

14<sup>th</sup> May, 2021

Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001

Dear Sir/Madam,

**SUB: Notice and 31<sup>st</sup> Annual Report of Avantel Limited ('Company') - Reg.**

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

With reference to the above stated subject, we bring to your kind notice that pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time ('Listing Regulations'), we wish to inform that the 31<sup>st</sup> Annual General Meeting ('AGM') of the Company will be held on Saturday, the June 5, 2021 at 02.00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars).

In this connection, please find attached herewith 31<sup>st</sup> Annual Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2021, along with the Notice of AGM.

In terms of Regulation 46 of the Listing Regulations, the said Annual Report and Notice of Annual General Meeting and other relevant documents are also uploaded on the website of the Company at [www.avantel.in](http://www.avantel.in)

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI LODR, the Company is providing the facility to its Members (holding shares either in physical or dematerialized form) to exercise their right to vote by electronic means through Remote e-voting on the businesses specified in the Notice convening the 31<sup>st</sup> AGM of the Company.

This is for your information and record.

Yours Faithfully,  
For **Avantel Limited**

**M Murali Krishna**  
CS & Compliance Officer



Encl: As stated

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## Avantel Limited

### Registered Office

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

### Corporate Office

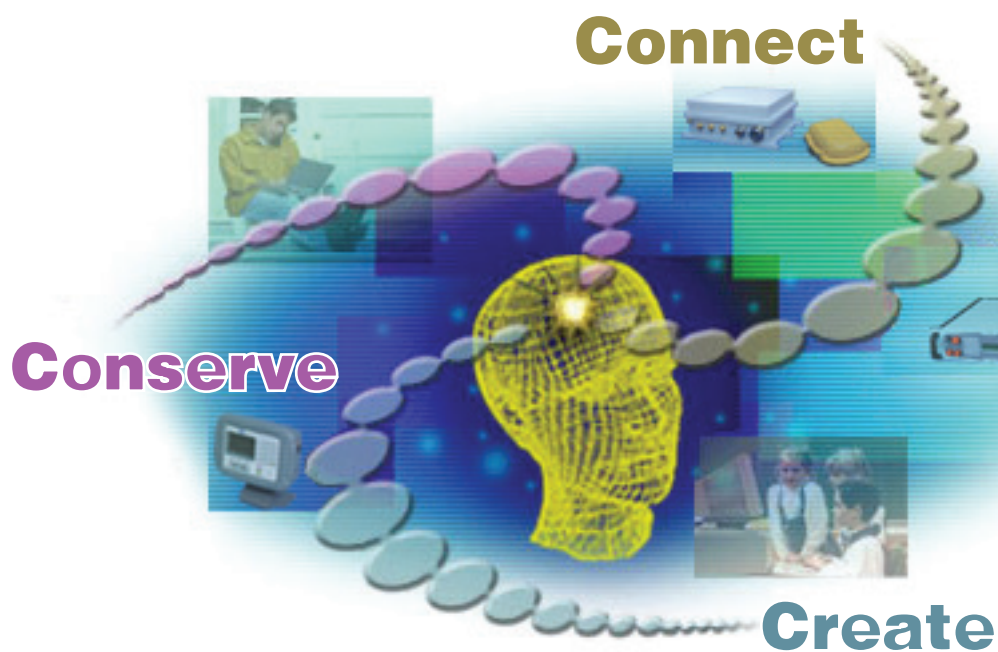
Plot No. 68 & 69, 4th Floor, Jubilee  
Heights Survey No's. 66 & 67, Jubilee  
Enclave Madhapur, Hyderabad - 500 081.  
Telangana Tel : +91-40-6630 5000  
Fax : +91-40-6630 5004

CIN - L72200AP1990PLC011334

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

AS 9100D  
ISO 9001:2015  
ISO 27001: 2013

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Annual Report  
2020 - 2021

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Dr. Abburi Vidyasagar	-	Chairman & Managing Director
Smt. Abburi Sarada	-	Whole-Time Director
Shri. Abburi Siddhartha Sagar	-	Whole-Time 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

