facing the company in the coming year would be due to effects of COVID 19 Pandemic.

The outbreak of the Pandemic during March 2020 has resulted in unprecedented crisis across the world and the world economy is expected to take a big hit. Large-scale quarantines, travel restrictions, and social-distancing measures is driving a sharp fall in consumer and business spending producing a recession situation across various world economies. The global economic impact is severe, approaching the global financial crisis of 2008–09. GDP contracts significantly in most major economies in 2020, and recovery begins only in Q2 2021. (Source: <https://www.mckinsey.com/business-functions/risk/our-insights/covid-19-implications-for-business>).

India will be also no exception and the country wide lockdown for 40 days beginning 24th March to 3rd May 2020 at National level will severely impact Indian Businesses with reduced demand or loss of business. Avantel is no exception

and its business operations are also expected to see delayed order placements, long manufacturing cycles due to raw material delays, deferment of planned procurements by existing customers.

Apart from the COVID affects, the uncertainties in procurement cycles of the Aerospace & Defence sector also have impact on revenue flows.

Risk Mitigation:

Being in the defense domain, Avantel has a healthy order book for the coming years and your company shall make all out efforts to minimize the impact of the pandemic by proactively reorienting itself with suitable interventions. The top management is seized of the emerging situation and has instituted appropriate measures in this direction.

To mitigate the uncertainties of the Aerospace & Defence domain, the company has launched new product lines viz. HF Systems and Radar Sub Systems. These products have very good business potential and are likely to fetch good business from various customers on the coming years. Apart from new product launches, the company is constantly assessing various opportunities for diversification in tune with Avantel's core competencies and is likely to expand its operations in this direction as well.

(B) Opportunities And Threats:

Opportunities:

The company's new product lines in HF domain and Radar sub systems have great business potential in the Strategic, Civil Aviation and Para Military segments and shall open newer opportunities in terms of new customers, high value contracts and expansion into new Business verticals. Further new products developed for enabling satellite communication on Aircraft is also likely to open new opportunities for growth.

A new DPP 2020 draft has been released by MoD India for all stake holder comments. Unveiling the new DPP, Defence Minister Rajnath Singh said, "The DPP-2020 is aligned with the vision of the government to empower the private industry through the 'Make in India' initiative, with the ultimate aim of turning India into a global manufacturing hub." The draft Defence Procurement Procedure 2020 (DPP 2020) proposes higher levels of local content, new multipliers in defence offsets, a procurement category for leasing, and new options for equipment sustainment activity.

Your company operating in the Defence sector is likely to benefit from the slew of measures proposed by the new DPP.

Threats:

The company is presently limited to operations in the strategic sector which has flattened its growth curve. Though sustenance of the current levels of Business operations is not an issue, for posting a healthy growth year on year, there is a requirement to look for newer opportunities. Your company has initiated various proactive steps i.e. planning newer offerings in the existing portfolio and diversification of its product offerings.

(C) Internal Control Systems:

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

- (i) Quality Management System as per AS 9100 :2016 (Rev D) and ISO 9001:2015
- (ii) Information Security Management Systems as per ISO 27001:2013
- (iii) Testing facilities certified by NABL as per ISO /IEC 17025:2017

The company has a robust Internal & external audit mechanisms which are regularly monitored through the ERP system “Funwork”. Regular Management reviews are undertaken to take corrective actions where necessary. You will be happy to note that all the external agencies including the customers like Boeing have favorably commented on the processes followed by the company. There is nil non compliance during the year and all the OFIs recommended by these agencies have been implemented successfully.

(D) Industrial Relations And Human Resources Management:

Your Company’s industrial relations continued to be harmonious during the year under review. Your company maintains very cordial relations with its customers and suppliers. All out efforts are made to quickly resolve all outstanding issues beforehand so that they do not escalate into major disagreements. Your company has earned a good standing over the years and there are zero contentious issues pending as on date. The organization maintains harmonious relations at all levels within the company and employees are well motivated round the year to meet the goals set for them.

(E) Development of new products:

Your Company has developed the following new systems during the current FY:

- (i) Satellite Communication Products for ships, Submarine, Aircraft and helicopters
- (ii) Radar Sub Systems for wind profile radar
- (iii) Broad band High Power amplifiers

(F) Cautionary Statement:

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

For and on behalf of the Board of Directors
Avantel Limited

Sd/-

Abhuri Vidyasagar

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 9th May, 2020

ANNEXURE – VII

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

SI No	Name Of Director/KMP	Remuneration of Director / KMP for the Financials Year 2019-20 (₹.in Lakhs)	% increase in Remuneration in the Financial Year 2019-20.	Ratio of Remuneration of each Director to Median Remuneration of Employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Dr Abburi Vidyasagar Managing Director	60.10 [@]	3.26	1811.80	The marginal increase is inline with the operations of the Company for the year 2019-20
2	Smt Abburi Sarada Whole-Time Director & CFO	54.06 [@]	2.75	1629.75	
3	Shri Naveen Nandigam Non-Executive Director	1.70 [#]	54.54	NA	
4	Shri Pidikiti Raghu Prasad Non-Executive Director	1.00 [#]	66.66	NA	
5	Shri EBV Ramana Gupta Non-Executive Director	1.30 [#]	62.5	NA	
6	Shri Yalamanchili Kishore Non-Executive Director	1.20 [#]	9.09	NA	
7	Shri Myneni Narayana rao Non-Executive Director	1.60 [#]	100	NA	
8	Shri M Murali Krishna Company secretary (w.e.f 10.10.2019)	1.72	0 ^{\$}	NA	
9	Shri M Ravindra Company Secretary (upto 07.05.2019)	0.26	NA	NA	

[@] Remuneration of executive directors includes commission to be paid for the year 2019-20

[#] only sitting fee for attending Board and committee meetings

^{\$} Appointed in 2019-20

- ii) The median remuneration of employees of the Company during the financial year was 3.31 Lakhs
- iii) In the financial year, there was an increase of 26.99% in the median remuneration of employees
- iv) There were 152 permanent employees on the rolls of Company as on 31st March, 2020

A. Top 10 Employees in terms of remuneration:

Name	Age	Qualification And Experience of employee in Avantel	Designation	Date of commencement of employment	Nature of employment	Remuneration in (Rs. In Lacs) Per Year	Previous Employment	Relative of Director If any	% of Share holding
Dr A Vidyasagar	59	M.Tech, MBA, Phd & 27.3	Managing Director	03.01.1993	Permanent	36.00	HAL (Design Engineer), APSFC (Manager), Satyam Computers Ltd (GM)	Spouse of Smt A Sarada.	20.3
Smt A Sarada	55	MBA & 6	WTD & CFO	14.05.2014	Permanent	12.00	-	Spouse of Dr A Vidyasagar	6.71
P Bala Bhaskar Rao	44	AMIETE & 25.2	Vice President - Marketing	13.02.1995	Permanent	23.01	-	-	0.168
N Srinivas Rao	48	BS & 23.2	Vice President -Technical	10.02.1995	Permanent	22.92	Radio and TV Centre Electronics Corporation of India	-	0.004
GpCapt P Srinivas (Retd)	48	B.Tech, M.E. 2.4	Vice President - Operations	04.12.2017	Permanent	22.20	Indian Air Force		0.064
WgCdrPRL Prakash (Retd)	53	M.Tech&6	General Manager	01.04.2014	Permanent	21.60	BrahMos Aerospace Private Limited Det Norske Veritas (DNV), Indian Air Force	-	0.007
Cdr K Sreeram (Retd)	52	B.Tech , MS (QM), AMP, 08 Months	Vice President - Strategy & Business Development	22.08.2019	Permanent	21.60	Indian Navy	-	0.002

Nageswara Rao Tatikonda	56	M.Tech, PGDM & 7.9	General Manager	13.07.2012	Permanent	19.05	M/s Aster Group Noida Customer Operations PVT Ltd, Indian Air Force	-	0.084
Ravi Shankar Jawa	35	MBA (Mktg), B.Tech (IT) 2 Year 7 months	Regional Manager	12.09.2016	Permanent	18.00	1) In LevelOne Communications (Inida) Private Limited as Business Manager 2) In Rolta Defense Technology Systems Pvt Ltd as Management Associate I-LI	-	0
Pusuluru Srinivasa Rao	45	M.Sc & 15.3	Head (RF Design)	19.01.2005	Permanent	18.00	Vikas Communication Pvt Ltd	-	0.094
Rajendra Sudhakar Dixit	51	M.E. (E&T) MBA& 2.8	General Manager	01.08.2017	Permanent	17.40	L&T Limited as DGM	-	0.00
D Mahesh Kumar	51	MBA, GNIIT & 21	General Manager (MIS) & CISO	01.04.1999	Permanent	16.77	Pennar Paterson Securities Limited , Randezvous Infotech Pvt Ltd	-	0.00

For and on behalf of the Board of Directors
Avantel Limited

Place: Hyderabad
Date: 9th May, 2020

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

Annexure-VIII

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance:

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

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

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

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

At Avantel we have always sought to be a value driven organization, where our growth and success is directed by our values. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

GOVERNANCE STRUCTURE

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

BOARD OF DIRECTORS:

The composition of Board of directors of the company is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Section 149 of companies Act As at March 31, 2020, the Company's Board of Directors consists of seven directors, out of which four are Non-Executive Independent Directors. The directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he is serving as a whole-time director in any listed Company, does not hold such position in more than three listed Companies, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

COMPOSITION AND CATEGORY OF DIRECTORS

Name of Director	Category	Designation	No. of shares held in the Company (%)	Directorship in other listed entity (Categori of Directorship)
Abburi Vidyasagar	Promoter-Executive	Chairperson & Managing Director	823193 (20.30)	-
Abburi Sarada	Promoter-Executive	Whole-Time Director	271946 (6.71)	-
Raghu Prasad Pidikiti	Non-Executive	Non-Executive Director	Nil	-

Yalamanchili Kishore	Non-Executive	Independent Director	Nil	-
Naveen Nandigam	Non-Executive	Independent Director	Nil	Tanvi Foods (India) Ltd Kapston Facilities Management Ltd (Independent Director)
Elluru Bala Venkata Ramana Gupta	Non-Executive	Independent Director	1736 (0.04)	-
Myneni Narayana Rao	Non-Executive	Independent Director	NIL	Welspun Speciality Solutions Ltd Chennai Petroleum Corporation Ltd (Independent Director)

Selection criteria of Board Members

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

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

Skills of Directors

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

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

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

Board skills and experience

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

Board Competency Matrix:								
Board of Directors	S1	S2	S3	S4	S5	S6	S7	S8
Dr. Abburi Vidyasagar	✓	✓	✓	✓	✓	×	✓	✓
Smt. Abburi Sarada	✓	✓	✓	✓	×	✓	×	✓
Shri. Raghu Prasad Pidikiti	×	✓	✓	×	✓	✓	✓	✓
Shri. Yalamanchili Kishore	✓	✓	✓	✓	✓	×	×	✓
Shri. Naveen Nandigam	×	✓	✓	✓	✓	×	✓	✓
Shri. Elluru Bala Venkata Ramana Gupta	×	✓	✓	✓	✓	×	✓	✓
Shri. Myneni Narayana Rao	✓	✓	✓	✓	✓	✓	×	✓

The current composition of your Company’s Board includes directors with core industry experience and has all the key skills and experience set out above.

Relationship among Directors

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

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

Name	Attendance in the Board meetings		Attendance at AGM held on 12th July 2019	Other		
	Held	Present		Directorships	Committee	
					Membership	Chairman
Abburi Vidyasagar	6	6	Y	0	0	0
Abburi Sarada	6	6	Y	1	0	0
Raghu Prasad Pidikiti	6	4	N	1	0	0
Yalamanchili Kishore	6	4	N	0	0	0
Naveen Nandigam	6	6	Y	3	6	5
Elluru Bala Venkata Ramana Gupta	6	6	Y	0	0	0
Myneni Narayana Rao	4	4	Y	3	5	2

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

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee

positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

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

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

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

DATES OF BOARD MEETINGS:

The Board met 6 times in the financial year 2019-20 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

Date	Board Strength	No. of Directors Present
07.05.2019	7	7
12.07.2019	7	5
10.10.2019	7	6
06.11.2019	7	7
17.01.2020	7	6
12.02.2020	7	7

COMMITTEES OF THE BOARD:

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

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

Audit Committee:

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

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

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Shri. N. Naveen	Chairman	6	6
Shri. Y. Kishore	Member	6	4
Shri. Raghu Prasad Pidikiti	Member	6	4
Shri. EBV Ramana Gupta	Member	6	6
Shri. M NarayanaRao	Member	6	6

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

Meetings of Audit Committee:

The Audit Committee met 6 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. All members were present at the meetings of Audit Committees. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
07.05.2019	5	5
12.07.2019	5	3
10.10.2019	5	4
06.11.2019	5	5
17.01.2020	5	4
12.02.2020	5	5

Terms of reference of Audit Committee:

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

Powers of the Audit Committee includes:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee includes:

1. Oversight of Company’s financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.

3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv) Significant adjustments made in the financial statements arising out of audit findings.
 - v) Compliance with listing and other legal requirements relating to financial statements.
 - vi) Disclosure of any related party transactions.
 - vii) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
 - viii) Management Discussion and Analysis of financial conditions and result of operations.
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
7. Review of internal audit reports relating to internal control weaknesses.
8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Review of the financial statements of subsidiary Companies.
11. Review and monitor the auditor's independence and performance and effectiveness of audit process.
12. Approval or any subsequent modification of transactions of the company with related parties.
13. Scrutiny of inter-corporate loans and investments.
14. Valuation of undertakings or assets of the Company, wherever it is necessary.
15. Evaluation of internal financial controls and risk management systems.
16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
19. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

20. Discussion with internal auditors of any significant findings and follow up there on.
21. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
22. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
23. To review the functioning of the Whistle Blower Mechanism.
24. Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.
26. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
27. Annual statements of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

Nomination and Remuneration Committee:

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

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

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Shri. M Narayana Rao	Chairman	2	2
Shri. N. Naveen	Member	2	2
Shri. Raghu Prasad Pidikiti	Member	2	2
Shri. Y. Kishore	Member	2	1

Meetings of Nomination and Remuneration Committee:

The members of the Committees met twice during the year 2019-20 i.e. on 07.05.2019 & 10.10.2019

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

Terms of reference:

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions etc.
7. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
8. Payment / revision of remuneration payable to Managerial Personnel.
9. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
10. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
11. Any other functions / powers / duties as may be entrusted by the Board from time to time.

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

The Company has paid Remuneration, Profit related Commission and Sitting Fee during the Financial Year 2019-20.

REMUNERATION OF DIRECTORS:

The details of remuneration to the Directors for the financial year ended March 31, 2020

(Amount in ₹ lacs)

Name of Director	Salary	Perquisites and other benefits ¹	Commission ²	Sitting fee	Total
Dr. Abburi Vidyasagar	36.00	-	24.10	N.A	54.10
Smt. Abburi Sarada	12.00	10.00	42.06	N.A	64.06
Shri Raghu Prasad Pidikiti	-	-	-	1.00	1.00
Shri Yalamanchili Kishore	-	-	-	1.20	1.20
Shri Naveen Nandigam	-	-	-	1.70	1.70
Shri EBV Ramana Gupta	-	-	-	1.30	1.30
Shri Myneni Narayana Rao	-	-	-	1.60	1.60

1. Perquisites and other benefits include Provident Fund, Rent
2. Represents commission for the year ended March 31, 2020, which will be paid, subject to deduction of tax after adoption of the accounts and necessary approvals at the AGM.

All pecuniary relationship or transactions of the Non-Executive Directors:

The Company has not entered into any pecuniary transactions with the Non-Executive Directors. During the year, the Company has paid sitting fee to the Non-Executive Directors.

Non-Executive Directors’ compensation and disclosures

All fees/compensation paid to the Non-Executive Directors (including Independent Directors) are recommended by the Nomination and Remuneration Committee and fixed by the Board and approved by the shareholders in the General Meeting, if required and the remuneration paid/payable are within the limits prescribed under the Act.

Shareholding of Director

Particulars	No of Shares
Shri Raghu Prasad Pidikiti	Nil
Shri Yalamanchili Kishore	Nil
Shri Naveen Nandigam	Nil
Shri EluruBala Venkata Ramana Gupta	1736
Shri Myneni Narayana Rao	Nil
Total	1736

Stakeholders Relationship Committee:

The Committee met once during the year 2019-20 on 17.01.2020

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

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Shri. M Narayana rao	Chairman	1	1
Shri. Y Kishore	Member	1	1
Shri. A Vidyasagar	Member	1	1
Shri Raghu Prasad Pidikiti	Member	1	0

The Committee reviews the security transfers/transmissions, process of dematerialization and the Investor’s grievances and the systems dealing with these issues. Mr. M Murali Krishna, Company Secretary is appointed as the Compliance Officer of the Company. The Board has authorized the Company Secretary, who is also the Compliance Officer, to approve share transfers/ transmission and comply with other formalities in relation thereto. All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement. There were no pending complaints and transfers as on 31st March, 2020.

Terms of reference:

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

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

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

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

Corporate Social Responsibility Committee:

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

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Smt. A Sarada	Chairman	2	2
Shri. Y Kishore	Member	2	1
Shri. N Naveen	Member	2	2
Shri B V K Durga Prasad	Non BoardMember/ Special Invitee	-	-

Compliance officer

Shri. M Murali Krishna, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities Laws, Listing Agreements with the Stock Exchanges and SEBI (LODR) Regulations, 2015. He acts as the Secretary to all the mandatory sub-committees of the Board.

CODE OF CONDUCT:

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

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 17th January, 2020, inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All of the Independent Directors were present at the Meeting.

FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS:

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

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

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

PERFORMANCE EVALUATION:

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

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

GENERAL BODY MEETINGS:

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

Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
31 st March, 2019	Friday, the 12 th Day of July, 2019 11.00 A.M.	Sy No.141, Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Vishakhapatnam-531163	<ol style="list-style-type: none"> To consider and approve the reappointment of Dr. Abburi Vidyasagar (DIN : 00026524) as the Managing Director of the company. Appointment of Shri. N Naveen (DIN: 02726620) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 Appointment of Shri. Y Kishore (DIN: 01633048) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013
31 st March, 2018	Friday, the 27 th Day of July, 2018 11.00 A.M.	Sy No.141,Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Vishakhapatnam-531163	Nil
31 st March, 2017	Friday, the 15 th day of September, 2017 11.00 A.M.	Sy No.141,Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Vishakhapatnam-531163	<ol style="list-style-type: none"> To consider and approve the reappointment of Smt. Abburi Sarada (DIN : DIN 00026543) as the Whole-Time Director of the company To consider and approve the increase in remuneration of Dr. Abburi Vidyasagar (DIN : 00026524), Chairman and Managing Director of the Company

Mr. MB Suneel, Company Secretary in Practice (M/s. P. S. Rao & Associates), conducted the e-voting process and the Poll during the previous Annual General Meeting.

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

DISCLOSURES:

- The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However, these transactions are not likely to have any conflict with the Company's interest. The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company <http://www.avantel.in>.

- b. There was no non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- c. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company <http://www.avantel.in>.
- d. There was no non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- e. The Company does not have any Material Subsidiary. The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is uploaded on the website of the Company <http://www.avantel.in>.
- f. The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2) (a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2019.
- g. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) of SEBI Listing Regulations which are as under:
 - * Reporting of the Internal Auditor: The internal auditor of the company reports directly to the Audit Committee.
- h. There are no Shares lying in Demat Suspense Account.
- i. Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- j. Total fees for all services paid by the listed entity to the statutory auditor FY 2019-20 is set out in Note No. 33 of the Standalone Financial Statements, forming part of the Annual Report.
- k. disclosures in relation to the Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year : Zero
 - b. number of complaints disposed of during the financial year : Zero
 - c. number of complaints pending as on end of the financial year : Nil
- l. The Company also complies with the following non-mandatory requirements Regulation 27 of the SEBI Listing Regulations, 2015.
 - There are no audit qualifications during the year under review.
 - The Internal auditors report to the Audit Committee every quarter.

MEANS OF COMMUNICATION:

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

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

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

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

GENERAL SHAREHOLDER INFORMATION:

The 30th Annual General Meeting of the company will be held on Thursday, 25th day of Jun, 2020 at 10.00 A.M Through Video Conference/ Other Audio Visual Means (e- AGM)

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

Results for the quarter ending:

30th June 2020: : On or before 14th August, 2020.

30th Sep, 2020: : On or before 14th November, 2020.

31st Dec, 2020: : On or before 14th February, 2021.

31st Mar, 2021: : On or before 30th May, 2021.

Date of Book closure: : Friday, 19th day of Jun 2020 to Thursday, 25th day of Jun 2020(both days inclusive).

Dividend Payment Date : 11.07.2020

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

Stock Code (BSE Ltd) : 532406

ISIN : INE005B01019

The Annual Listing fees for the year 2020-21 has been paid to the Stock Exchange.

MARKET PRICE DATA

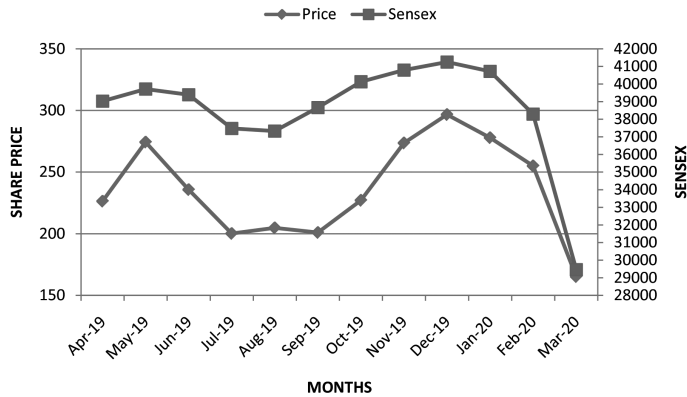
High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2019-20 at The BSE Limited (BSE) areas under:

Month	BSE		
	High	Low	Traded Quantity
April, 2019	273.90	202	77,174
May, 2019	285	223.55	66,276
June, 2019	276	225.00	19,058
July, 2019	248.6	197	70,156
August, 2019	215	191.5	65,665
September, 2019	226.95	185.05	23,191
October, 2019	240.05	187.05	54,028
November, 2019	324.8	211.1	96,788
December, 2019	330	250	81,047
January, 2020	340	270.25	79,404
February, 2020	298	255	36,978
March, 2020	280	140	88,089

The securities of the Company are not suspended from trading during the financial year ended March 31, 2020.

Share Price Performance:

COMPARISON OF MONTHLY CLOSING PRICE VS SENSEX



DISTRIBUTION OF SHAREHOLDING:

Nominal Value	Holders		Amount	
	Number	% To Total	In Rs	% To Total
Upto - 5000	4118	88.01	4343600	10.71
5001 - 10000	250	5.34	1969200	4.86
10001 - 20000	144	3.08	2121450	5.23
20001 - 30000	49	1.05	1248260	3.08
30001 - 40000	33	0.71	1190900	2.94
40001 - 50000	17	0.36	783180	1.93
50001 - 100000	30	0.64	2153300	5.31
100001 and above	38	0.81	26735040	65.94
Total	4679	100.00	40544930	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2020:

Sl.No	Category of Shareholders	No. of Shares	Percentage %
1	Promoter & Promoter Group	16,57,122	40.87
2	Mutual Funds	-	-
3	Alternate Investment Funds	-	-
4	Foreign Portfolio Investors	-	-
5	Financial Institutions & Banks	-	-
6	Other Bodies Corporate	1,04,417	2.58
7	Resident Individuals	2059616	50.80
8	Non-Resident Individuals	39329	0.97
9	Clearing Members	5525	0.14
10	IEPF	40202	0.99
11	HUF	148282	3.66
	Total	4054493	100.00

Dematerialization of shares and liquidity:

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. As on 31st March, 2020, 98.99% of the Company's Shares are dematerialized.

Dematerialization mandatory for effecting share transfers

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

Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend, if any, to Shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). Shareholders, who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants where shares are held in the dematerialized form and the Registrar Transfer Agent in the physical form respectively.

Bank Details

Shareholders holding shares in the physical form are requested to advise the Registrar Transfer Agent of change in their address / mandate / bank details to facilitate better servicing. Shareholders are advised that their bank details, or where such details are not available, their addresses, as furnished by them to the Company or to the Depository participant, will be printed on the dividend warrants as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a measure of protection against fraudulent encashment.

Permanent Account Number (PAN)

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

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

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

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

Vishakhapatnam-531116.

<p>Address for Correspondence & Any query on Annual Report</p>	<p>M Murali Krishna Company Secretary & Compliance Officer Avantel Limited , Corporate Office Plot No:68 & 69,4thFloor, JubileeHeights Survey No: 66 & 67, Jubilee Enclave Madhapur , Hyderabad-500081.Telangana, India. E-mail: cs@avantel.in, compliance@avantel.in Phone: +91- 40-66305011,66305000</p>
<p>Registrar and Transfer Agents:</p>	<p>kfintech.com Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi-500032 E-mail: compliance.kfpl@kfintech.com</p>
<p>Contact Person:</p>	<p>Mr. N. Shyam Kumar M/s. KFin Technologies Private Limited, Selenium Tower B, Plot31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email: einward.ris@kfintech.com, Shyam.kumar@kfintech.com Phone: 040-67162222</p>
<p>Share Transfer System:</p>	<p>The Share transfers are affected within one month from the date of lodgment for transfer, transmission, Sub-division, consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.</p>
<p>Compliance Certificate:</p>	<p>Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the Conditions of Corporate Governance as stipulated Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 30th Annual Report.</p>

Secretarial Audit:

1. M/s. P.S Rao & Associates, Practising Company Secretaries have conducted Secretarial Audit of the Company for the year 2019-20. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Director's Report.
2. Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s. P. S. Rao & Associates, Practising Company Secretaries, certifying due compliance of share transfer formalities by the Company.
3. M/s. P.S. Rao & Associates, Practising Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
4. Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Practising Company Secretaries Certificate on Corporate Governance is attached herewith.

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

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them for the year ended 31st March, 2020.

For Avantel Limited

Sd/-

Abhuri Vidyasagar

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 9th May, 2020

CEO/CFO CERTIFICATION

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

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March, 2020 and to the best of our knowledge and belief :
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - I. significant changes in the internal control over financial reporting during the year;
 - II. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

ForAvantel Limited

Place: Hyderabad
Date :9th May 2020

Sd/-
Abburi Vidyasagar
Managing Director
DIN : 00026524

Sd/-
Abburi Sarada
Whole-Time Director & Chief Financial Officer
DIN : 00026543

CERTIFICATE

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

To

The Members of

Avantel Limited

Sy. No. 141, Plot No. 47/P,

APIIC Industrial Park, Gambheeram (V),

Anandapuram (M), Visakhapatnam,

Andhra Pradesh – 531163

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of the Director	Designation	DIN
1.	Dr. Abburi Vidyasagar	Chairman & Managing Director	00026524
2.	Smt. Abburi Sarada	Wholetime Director & Chief Financial Officer	00026543
3.	Shri. Raghu Prasad Pidikiti	Non-Executive Director	01660157
4.	Shri. Yalamanchili Kishore	Non-Executive Director (Independent Director)	01633048
5.	Shri.Naveen Nandigam	Non-Executive Director (Independent Director)	02726620
6.	Shri. Eluru Bala Venkata Ramana Gupta	Non-Executive Director (Independent Director)	07402341
7.	Shri. Myneni Narayana Rao	Non-Executive Director (Independent Director)	00577494

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

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

Sd/-

MB Suneel

Company Secretary

C.P.No.: 14449

UDIN:A031197B000221178

Place: Hyderabad

Date: 9th May, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

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

To
The Members
Avantel Limited.