#### 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, 4<sup>th</sup> 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 (FormerlyKarvy  
Computershare Pvt. Ltd)  
Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032  
Phones: 040 - 6716 1565

#### 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.,  
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, 4<sup>th</sup> 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. 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. E.B.V. Ramana Gupta	-	Member
Shri. Y. Kishore	-	Member

#### Stakeholders Relationship Committee:

Shri. M Narayana Rao	-	Chairman
Shri. Y. Kishore	-	Member
Dr. Abburi Vidyasagar	-	Member
Shri. E.B.V. Ramana Gupta	-	Member

#### Corporate Social Responsibility Committee:

Smt. A. Sarada	-	Chairman
Shri. N. Naveen	-	Member
Shri. Y. Kishore	-	Member

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## **NOTICE**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting ("AGM") of the Members of Avantel Limited will be held on Saturday, 5<sup>th</sup> day of June, 2021 at 02:00 P.M. IST through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") facility without the physical presence of the Members at a common venue, in compliance with General Circular No. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs (MCA Circulars), to transact the businesses mentioned below.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2021, together with the Report of the Board of Directors and Auditors thereon.
2. To declare final dividend of Rs. 4/- per Equity Share of Rs. 10/- each to the shareholders for the Financial Year ended on March 31, 2021.
3. To appoint a Director in place of Smt. Abburi Sarada (DIN: 00026543), who retires by rotation and being eligible, offers herself for re-appointment as Director.
4. **To Appoint Statutory Auditors of the Company:** To consider and if, thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Grandhy & Co, Chartered Accountants (Firm Registration No. 0010075), as issued by the Institute of Chartered Accountants of India be and is hereby appointed as the Statutory Auditors of the Company, for a period of five years commencing from the conclusion of this Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting at a remuneration of Rs. 3,25,000/- per annum plus out of pocket expenses and taxes at the applicable rates."

### **SPECIAL BUSINESS:**

5. **TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI. ABBURI SIDDHARTHA SAGAR (DIN: 02312563) AS WHOLE-TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such consents and permissions as may be required, Shri. Abburi Siddhartha Sagar (DIN: 02312563), who was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> March, 2021 and as Whole Time Director with effect from 08<sup>th</sup> March, 2021 pursuant to provisions of Section 161, 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with the relevant rules thereunder, and the Articles of Association of the Company and who holds office upto the date of the next Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to the approval of the Central Government and such other sanctions and approvals, as may be required and the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the company, the consent of the members of the Company be and is hereby accorded for the appointment of Shri.

A Siddhartha Sagar (DIN: 02312563), as Whole-Time Director of the Company, designated as Director (Strategy and Business Development) liable to retire by rotation, on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto and be paid a remuneration of Rs. 36,00,000 /- (Rupees Thirty-Six Lakhs only) per annum and other superannuation benefits as per service rules of the Company, for a term of three years with effective from 8<sup>th</sup> March 2021.”

**“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 his 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.”

**RESOLVED FURTHER THAT** the board of directors of the company will have the power to revise the terms of remuneration subject to the limits specified in schedule V to the Companies Act , 2013 and subject to the compliance of the provisions of the other rules and regulations as will be applicable to the company from time to time”

**6. TO CONSIDER THE APPOINTMENT OF SHRI. E B V RAMANA GUPTA (DIN: 07402341) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013:**

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 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri. E B V Ramana Gupta (DIN: 07402341), who was appointed as an Independent Director of the Company for a term of five years at the 26<sup>th</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(I) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 25<sup>th</sup> June, 2021.”

**7. TO CONSIDER THE APPOINTMENT OF SHRI. M NARAYANA RAO (DIN: 00577494) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS, IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013:**

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 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri. M Narayana Rao (DIN: 00577494), who was appointed as an Independent Director of the Company for a term of five years at the 26<sup>th</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(I) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 25<sup>th</sup> June, 2021.”