We have examined the compliance of conditions of Corporate Governance by M/s. Avantel Limited ('the Company') for the year ended 31st March, 2020 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations. The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 9th May, 2020

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

Sd/-

MB Suneel
Company Secretary
C.P.No.: 14449
UDIN:A031197B000221178

INDEPENDENT AUDITOR'S REPORT

To
The Members of AVANTEL Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Avatel Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 47 of the financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Matter was addressed in Audit
<p>Fair value assessment of trade receivables</p> <p>Trade receivables comprise a significant portion of the liquid assets of the Company. The trade receivables are mostly dues receivable from Government and allied Government agencies hence not impaired. There was no provision made on the trade receivable in the previous year. The most significant portion of the trade receivables less than one year comprises which are dues from Government and Government agencies hence not impaired. Accordingly, the estimation of the allowance for trade receivables is a significant judgment area and is therefore considered a key audit matter.</p>	<p>We assessed the validity of material long outstanding receivables which are Nil by reviewing the customer ledger during current year. We also considered payments received subsequent to year-end, and unusual patterns if any were reviewed to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Group including:</p> <ul style="list-style-type: none"> • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. <p>To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.</p> <p>We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.</p>

<p>Revenue recognition</p> <p>The Company applies judgment to determine whether each goods, software product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods, software product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their selling price determined in contract.</p> <p>The accuracy and of revenue amounts recorded is an inherent industry risk</p> <p>Disclosures relating revenue recognition are in Note 23</p>	<p>Our audit procedures in respect of this area included:</p> <p>We evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams</p> <p>Testing controls over software product sales including:</p> <ul style="list-style-type: none"> – documentation evidencing internal and third party physical inspection and confirmation of complete status; <p>We evaluated the adequacy of the disclosures included in Note 23</p>
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Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the other information included in Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon and we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAMANATHAM & RAO**
Chartered Accountants
Firm Registration. No. 002934S

Sd/-
(K SREENIVASAN)

Partner
ICAI Membership No. 206421
UDIN : 20206421AAAADG8050

Place: Hyderabad
Date: 9th May, 2020

Annexure – A to the Independent Auditors’ Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Avantel Limited on the Ind AS financial statements for the period ended 31st March 2020, we report that:

- 1.1 The Company is maintaining proper records showing full particulars including the Quantitative details and the situation of fixed assets.
- 1.2 The fixed assets have been physically verified by the Management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business.
- 1.3 According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the Ind AS financial statements, the lease agreements are in the name of the Company.

- 2.1 The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
- 3.1 According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the order are not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the order is not applicable to the company.

- 5.1 The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and rules framed thereunder.
- 6.1 In our opinion and according to the information and explanations given to us the maintenance of Cost records under section 148 (1) of the Act, as prescribed by the Central Government are not applicable to the Company. Accordingly, the provisions of clause 3(vi) of the order is not applicable to the company.
- 7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- 7.2 According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added tax which have not been deposited by the company on account of dispute.
- 8.1 According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.

- 9.1 In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
- 10.1 To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11.1 According to information and explanation given to us and based on our examination of records of the company, the company has paid /provided for managerial remuneration with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- 12.1 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- 13.1 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- 14.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
- 15.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- 16.1 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAMANATHAM & RAO**

Chartered Accountants
Firm Registration. No. 002934S

Sd/-

(K SREENIVASAN)

Partner

ICAI Membership No. 206421

UDIN : 20206421AAAADG8050

Place: Hyderabad

Date: 9th May, 2020

Annexure - B to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **Avantel Limited** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAMANATHAM & RAO**
Chartered Accountants
Firm Registration. No. 002934S

Sd/-

(K SREENIVASAN)

Partner

Place: Hyderabad

Date: 9th May, 2020

ICAI Membership No. 206421
UDIN : 20206421AAAADG8050

BALANCE SHEET AS AT MARCH 31, 2020

(In ₹.)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	111,813,586	116,587,307
(b) Capital work-in-progress		-	797,621
(c) Right-to-use Asset	3	30,400,823	-
(d) Other intangible assets		-	-
(e) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	4,202,630	-
(iii) Loans		-	-
(iv) Others	5	29,249,110	14,026,908
(f) Deferred tax Assets (net)	6	-	-
(g) Other non-current Assets		-	-
(2) Current Assets			
(a) Inventories	7	50,893,607	24,421,184
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	8	296,497,257	192,585,839
(iii) Cash & Cash Equivalents	9	3,719,968	2,902,294
(iv) Bank Balances other than (iii) above	10	75,515,759	98,109,570
(v) Loans		-	-
(vi) Others (Int accrued on employee loans & term deposits)	11	5,267,646	3,669,956
(c) Current Tax Assets	12	2,744,964	2,821,275
(d) Other Current Assets	13	58,550,372	16,859,804
Total Assets		668,855,722	472,781,758
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	40,550,930	40,550,930
(b) Other Equity	15	476,190,331	389,891,371
Liabilities			
(2) Non-current liabilities			
(a) Financial Liabilities		-	-
(b) Provisions	16	3,756,774	3,645,917
(c) Other non-current liabilities	17	32,836,476	-
(d) Deferred Tax Liability (Net)	6	10,329,778	11,139,140
(3) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables	19		
- Total outstanding dues of Micro enterprises and small enterprises		14,561,831	936,841
- Total outstanding dues of creditors other than micro enterprises and small enterprises		984,303	740,190
(iii) Other Financial Liabilities	20	81,632,558	20,669,132
(b) Provisions		-	-
(c) Current Tax Liabilities	21	472,490	1,351,676
(d) Other current liabilities	22	7,540,251	3,856,561
Total Equity and Liabilities		668,855,722	472,781,758
III. Significant Accounting Policies	1		

per our report of even date
for **RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No. 002934S

for and on behalf of **Avantel Limited**

Sd/-

CA K SREENIVASAN
Partner
ICAI Membership No. 206421
Place: Hyderabad
Date: 09th May, 2020

Sd/-

A. VIDYASAGAR
Chairman & Managing Director
DIN : 00026524
Sd/-
A. SARADA
Whole - Time Director & CFO
DIN : 00026543

Sd/-

N. NAVEEN
Director
DIN : 02726620
Sd/-
M. MURALI KRISHNA
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(In ₹)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I. Income			
i) Revenue From Operations	23	519,193,053	505,112,223
ii) Other Income	24	11,966,983	9,112,225
Total Income		531,160,036	514,224,448
II. Expenses			
i) Cost of materials consumed	25	139,483,063	113,012,488
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(5,855,170)	29,863,077
iii) Employee benefits expense	27	100,274,860	84,387,982
iv) Manufacturing Expenses	28	46,615,962	47,119,955
v) Research and Development Expenses	29	44,302,420	41,692,621
vi) Selling and Distribution Expenses	30	15,342,628	23,293,617
vii) Depreciation and amortisation expense	31	27,113,483	20,471,966
viii) Finance Cost	32	8,534,125	5,797,995
ix) Administrative & Other Expenses	33	25,223,437	23,582,133
Total expenses		401,034,808	389,221,834
III. Profit/(loss) before exceptional items and tax		130,125,228	125,002,614
Exceptional Items			
IV. Profit Before Tax		130,125,228	125,002,614
Tax Expenses		22,551,315	29,110,937
- Current Tax		23,161,037	29,877,937
- Deferred Tax		(609,722)	(767,000)
V. Profit/(loss) for the period from continuing operations		107,573,913	95,891,677
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations after tax		-	-
VI Profit/(loss) for the Period		107,573,913	95,891,677
VII Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
Remeasurment of defined benefit plan		(2,330,095)	(1,645,516)
Tax on the above		606,754	832,869
		(1,723,341)	(812,647)
ii) Items that will be reclassified to profit or loss			
Other Comprehensive Income		(1,723,341)	(812,647)
VIII Total Comprehensive Income for the period		105,850,572	95,079,030
IX Earnings per equity share :			
Equity Shares of par value ₹ 10/- each			
(1) Basic (₹)		26.53	23.65
(2) Diluted (₹)		26.53	23.65

per our report of even date
for **RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No. 0029345

for and on behalf of **Avantel Limited**

Sd/-
CA K SREENIVASAN
Partner
ICAI Membership No. 206421
Place: Hyderabad
Date: 09th May, 2020

Sd/-
A. VIDYASAGAR
Chairman & Managing Director
DIN : 00026524

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

Sd/-
N. NAVEEN
Director
DIN : 02726620
Sd/-
M. MURALI KRISHNA
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before income tax from		
Continuing operations	130,125,228	125,002,614
Discontinued operations	-	-
Profit before income tax including discontinued operations	130,125,228	125,002,614
Adjustments for		
Depreciation and amortisation expense	27,113,483	20,471,966
Gain on disposal of property, plant and equipment	-	(169,642)
Written off assets	407,899	194,257
Dividend and interest income classified as investing cash flows	(10,253,406)	(6,182,356)
Finance costs	8,534,125	5,797,995
Other Comprehensive Income	(2,330,095)	(1,645,516)
	153,597,234	143,469,318
B. Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/decrease in trade receivables	(108,114,048)	(103,301,194)
(Increase)/decrease in inventories	(26,472,423)	42,310,369
(Increase)/decrease in other financial assets	(1,597,690)	(2,680,772)
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	(41,690,568)	6,485,402
Increase /(decrease) in trade payables	13,869,103	(18,837,651)
Increase/(decrease) in provisions	110,857	(1,685,257)
Increase/(decrease) in other current liabilities	3,683,690	(333,291)
Increase/(decrease) in financial liabilities	60,963,426	2,246,867
Increase/(decrease) in other non current liabilities	-	-
Cash generated from operations	54,349,581	67,673,791
Income taxes paid	(23,964,696)	(25,559,056)
Net cash inflow from operating activities	30,384,885	42,114,735

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. Cash flows from investing activities		
Payments for property, plant and equipment	(18,194,196)	(16,081,237)
Increase in Capital Work in Progress	797,621	(797,621)
Increase in Term deposits	7,371,609	5,381,947
Proceeds from sale of property, plant and equipment	-	169,642
Interest received	10,253,406	6,182,356
Net cash outflow from investing activities	228,440	(5,144,913)
D. Cash flows from financing activities		
Increase/(decrease) in borrowings	-	-
Interest paid	(4,679,935)	(5,797,995)
Payment of lease obligations	(5,564,104)	-
Dividends paid to Company's share holders	(19,551,612)	(34,215,326)
Net cash inflow (outflow) from financing activities	(29,795,651)	(40,013,321)
E. Net increase (decrease) in cash and cash equivalents	817,674	(3,043,499)
Cash and cash equivalents at the beginning of the financial year	2,902,294	5,945,793
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	3,719,968	2,902,294

per our report of even date
for **RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No. 002934S

for and on behalf of **Avantel Limited**

Sd/-
CA K SREENIVASAN
Partner
ICAI Membership No. 206421
Place: Hyderabad
Date: 09th May, 2020

Sd/-
A. VIDYASAGAR
Chairman & Managing Director
DIN : 00026524
Sd/-
A. SARADA
Whole - Time Director & CFO
DIN : 00026543

Sd/-
N. NAVEEN
Director
DIN : 02726620
Sd/-
M. MURALI KRISHNA
Company Secretary

Statement of Changes in Equity for the period ended 31.03.2020

Particulars	As at March 31, 2020		As at March 31, 2019				
	No of Shares	Amount	No of Shares	Amount			
A Equity Share Capital							
				(In ₹)			
Opening Equity Shares	4,054,493	40,544,930	4,054,493	40,544,930			
Changes in Equity Share Capital during the year	-	-	-	-			
Add: Forfeited Shares (Amount originally paid up)	-	6,000	-	6,000			
Closing balance	4,054,493	40,550,930	4,054,493	40,550,930			
B Other Equity as at March 31, 2020							
				(In ₹)			
	Share application money pending allotment	Equity Components of compound financial instruments	Reserves and Surplus				
			General Reserve	Capital Reserve	Security Premium Retained Earnings		
Balance at the beginning of the reporting period	-	-	34,598,093	10,982,230	7,930,104	336,380,944	389,891,371
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	105,850,572	105,850,572
Dividend and DDT*	-	-	-	-	-	(19,551,612)	(19,551,612)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	34,598,093	10,982,230	7,930,104	422,679,904	476,190,331

B. Other Equity as at March 31, 2019

(In ₹)

	Share application money pending allotment	Equity Components of compound financial instruments	Reserves and Surplus				Total
			General Reserve	Capital Reserve	Security Premium	Retained Earnings	
Balance at the beginning of the reporting period	-	-	34,598,093	10,982,230	7,930,104	275,517,240	329,027,667
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	95,079,030	95,079,030
Dividend and DDT*	-	-	-	-	-	(34,215,326)	(34,215,326)
Unamortized premium on forward contract	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other changes	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	34,598,093	10,982,230	7,930,104	336,380,944	389,891,371

Note I: COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

A. Company Overview

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

The Financial Statements are approved by the Board of Directors on 9th May, 2020.

B. Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The accounting policies have been applied consistently to all periods presented in these financial statements.

C. Basis of Measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which have been measured at fair value as per Ind AS.

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

D. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments' and assumptions (including revisions, if any). These estimates, judgments and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the period.

Appropriate changes in the estimates are made as management becomes aware of changes in circumstances. Changes in the estimates are reflected in the financial statements in the period in which changes are made.

E. Revenue of Recognition:

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

Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of GST, returns, rebates and discounts.

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

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Interest income is recognized using the effective interest rate method.

F. Property Plant and Equipment:

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

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

The Management estimates the useful lives for fixed assets as follows:

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

G. Inventories

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

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

H. Impairment:

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

I. Foreign Exchange Transactions/Translation

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

J. Research and Development

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

K. Provisions, Contingent Assets/ Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Show cause notices issued by Government Authorities where the probability of outflow of economic resources is remote are not considered as obligations. When the demands are raised against show-cause notices and are disputed by the company, these are treated as disputed obligations along with other contingent liabilities. Such contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Warranty Provisions: Provisions for Warranty related costs are recognized when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually

L. Leases

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

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

M. Income Tax:

Income tax expense represents the sum of current tax payable and deferred tax. Current Tax: The tax currently payable is based on the current year taxable profit for the year. The current tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax: Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

N. Earnings per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

O. Employee benefits:

Defined Contribution Plans: Payments made to a defined contribution plan such as provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans: Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

P. Financial Instruments:

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- i) financial assets, which include cash and cash equivalents, trade receivables, other advances and eligible current and non-current assets;
- ii) Financial liabilities, which include long and short-term loans and borrowings, , trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

- a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts, if any, that are repayable on demand and are considered part of the Company's cash management system.

- b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost, less any impairment losses. Loans and receivables comprise trade receivables and other assets.

The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

- c) Trade and payable

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

Q. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

R. Segment Information:

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

S. Events after the reporting period :

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

T. Prior Period Errors

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

Notes to accounts for the year ended March 31, 2020

Note: 2 Property, Plant and Equipment

(In ₹)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Revaluations/ Impairment	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block											
As at 01-04-2019	17,433,713	67,278,350	4,574,411	6,246,048	-	29,016,156	4,005,307	11,557,583	7,135,862	19,662,913	166,910,343
Additions	-	1,230,923	-	589,146	-	2,187,102	4,845,320	700,785	1,556,367	7,084,553	18,194,196
(Deduction/Retirement) During the year	-	-	-	-	-	(1)	-	-	(2,220,347)	-	(2,220,348)
Gross Block as at 31-03-2020	17,433,713	68,509,273	4,574,411	6,835,194	-	31,203,257	8,850,627	12,258,368	6,471,882	26,747,466	182,884,191
Depreciation/ Amortization											
as at 01-04-2019	-	11,129,814	1,325,226	2,970,284	-	11,236,851	2,354,418	8,766,403	3,733,791	8,806,249	50,323,036
Depreciation for the Year	-	3,873,728	909,371	988,577	-	6,317,061	2,094,617	1,302,290	1,831,486	5,650,786	22,967,915
(Deduction/Adjustments) During the year	-	-	-	-	-	-	-	-	(2,220,346)	-	(2,220,346)
Total Depreciation As at 01-04-2020	-	15,003,542	2,234,597	3,958,861	-	17,553,912	4,449,035	10,068,693	3,344,931	14,457,035	71,070,605
Net Block											
As at 31-03-2020	17,433,713	53,505,731	2,339,814	2,876,333	-	13,649,345	4,401,592	2,189,675	3,126,951	12,290,431	111,813,586

Note: 2 Property, Plant and Equipment (In ₹)