By order of the Board of Directors

For **Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

**NOTES:**

1. An Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has 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 being conducted through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) herein after called as "e-AGM".

e-AGM: Company has appointed KFin Technologies Private Limited (KFintech), Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM

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 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](mailto:cssunil1427@gmail.com) with a copy marked to <https://evoting.kfintech.com>.
5. The Company has notified closure of Register of Members and Share Transfer Books of the company from 29<sup>th</sup> day of May, 2021 to 5<sup>th</sup> day of June, 2021 (both days 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 28<sup>th</sup> day of May, 2021. 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. The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS"), NEFT, RTGS facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

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. In compliance with the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for Financial year ended on March 31, 2021 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). 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 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 1<sup>st</sup> Day of June, 2021 through email on [cs@avantelex.in](mailto:cs@avantelex.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](http://www.iepf.gov.in).



15. In line with the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website [www.avantel.in](http://www.avantel.in) websites of the BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of KFin Technologies Pvt Ltd i.e <https://evoting.kfintech.com>
16. The attendance of the Members attending the AGM through VC/OAVM (member's logins) 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/ KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@avantelex.in](mailto:cs@avantelex.in) by 11:59 p.m. IST on 1<sup>st</sup> Day of June, 2021. 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 [cs@avantelex.in](mailto:cs@avantelex.in). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 1<sup>st</sup> Day of June, 2021.

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. INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE / OTHER AUDIO VISUAL MODE:**

1. Attending the e-AGM: Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following there mote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
3. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hot spot may experience Audio/Video loss due to Fluctuation in their respective network. It is there

for ere commended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Facility of joining the AGM through VC / OAVM shall be open 15 minutes before the time scheduled for the AGM.
6. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
7. **Submission of Questions / queries prior to e-AGM :**
  - i. Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e. [cs@avantelex.in](mailto:cs@avantelex.in) on or before 1<sup>st</sup> June, 2021, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.
  - ii. Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed at 05:00 P.M 1<sup>st</sup> on June, 4, 2021.
8. **Speaker Registration before e-AGM :** Shareholder who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> the shareholders are requested to get registered on or before 1st June, 2021, 5.00 P.M. (IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
9. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
10. Members who need technical assistance before or during the AGM, can contact KFintech at <https://evoting.kfintech.com/>

## B. INSTRUCTIONS FOR E-VOTING:

In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on 29<sup>th</sup> May, 2021 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process both remote e voting and e voting during e-AGM.

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

- I. Open your web browser during the voting period and navigate to <https://evoting.kfintech.com/>

2. Enter the login credentials (i.e., user-id & password). Your folio/DP and Client ID will be your User - ID.

User - ID for Members holding shares in Demat Form:

- For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
- For CDSL: 16 digits beneficiary ID.

For Members holding shares in Physical Form:

- EVENT No. followed by Folio Number registered with the Company.
- Password: Your Unique password is printed on separate sheet / via email forwarded through the electronic notice.

Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Please contact our toll free No. [1800 3454 001] for any further clarifications
4. Members can cast their vote online from 9.00 A.M. (IST) on June 2, 2021 to 5.00 P.M. (IST) on June 4, 2021.
5. After entering these details appropriately, click on“LOGIN”.
6. Members will now reach ‘Password Change’ menu where in they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z),one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through KFIN Technologies Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID, etc. on first login. You may also enter the ‘Secret Question’ and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
7. You need to login again with the new credentials.
8. On successful login, system will prompt to select the ‘Event’ i.e. ‘AVANTEL LIMITED’.
9. If you are holding shares in Demat form and had logged on to “<https://evoting.kfintech.com/>” and casted your vote earlier for any Company where the System Provider was KFIN Technologies Private Limited, then your existing login id and password given earlier are to be used.
10. On the voting page, you will see Resolution description and against the same the option FOR/AGAINST/ ABSTAIN for voting. Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total share holding. If the Member do not want to cast, select ‘ABSTAIN’ After selecting the resolution you have decided to vote on, click on ‘SUBMIT’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘OK’, else to change your vote, click on ‘CANCEL’ and accordingly modify your vote.
11. Once you ‘CONFIRM’ your vote on the Resolution, you will not be allowed to modify your vote.