Particulars	Land	Buildings (Freehold)	Leasehold Buildings	Furniture & Fixtures	Revaluations/ Impairment	Plant & Machinery (Assembly & Testing)	Computers	Office Equipment & Electricals	Vehicles	R & D Equipments	Total
Gross Block											
As at 01-04-2018	17,433,713	67,278,350	4,574,411	5,709,449	-	19,788,803	3,679,149	11,096,047	6,964,018	14,840,969	151,364,909
Additions	-	-	-	536,599	-	9,379,326	361,864	495,625	485,877	4,821,946	16,081,237
(Deduction/Retirement) During the year	-	-	-	-	-	(151,973)	(35,706)	(34,089)	(314,033)	(2)	(535,803)
Gross Block as at 31-03-2019	17,433,713	67,278,350	4,574,411	6,246,048	-	29,016,156	4,005,307	11,557,583	7,135,862	19,662,913	166,910,343
Depreciation/ Amortization as at 01-04-2018	-	7,414,089	440,907	2,107,819	-	5,093,207	1,395,254	7,089,086	2,313,803	4,532,680	30,386,845
Depreciation for the Year	-	3,715,725	884,319	862,465	-	6,295,602	994,861	1,711,404	1,734,020	4,273,569	20,471,965
(Deduction/ Adjustments) During the year	-	-	-	-	-	(151,958)	(35,697)	(34,087)	(314,032)	-	(535,774)
Total Depreciation As at 31-03-2019	-	11,129,814	1,325,226	2,970,284	-	11,236,851	2,354,418	8,766,403	3,733,791	8,806,249	50,323,036
Net Block											
As at 31-03-2019	17,433,713	56,148,536	3,249,185	3,275,764	-	17,779,305	1,650,889	2,791,180	3,402,071	10,856,664	116,587,307

Note: 3. Right-to-use Asset

Particulars	As at March 31, 2020	As at March 31, 2019
Right to Use Lease	34,546,390	-
Less: Depreciation	4,145,567	-
Total	30,400,823	-

Note: 4. Trade Receivables Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Trade Receivables from related parties		
(ii) Other Trade Receivables		
Secured, considered Good	-	-
Unsecured, considered good	4,202,630	-
Which have significant increase in Credit Risk	-	-
Credit Impaired		
Sub-Total	4,202,630	-
Total	4,202,630	-

Note: 5. Other Financial Assets Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	25,327,400	10,472,398
Deposits	3,921,710	3,554,510
Total	29,249,110	14,026,908

Note: 6. Deferred tax Liabilities / (assets)

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability		
Property, plant and equipment	(12,636,060)	(12,829,440)
Lease Asset	(8,852,720)	-
Sub Total	(21,488,780)	(12,829,440)
Deferred tax Assets		
Lease Liability	9,561,982	-
Employee benefits	918,500	1,211,420
Remeasurment of defined benefit plan	678,520	478,880
Sub Total	11,159,002	1,690,300
Net Deferred Tax Assets/(Liabilities)	(10,329,778)	(11,139,140)

Movement in deferred tax balances during the year 2019-2020

Particulars	Balance As at March 31, 2019	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2020
Property, plant and equipment	(12,829,440)	193,380	-	(12,636,060)
Employee benefits	1,211,420	(292,920)	-	918,500
Lease Liability	-	9,561,982	-	9,561,982
Lease Asset	-	(8,852,720)	-	(8,852,720)
Remeasurment of defined benefit plan	478,880	199,640	-	678,520
Total	(11,139,140)	809,362	-	(10,329,778)

Movement in deferred tax balances during the year 2018-2019

Particulars	Balance As at April 01, 2018	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2019
Property, plant and equipment	(14,150,330)	1,320,890	-	(12,829,440)
Employee benefits	1,765,910	(554,490)	-	1,211,420
Remeasurment of defined benefit plan	-	478,880	-	478,880
Total	(12,384,420)	1,245,280	-	(11,139,140)

Unrecognised Deferred tax assets

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

Particulars	As at March 31, 2020	As at March 31, 2019
Deductible temporary differences	-	-
Tax losses	-	-
Total	-	-

Note: 7. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
- Indigenous	25,299,882	5,396,607
- Imported	16,138,555	15,424,577
- R&D	-	-
Work in Progress	9,455,170	3,600,000
Total	50,893,607	24,421,184

Note: 8. Trade Receivables Current

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Trade Receivables from related parties		
(ii) Other Trade Receivables		
Secured, considered Good	-	-
Unsecured, considered good	296,497,257	192,585,839
Which have significant increase in Credit Risk	-	-
Credit Impaired	-	-
Sub-Total	296,497,257	192,585,839
Total	296,497,257	192,585,839

Note: 9. Cash & Cash Equivalents

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	14,958	31,256
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	17,31,784	1,53,372
(b) in Cash Credit Account	19,73,226	27,17,666
Total	3,719,968	2,902,294

Note: 10. Bank Balances other than above

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
For Unpaid Dividend	1,386,059	1,069,070
As Margin money/under lien		
In term deposit with original maturity more than 3 months but less than 12 months	74,129,700	97,040,500
Total (A)	75,515,759	98,109,570

Note: 11. Other Financial Assets Current

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured (considered good)		
Accrued Interest	5,267,646	3,669,956
Total	5,267,646	3,669,956

Note: 12. Current tax Assets

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
TDS and TCS (Net)	2,744,964	2,821,275
Total	2,744,964	2,821,275

Note: 13. Other Assets Current

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured (considered good)		
Prepaid Expenses	7,571,005	5,130,066
Advance to Suppliers	36,243,596	6,546,223
Other Advances	3,764,436	786,809
Balances with GST Department	1,820,034	6,092
Balance with GST credit ledger	9,151,301	4,390,614
Total	58,550,372	16,859,804

Note: 14. Equity Shares

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized		
Ordinary shares of par value of Rs. 10/- each		
Number	7,000,000	7,000,000
Amount in ₹	70,000,000	70,000,000
Issued, subscribed and fully paid		
Ordinary shares of par value of Rs.10/- each		
Number	4,054,493	4,054,493
Amount In ₹	40,544,930	40,544,930
Add Forfeited Shares (Amount originally paid up)	6,000	6,000
Total In ₹	40,550,930	40,550,930

Reconciliation of number of shares:

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Equity Shares	4,054,493	4,054,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Less: Deduction	-	-
Closing balance	4,054,493	4,054,493

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

Name of the Shareholder	As at March 31, 2020	As at March 31, 2019
Sri Vidya Sagar Abburi	823,193	788,376
Smt K Swapna	300,000	300,000
Smt. Sarada Abburi	271,946	219,750
Ms. Sailaja Abburi	233,422	231,479
Sri Sidhartha Sagar Abburi	291,941	274,873

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

The Company does not have any holding Company.

Note: 15. Other Equity

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Redemption Reserve		
Opening balance	10,982,230	10,982,230
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Total	10,982,230	10,982,230
Securities Premium Reserve		
Opening balance	7,930,104	7,930,104
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Total	7,930,104	7,930,104
General Reserve		
Opening balance	34,598,093	34,598,093
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Total	34,598,093	34,598,093
Surplus in Profit and Loss account		
Opening balance	336,380,944	275,517,240
Add: Current Year Transfer		
Profit and loss account	105,850,572	95,079,030
Less: Dividend Paid	(16,217,972)	(28,381,453)
Less: Tax on Dividend	(3,333,640)	(5,833,873)
Total	422,679,904	336,380,944
Total Other Equity	476,190,331	389,891,371

Note: 15(a) Nature and purpose of Reserves

Capital Redemption Reserve:

A Statutory reserve created to the extent of sum equal to the nominal value of the Share Capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

Security Premium:

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

Note: 16. Provisions Non Current

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	3,756,774	3,645,917
Total	3,756,774	3,645,917

Note: 17. Other Non Current Liabilities			(In ₹)
Particulars	As at March 31, 2020	As at March 31, 2019	
Lease Liability	32,836,476	-	
Total	32,836,476	-	

Note: 18. Borrowings Current			(In ₹)
Particulars	As at March 31, 2020	As at March 31, 2019	
(i) Term Loans	-	-	
(ii) Cash Credits			
(a) From Banks			
- Secured*	-	-	
(b) From Other parties	-	-	
(iii) Deposits	-	-	
Total	-	-	

*Open Cash Credit from Canara Bank is secured by way of hypothecation of Stocks, Book debts, Plant & Machinery and other fixed assets of the company and Collateral Security of Equitable Mortgage of Land and Buildings situated at Plot No. 47, Survey No. 141, APIIC Industrial Park, Gambheeram (V), Visakapatnam and personal guarantee of the Managing Director of the Company and the rate of interest @11.40% p.a.

Note: 19. Trade Payable Current			(In ₹)
Particulars	As at March 31, 2020	As at March 31, 2019	
Trade Payables Due to Micro and Small Enterprises	14,561,831	936,841	
Trade Payables Due to Others	984,303	740,190	
Total	15,546,134	1,677,031	

Note: 20. Other Financial Liabilities Current			(In ₹)
Particulars	As at March 31, 2020	As at March 31, 2019	
Sundry Creditors-Other than trade	6,739,004	12,331,817	
Employees salaries and other payables	8,852,783	7,268,245	
Unpaid Dividend	1,386,059	1,069,070	
Advance from Customers	64,654,712	-	
Total	81,632,558	20,669,132	

Note: 21. Provisions Current			(In ₹)
Particulars	As at March 31, 2020	As at March 31, 2019	
Provision for Taxation for the FY 2019-20 (Net)	472,490	1,351,676	
Total	472,490	1,351,676	

Note: 22. Other Liabilities Current

(In ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Statutory dues Payable	7,540,251	3,856,561
Total	7,540,251	3,856,561

Note: 23. Revenue From Operations

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

A. (i) Contract with Customers

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Products	441,784,810	434,665,453
Sale of Services	145,656,797	152,044,484
Scrap Sales	1,490,516	777,562
Less : GST	69,739,070	82,375,276
Total	519,193,053	505,112,223

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

(ii) Contract Balances

- (a) Receivables

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance	192,585,839	89,284,645
Addition/deduction during the year	108,114,048	103,301,194
Closing Balance	300,699,887	192,585,839

- (b) Contract Assets

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

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

The company has made the adjustment of Rs Nil (P.Y. Rs. Nil) in the revenue of Rs. 519,193,053/- (P.Y. Rs. 505,112,223/-) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of Rs. 519,193,053/- (P.Y. Rs. 505,112,223/-).