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

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

**D. General Instructions:**

- i. 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
- ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 31<sup>st</sup> e-AGM and announce the start of the casting of vote through the e-voting system of KFin Technologies Pvt Ltd.
- iii. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iv. The Scrutinizer shall submit his report to the Chairman or in his absence Managing Director & CEO of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website [www.avantel.in](http://www.avantel.in) and on the website of KFin <https://evoting.karvy.com> and shall also be communicated to the BSE Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company.

By order of the Board of Directors

For **Avantel Limited**

Sd/-

**Abburu Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 24<sup>th</sup> April, 2021

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

### ITEM NO: 4

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the term of the present Statutory Auditors of the Company, M/s. Ramanatham & Rao, Chartered Accountants (Registration No. 0029345), will be expiring at the conclusion of the 31<sup>st</sup> Annual General Meeting.

The Board of Directors at their meeting held on 24<sup>th</sup> April, 2021, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. Grandhy & Co, Chartered Accountants, as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a period of five consecutive years from the conclusion of the 31<sup>st</sup> Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company.

M/s. Grandhy & Co., Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made there under.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Grandhy & Co, Chartered Accountants as the Statutory Auditors of the Company and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to them.

#### **Terms and Conditions of re-appointment are as under:**

**Term of Appointment:** 5 (five) financial years. i.e. from F.Y. 2021-22 to FY 2025-26

**Proposed Fees:** The members of the board have recommended a remuneration of Rs. 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand only) per annum plus taxes at the applicable rates and travelling & other out-of-pocket expenses incurred by them, if any, in connection with the statutory audit of the Company, will be payable over & above the Remuneration. The proposed fees will be based on knowledge, expertise, industry experience, time and efforts required to be put in by M/s. Grandhy & Co. LLP during their Auditing association with the Company and also there is no material change in the fee payable to new auditor from that paid to the outgoing auditor. The proposed fee will also be in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fees and it will be decided by the board in consultation with the Statutory Auditors.

#### **Basis of recommendation including Credentials:**

- M/s. Grandhy & Co. is an old and well-established Chartered Accountancy firm, having been setup in the year 1976.
- Audit Committee recognizes the efficiency of M/s. Grandhy & Co. while conducting Audit.
- Timely Auditing of financial results i.e., UFR/ AFR well before the Meetings.
- Area of expertise being Accounts, Audit, Finance as well as Taxation.
- Ability to resolve complex issues

## Brief Profile of Statutory Auditors

The firm has carried on the Statutory Audit for various Miniratna and NavaRatna Companies and are also acting as the Concurrent Auditor for various Banks. The Board recommends the Ordinary Resolution at Item No. 4 for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for approval of the members.

## ITEM NO 5:

Based on the recommendations of the Nomination and Remuneration committee, on January 22<sup>nd</sup>, 2021 the members of the board have appointed Shri Abburi Siddhartha Sagar as an Additional Director (Non-Executive) of the Company w.e.f 01.03.2021 who holds his office as such upto the date of ensuing Annual General Meeting. Subsequently, the board of directors at their meeting held on 05.03.2021 have appointed him as the Whole Time Director of the company designated as Director (Strategy and Business Development) for a period of 3 years in terms of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, subject to the approval of the Central Government and such other sanctions and approvals as may be required, and the members of the company at the ensuing Annual General Meeting of the company, w.e.f 08.03.2021 at such terms and conditions as are mentioned in the above resolution.

The Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member of the Company, proposing his candidature to the office of Whole Time Director of the company. Shri Abburi Siddhartha Sagar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Pursuant to the provisions of Section 152 & 196 of the Companies Act, 2013, any such proposal requires the approval of members as ordinary resolution at the General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Shri Abburi Siddhartha Sagar be appointed as Whole Time Director of the Company at a remuneration as mentioned in the resolution.

Shri. Abburi Siddhartha Sagar possesses over 10 years of experience in leading teams in sales, management, business development, technology and strategic consulting. He has an MBA degree from WP Carey, Arizona State University and a Master's Degree in Computer Science from Ira A Fulton Schools of Engineering, Arizona State University. He Complements the business acumen with a deep technical understanding required to develop a cohesive product vision and monetization strategy, innovative and build new technology offerings, and develop the eco systems necessary to deliver business results. He Accomplished the enterprise solution architecture in the digital Transformation and innovation space with heavy focus on Customer centricity. He is acquainted with the latest technological innovations in the field of satellite communication and electronic engineering. Keeping in view of his experience and strategic planning in the field of marketing, it would be in the interest of the Company to continue the employment of Shri. Abburi Siddhartha Sagar as a Whole-Time Director of the Company.

Shri. Abburi Siddhartha Sagar holds 3,16,941 (Three Lakhs Sixteen Thousand Nine Hundred and Forty-One Only) equity shares constituting 7.82% of total equity share capital of the Company and is a director in M/s. Wiki Kids Private Limited.

The Board of Directors recommends the resolution in relation to the 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 Abburi Siddhartha Sagar would be available for inspection by members at the Registered /Corporate Office of the Company during normal business hours on any working day.

Except Dr. A. Vidyasagar, Chairman & Managing Director and Smt. Abburi Sarada, Whole Time Director & CFO and Shri. Abburi Siddhartha Sagar, being the appointee, or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in these resolutions set out at item no. 5.

**ITEM NO. 6 & 7**

In accordance with the provisions of Section 149 read with schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Shri E B V Ramana Gupta and Shri M Narayana Rao be appointed as Non-Executive Independent Directors on the Board for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013, whose office is not liable to retire by rotation.

The appointment of Shri E B V Ramana Gupta and Shri M Narayana Rao shall be effective upon approval by the members in the Meeting.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of Shri E B V Ramana Gupta and Shri M Narayana Rao for the office of Director of the Company. The Company has received individual declarations from Shri E B V Ramana Gupta and Shri M Narayana Rao stating that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri E B V Ramana Gupta and Shri M Narayana Rao are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given individual consents to act as Director.

**Brief Resume of Shri E B V Ramana Gupta**

Shri Elluru Bala Venkata Ramana Gupta has done B.Sc (Maths) from Silver Jubilee Government College, Kurnool June 1978 – May 1980 and has completed B.A (Economics) from Osmania University, Hyderabad in the year 1982. Shri Gupta is a first generation corporate treasury professional with 20 years of experience and management of largest corporate treasury in the country. He has participated across the market development curve in Indian financial market with hands on experience of structuring, dealing and management of risk and accounting aspects of all transactions. He has implemented integrated global best risk management policies and systems across asset, liability and derivative segments spanning all financial risks. Shri Gupta has two decades of impeccable market reputation with an eye on details and strong fundamentals of risk management. The key strength of Shri Gupta is optimization of costs and identifying value in every process and creating entire institutional set up for execution.