- (c) Contract Liabilities

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

- (d) Practical expedients

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

B. Significant judgements in the application of this standard

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

C. Assets Recognised from costs to obtain or fulfill a contract with a customer

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

Note: 24. Other Income

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	10,253,406	6,182,356
Miscellaneous Receipts	392,405	2,489,474
Fluctuation In Foreign Currency	1,321,172	270,753
Profit On Sale of Assets	-	169,642
Total	11,966,983	9,112,225

Note: 25. Cost of Materials Consumed

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of materials consumed		
Indigenous		
Indigenous(Opening Stock)	3,952,644	17,929,317
Purchase	107,818,600	51,135,846
Sub Total	111,771,244	69,065,163
Indigenous(Closing Stock)	(18,982,262)	(3,952,644)
Cost of Raw Materials Consumed	92,788,982	65,112,519
Imported		
Imported(Opening Stock)	14,225,937	14,367,474
Purchase	44,518,185	47,758,432
Sub Total	58,744,122	62,125,906
Imported(Closing Stock)	(12,050,041)	(14,225,937)
Cost of Raw Materials Consumed	46,694,081	47,899,969
TOTAL	139,483,063	113,012,488

Note: 26. Changes in Inventory

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Changes in inventories of finished goods and work-in-progress		
Opening Balance	3,600,000	33,463,077
Closing Balance	(9,455,170)	(3,600,000)
Net (Increase) /Decrease	(5,855,170)	29,863,077

Note: 27. Employees' Benefit Expenses

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	72,709,399	62,726,582
Directors Remuneration	12,416,968	12,031,051
Bonus	1,346,109	1,436,871
Leave Encashment, Exgratia & Gratuity	8,419,306	2,163,184
Training & Recruitment	319,081	694,237
Contribution to P.F. and other Funds	2,775,725	2,824,350
Staff welfare Expenses	2,288,272	2,511,707
TOTAL	100,274,860	84,387,982

Note: 28. Manufacturing Expenses

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Jobwork Charges	5,401,690	3,565,689
Power and fuel	4,310,733	4,680,390
Consumption of stores and spare parts	510,047	642,303
Freight Inwards	580,036	259,547
Repairs & Maintenance - Plant & Machinery	890,440	862,014
Testing Charges	2,329,200	2,268,984
Installation & Commissioning Charges	21,478,150	34,841,028
Man power hire charge	1,113,100	-
Travelling	3,227,932	-
Other Manufacturing Expenses	6,774,634	-
TOTAL	46,615,962	47,119,955

Note: 29. Research and Development Expenses

(In ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of materials consumed	14,877,445	10,049,304
Salaries	23,803,549	26,932,376
Jobwork Charges	400,000	792,639
Design	315,032	2,768,320
Repairs & Maintenance	947,906	525,526
Professional & Consultancy Charges	2,550,000	300,000
Testing & Certification Charges	1,392,748	109,400
Travelling & Conveyance	-	37,979
Other Expenses	15,740	177,077
TOTAL	44,302,420	41,692,621

Note: 30. Selling and Distribution Expenses

(In ₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Freight Outwards	1,746,632	1,086,737
Packing Materials	334,295	435,653
Business Promotion	601,446	871,069
Travelling Expenses	3,121,539	1,835,234
Warranty Expenses	1,835,682	6,434,510
Customer Support Expenses	7,703,034	12,630,414
TOTAL	15,342,628	23,293,617

Note: 31. Depreciation And Amortization Expenses

(In ₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Depreciation / Amortisation for the year		
Depreciation on PPE	22,967,916	20,471,966
Depreciation on Right-to-use Assets	4,145,567	-
TOTAL	27,113,483	20,471,966

Note: 32. Finance Cost

(In ₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Interest Expenses	977	2,799
Bank Charges	4,678,958	5,795,196
Interest on Lease Liability	3,854,190	-
TOTAL	8,534,125	5,797,995

Note: 33. Administrative & Other Expenses

(In ₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Repairs & Maintenance		
Plant & Machinery and Others	2,634,548	2,029,988
Vehicles	947,489	909,830
Computers	827,236	204,991
Buildings	3,178,286	2,649,234
Rent, Fees, Taxes & Licenses	2,558,696	6,454,627
Insurance	918,083	687,729
Couriers, Postages, Telephones and others	1,159,257	1,292,317
Printing & Stationery	503,801	833,536
Payment to Auditors	417,500	352,500
Professional & Consultancy Charges	1,200,849	1,348,423
Travelling & Conveyance	2,011,990	1,116,212
Secretarial Expenses	1,129,239	602,154
Watch & Ward	1,589,870	1,571,091
Sitting Fee	680,000	460,000
Bad Debts written off	407,899	194,257
Office Maintenance	2,423,755	1,668,036
CSR Expenses	1,570,000	1,063,984
Miscellaneous Expenses	1,064,939	143,224
TOTAL	25,223,437	23,582,133

(i) Amount paid to auditors' (In ₹)			
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	
As Auditor	320,000	250,000	
For Taxation Matters/Tax Audit	-	-	
For Other Services	97,500	102,500	
For Reimbursement of Expenses	-	-	
TOTAL	417,500	352,500	

Note: 34. Income Tax

(In ₹)

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the net profit before tax is summarized as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before tax	130,125,228	125,002,614
Enacted Tax rates for the financial year (MAT)	17.5%	21.6%
Expected tax expense (A)	23,161,037	26,936,613
Tax affect on allowable items (B)	-	-
Tax affect on disallowable items (C)	-	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	23,161,037	26,936,613
Interest on income tax for the year	-	-
Current tax for the year	23,161,037	26,936,613
Tax credits allowable	-	-
Deferred tax for the year	(609,722)	(767,000)
Tax expense of earlier years adjusted	-	2,941,324
Net tax expense for the year	22,551,315	29,110,937

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

Note: 35. Employee Benefits

(In ₹)

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of Rs. 31,44,152/- (Previous year Rs. 32,60,144/-) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.
- b) **Leave Encashment:** The company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The company recognises expenditure on payment basis.

- c) **Gratuity:** Gratuity is a funded Defined Benefit Plan payable to the qualifying employees on separation. It is managed by a 'Life Assurance Scheme' of the Life Insurance Corporation of India and the company makes contributions to the Life Insurance Corporation of India (LIC).

Company makes annual contribution to the Fund based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit (PUC) Actuarial Cost Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2020 are as follows:

I. Change in Defined Benefit obligation :	As at March 31, 2020	As at March 31, 2019
Defined Benefit obligation as at the beginning	13,098,357	9,785,154
Interest Cost	944,492	782,812
Current Service Cost	1,509,810	1,956,892
Benefits paid from planned assets	(1,504,111)	(879,897)
Remeasurements - due to Financial Assumptions	560,963	
Remeasurements - due to Experience Assumptions	1,788,177	1,453,396
Defined Benefit obligation as at the end	16,397,688	13,098,357
II. Change in Fair value of plan assets	As at March 31, 2020	As at March 31, 2019
Fair value of Plan Assets at the beginning	9,452,440	4,453,980
Interest Income	839,446	576,520
Employer Contributions	3,585,381	5,493,957
Benefits paid from planned assets	(1,504,111)	(879,897)
Remeasurements - Return on Assets (Excluding Interest)	19,045	(192,120)
Fair value of planned assets at the end	12,392,201	9,452,440
III. Components of Defined Benefit Cost:	As at March 31, 2020	As at March 31, 2019
Current Service Cost	1,509,810	1,956,892
Total Net Interest cost	105,046	206,292
Defined Benefit Cost Included in Profit & Loss	1,614,856	2,163,184
Remeasurements - due to Financial Assumptions	560,963	
Remeasurements - due to Experience Assumptions	1,788,177	1,453,396
Remeasurements - Return on Assets (Excluding Interest)	(19,045)	192,120
Total Remeasurements in OCI	2,330,095	1,645,516
Total Defined Benefit Cost recognized in Profit & Loss and OCI	3,944,951	3,808,700
IV. Amounts recognized in the Statement of Financial Position	As at March 31, 2020	As at March 31, 2019
Defined benefit Obligation	16,397,688	13,098,357
Fair value of Plan Assets	12,392,201	9,452,440
Funded Status	4,005,487	3,645,917
Net Defined Benefit Liability/(Asset)	4,005,487	3,645,917
Of which Short Term Liability	2,895,819	420,143

V. Net Defined Benefit Liability /(Asset) Reconciliation	As at March 31, 2020	As at March 31, 2019
Net Defined Benefit Liability/(Asset) at the beginning	3,645,917	5,331,174
Defined Benefit Cost Included in Profit & Loss	1,614,856	2,163,184
Total Remeasurement included in OCI	2,330,095	1,645,516
Employer Contributions	(3,585,381)	(5,493,957)
Net Defined Benefit Liability/(Asset) at the end	4,005,487	3,645,917

VII. Principal Assumptions	As at March 31, 2020	As at March 31, 2019
Discounting Rate	7.25%	7.65%
Salary Escalation Rate	3.0%	3.0%

The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.

Note: 36. Related Party Disclosures:

(In ₹)

List of Related Parties In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, Members of the Company’s Management Council and company secretary are consider as Key management Personnel. List of Key management personnel are as follows :

A. Key Management Personnel

- | | |
|---------------------------|-----------------------------|
| i) Dr. Abburi Vidyasagar | Chairman & Manging Director |
| ii) Mrs. Abburi Sarada | Wholetime Director & CFO |
| iii) Sri M Murali Krishna | Company Secretary |

B. Relative of Key Management Personnel

NIL

C. Transaction with Related Parties

Particulars	Nature of Transaction	2019-2020	2018-2019
a) Key Managerial Personnel:			
Dr. Abburi Vidyasagar	Remuneration	3,600,000	3,000,000
Dr. Abburi Vidyasagar	Commission on Sales	2,410,255	2,820,207
Mrs. Abburi Sarada	Remuneration	1,200,000	1,200,000
Mrs. Abburi Sarada	Commission on Sales	4,206,363	4,061,644
Mrs. Abburi Sarada	Rent	1,000,350	949,200
Mr. M Murali Krishna	Remuneration	172,432	-
Mr M Ravindra	Remuneration	26,300	240,000
b) Non-Whole time Directors:			
Mr. Subramanaiya Balakrishnan	Sitting Fee	-	20,000
Mr. Raghu Prasad Pidikiti	Sitting Fee	100,000	60,000
Mr. Yalamanchili Kishore	Sitting Fee	120,000	110,000
Mr. Naveen Nandigam	Sitting Fee	170,000	110,000
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	130,000	80,000
Mr. Myneni Narayana Rao	Sitting Fee	160,000	80,000

Note: 37. Earnings per Share:

(In ₹)

Particulars		2019-2020	2018-2019
Profit/ (Loss) after Tax	In ₹	107,573,913	95,891,677
The weighted average number of ordinary shares for			
Basic EPS	Nos	4,054,493	4,054,493
Diluted EPS	Nos	4,054,493	4,054,493
The nominal value per Ordinary Share	In ₹	10.0	10.0
Earnings per Share			
Basic	In ₹	26.53	23.65
Diluted	In ₹	26.53	23.65

Note: 38. Contingent liabilities and commitments

(In ₹)

(to the extent not provided for)	2019-2020	2018-2019
Contingent liabilities		
Claims against the company not acknowledged as debt		
(i) Guarantees	229,869,493	102,546,980
Total	229,869,493	102,546,980

Note: 39. Segmental Reporting :

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

Note: 40. Financial Instruments- Fair Values and Risk Management

a) Financial Instruments by Categories

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

Amount in ₹ as of March 31, 2020

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash & Cash Equivalents	3,719,968	-	-	3,719,968	3,719,968
Trade Receivable	300,699,887	-	-	300,699,887	300,699,887
Deposits	103,378,810	-	-	103,378,810	103,378,810
Other Financial Assets	6,653,705	-	-	6,653,705	6,653,705
Liabilities:					
Trade Payable	15,546,134	-	-	15,546,134	15,546,134
Borrowings	-	-	-	-	-
Other Financial Liabilities	81,632,558	-	-	81,632,558	81,632,558

Amount in ₹ as of March 31, 2019

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:				-	-
Cash & Cash Equivalents	2,902,294	-	-	2,902,294	2,902,294
Trade Receivable	192,585,839	-	-	192,585,839	192,585,839
Deposits	111,067,408	-	-	111,067,408	111,067,408
Other Financial Assets	4,739,026	-	-	4,739,026	4,739,026
Liabilities:					
Trade Payable	1,677,031	-	-	1,677,031	1,677,031
Borrowings	-	-	-	-	-
Other Financial Liabilities	20,669,132	-	-	20,669,132	20,669,132

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

The Company does not hold any equity investment and no financial instruments hence the disclosure are nil

Financial Risk Management:

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

Management of Market Risk:

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

Foreign Currency Risks:

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

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2020 & March 31, 2019 is as follows:

Particulars	USD	
	As at March 31, 2020	As at March 31, 2019
Financial Assets:		
Cash & Cash Equivalents	-	-
Trade Receivable		
Deposits	-	-
Other Financial Assets		
Financial Liabilities:		
Trade Payable (Rs.)	13,353	197,429
Borrowings	-	-
Other Financial Liabilities	-	-

Credit Risk:

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

Credit risk exposure

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

For the year ended March 31, 2020 (In ₹)

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	300,699,887	296,497,257	4,202,630	-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	300,699,887	296,497,257	4,202,630	-	-

For the year ended March 31, 2019 (In ₹)

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	192,585,839	192,585,839	-	-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	192,585,839	192,585,839	-	-	-

Liquidity Risk:

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due. Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

(In ₹)

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
As on March 31 2020					
Trade Payables	15,546,134	15,546,134	-	-	-
Other Financial liabilities	81,632,558	81,632,558	-	-	-
As on March 31 2019					
Trade Payables	1,677,031	1,677,031	-	-	-
Other Financial liabilities	20,669,132	20,669,132	-	-	-

Note: 41. Capital Management

The objective of the company when managing capital are to

- to safeguard the company's ability to continue as going concern, So that they can continue to provide returns for the Share holder and benefits for other stake holders.
- maintain optimal capital structure to reduce cost of capital

The Company has no borrowing outstanding as at the year end. There were no specific debt convenants for the non fund based facilities extended by the bank.

Dividends		(In ₹)	
Particulars	2019-2020	2018-2019	
(i) Equity Shares			
Final Dividend for the year March 31st 2019 Rs 2/- (March 31 2018 Rs. 4/-) per share of Rs. 10/- each	8,108,986	16,217,972	
Dividend Distribution Tax on Final Dividend	1,666,820	3,333,644	
Interim Dividend for the year March 31st 2020 Rs. 2/- (March 31 2019 Rs 3/-) per share of Rs. 10/- each	8,108,986	12,163,479	
Dividend Distribution Tax on interim Dividend	1,666,820	2,500,231	
(ii) Dividends not recognised at the end of the reporting period			
In addition to the above, since the year end directors recommend the payment of Rs. 2/- (March 31 2019 Rs 2/-) per share of Rs. 10/- each, The proposed dividend is subject to the approval of Share holders in the general meeting.	8,108,986	8,108,986	
Dividend Distribution Tax on proposed Dividend	-	1,666,820	

Note: 42. Consumption Of Raw Materials:

Raw Material	2019-2020		2018-2019	
	%	₹	%	₹
Indigenous	66.52	92,788,982	57.62	65,112,519
Imported	33.48	46,694,081	42.38	47,899,969
TOTAL	100	139,483,063	100	113,012,488

Note: 43. Value of Imports (Calculated in CIF Value):

Particulars		(In ₹)	
Particulars	2019-2020	2018-2019	
Materials	52,337,866	51,980,547	
Capital Equipment	1,774,358	-	
Total	52,337,866	51,980,547	

Note: 44. Expenditure in Foreign Currency:

Particulars		(In ₹)	
Particulars	2019-2020	2018-2019	
Purchases (Imports)	52,511,366	52,231,048	
Foreign Travel	1,410,896	-	
Total	53,922,262	52,231,048	

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

Sundry Creditors includes Rs.1,45,61,831/- (previous year Rs. 9,36,831/-) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note: 46. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 and rules made there under on CSR Activities, the Company has incurred an amount of Rs 15,70,000/- (2018-2019 year Rs. 10,63,984/-) towards Corporate Social Responsibility activities during the Financial Year 2019-20 and debited to Statement of Profit and Loss.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the FY 2019-20 are as under:

	(In ₹)	
Particulars	2019-2020	2018-2019
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	225,470,699	108,674,950
Average of net profits	75,156,890	36,224,983
Earmarked percentage U/s 135 of the Companies Act, 2013 towards CSR Activities	1,503,138	724,500
Amount to be spent towards CSR Activities	1,570,000	1,063,984

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

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

Note: 47. Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables, the Company has considered internal and external information upto the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes and future economic conditions.

Note: 48. Confirmations

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

Note: 49.

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

per our report of even date
for **RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No. 002934S

for and on behalf of **Avantel Limited**

Sd/-
(CA K SREENIVASAN)
Partner
ICAI Membership No. 206421
Place: Hyderabad
Date: 9th May, 2020

Sd/-
A. VIDYASAGAR
Chairman & Managing Director
DIN : 00026524
Sd/-
A. SARADA
Whole - Time Director & CFO
DIN : 00026543

Sd/-
N. NAVEEN
Director
DIN : 02726620
Sd/-
M. MURALI KRISHNA
Company Secretary

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AVANTEL LIMITED

Registered Office

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

Gambheeram (V), Anandapuram (M)

Visakhapatnam-531 163. A.P.

Phone: +91 - 891 - 2850000

Fax: +91 - 891 - 2850004