**Brief Resume of Shri M Narayana Rao**

Shri M. Narayana Rao, is an Engineer, with his 38 years of rich experience in making, shaping and treating of exotic ferrous and non-ferrous metals such as Special Steels, Superalloys has remarkably contributed to the applications of strategic industries of Atomic Energy, Space, Aerospace, Defence and Energy sectors. Shri Rao with his initial service of three decades at Nuclear Fuel Complex of Dept of Atomic Energy, was responsible for indigenous development and supply of various Zirconium alloy structural tubes, components and assemblies, made from concept to core (i.e. Concept - basic design, mock-up, pilot-scale and production/manufacture and assembly) to the stringent requirements of nuclear applications. Later as C&MD of Mishra Dhatu Nigam Limited (MIDHANI) Shri Narayana Rao was instrumental in supplying Special Steels and forgings for core and Steam Generator for BHAVINI- Prototype Fast Breeder Reactor at Kalpakkam. This material was denied to supply by developed countries. Shri Rao had involved in the development of special alloys required for Space sector, particularly the



Titanium, Super-alloys and columbium alloys which are being used in Indian Space Programme. A cited example is, these three alloys are employed in the Moon Impact Probe in Chandrayaan Programme and LAM engine in MARS mission.

Shri Rao is a dynamic leader and an astute of technocrat scientist, who had spent his service in the development of strategic materials, gained expertise and lead Mishra Dhatu Nigam Limited (MIDHANI), a Public Sector Undertaking under Ministry of Defence, as its Chairman & Managing Director for 9 years, had not only contributed in development of various special alloys required for the country's strategic industry, productionized and supplied but also turned-around the Company to a profitable PSU. The Sales of the Company has increased by four times and made the Company strong by adding substantial reserves and the Company has been conferred with Mini-Ratna by the Government of India and won many laurels by the Government and Ministry of Defence. He also has taken up an ambitious plan of modernization and expansion to develop and supply the products indigenously and serve the strategic sectors.

After completion off his service in MIDHANI, he has taken up as CEO of M/S MTAR technologies, Hyderabad for three years. He has turn around and brought the company into a profitable Business by guiding and nourishing the advanced machining and assembly technologies to the niche markets of Space, Nuclear and Defence applications.

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

In view of his expertise in metallurgical expertise and leadership qualities, he has been drawn to serve in various Companies/ Boards such as member/Director in Board of Nuclear Fuel Complex/Dept of Atomic Energy and M/S A.P. Gas Power Corporation Ltd.

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

#### **Directorships/Memberships, Shareholding and relationship with directors inter-se of Shri E B V Ramana Gupta and Shri M Narayana Rao**

Shri E B V Ramana Gupta and Shri M Narayana Rao are not related to any of the Directors of the Company. Shri E B V Ramana Gupta and Shri M Narayana Rao does not hold any shares in the equity share capital of the Company. Shri E B V Ramana Gupta does not have directorship or membership of committee of Board in any other listed Company. Shri M Narayana Rao holds Directorship and membership of committee of Board in Welspun Specialty Solutions Limited, Chennai Petroleum Corporation Limited in addition to Avantel Limited.

The Board of Directors recommend the resolutions set out at Item No. 6 & 7 in relation to the appointment of Shri E B V Ramana Gupta and Shri M Narayana Rao as Independent Directors of the Company for the approval of the shareholders of the Company.

Except Shri E B V Ramana Gupta and Shri M Narayana Rao, being the appointees, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise in the resolutions set out at item no. 6 & 7 respectively.

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

<b>Particulars</b>	<b>Smt Abburi Sarada</b>	<b>Shri Abburi Siddhartha Sagar</b>	<b>Shri E B V Ramana Gupta</b>	<b>Shri M Narayana Rao</b>
Date of Birth	14.10.1964	26.11.1987	13.02.1961	01.09.1955
Date of Appointment	14.05.2017	01.03.2021	13.02.2016	13.02.2016
Qualifications	MBA	MBA & Masters in Computer Science	B.Sc and B.A.	B. Tech
Expertise in specific Functional area	Finance, Banking and Foreign Exchange Markets	Sales, Business Management, Business Development, Technology and Strategic Planning	Corporate Finance, Corporate Treasury, Financial Risk Management, Banking	Aerospace, Atomic Energy, Defence and Energy Sector
Directorship held in other public companies (excluding foreign companies)	Nil	Nil	Nil	<ul style="list-style-type: none"> <li>Welspun Speciality Solutions Ltd</li> <li>Chennai Petroleum Corporation Ltd</li> </ul>
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders / Investors Grievance Committee)	Nil	Nil	Nil	5 Memberships including 3 Chairmanships
Number of shares held in the company	2,51,249	3,16,941	NIL	Nil

## DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 31<sup>st</sup> Annual Report on the business of your Company together with the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2021

### 1. COMPANY PERFORMANCE:

Your Company's performance during the year ended 31<sup>st</sup> March, 2021, as compared to the previous financial year, is summarized as below:

(Rs. In Lakhs)

PARTICULARS	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	7769.60	5191.93
Other Income	87.32	119.67
<b>Total Revenue</b>	<b>7856.92</b>	<b>5311.60</b>
Expenses	5552.04	3653.88
Operating Profit	2304.88	1657.72
Depreciation	303.15	271.13
Finance Charges	151.39	85.34
Net Profit / Loss Before Tax(PBT)	1850.34	1301.25
<b>Provision for Tax</b>		
Current Tax	351.46	231.61
Deferred tax	(34.49)	(6.10)
Net Profit (PAT)	1533.37	1075.74
Other Comprehensive Income(Net Tax)	4.28	(17.23)
Total Comprehensive Income	1537.65	1058.51

During the financial year 2020-21 the company has recorded a Profit before Tax of Rs. 18.50 crores as against Rs. 13.01 crores in the previous year with a 42.19% 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, 2021.

### 3. DIVIDEND:

Your Directors recommended a final dividend of Rs 4 per share for the financial year 2020-21. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting. The Dividend will be paid to members whose names appear in the register of members as on Friday, the 28<sup>th</sup> day, May 2021 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, Smt. Abburi Sarada (DIN: 00026543), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends the reappointment of Smt. Abburi Sarada (DIN: 00026543) for the consideration of the members of the company at the ensuing annual general meeting. Brief details of Smt. Abburi Sarada (DIN: 00026543) 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"*.

Based on the recommendations of the Nomination and Remuneration committee, on January 22<sup>nd</sup>, 2021 the members of the board have appointed Shri Abburi Siddhartha Sagar as an Additional Director (Non-Executive) of the Company w.e.f 01.03.2021 who holds his office as such upto the date of ensuing Annual General Meeting. Subsequently, the board of directors at their meeting held on 05.03.2021 have appointed him as the Whole Time Director of the company in terms of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, subject to the approval of the Central Government and such other sanctions and approvals as may be required, for a period of 3 years w.e.f 08.03.2021 at such terms and conditions as are mentioned in the notice convening the 31<sup>st</sup> Annual General Meeting of the Company. The Board of Directors of the Company hereby recommends the appointment of Shri Abburi Siddhartha Sagar as the Whole-Time director of the company.

During the period under review, Shri Raghu Prasad Pidikiti, Non-Executive Director of the Company had resigned from the office of director on 22<sup>nd</sup> January, 2021.

Shri. E B V Ramana Gupta and Shri. M Narayana Rao were appointed as the independent directors of the company at the 26<sup>th</sup> Annual General Meeting of the company for a period of five years. Pursuant to the provisions of Section 149 of the Companies Act, 2013, the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company hereby recommends the appointment of Shri. E B V Ramana Gupta and Shri. M Narayana Rao as the Independent Directors of the company for another term of 5 years.

**5. DECLARATION BY INDEPENDENT DIRECTORS**

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

**6. MEETINGS OF THE BOARD**

The Board met Five times during the financial year 2020-21 viz., on 09.05.2020, 27.07.2020, 21.10.2020, 22.01.2021 and 05.03.2021. The maximum interval between any two meetings did not exceed 120 days.

**7. STATUTORY AUDITORS:**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made there under, the term of the present Statutory Auditors of the Company, M/s. Ramanatham & Rao, Chartered Accountants (Registration No. 002934S), will be expiring at the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company.

Based on the recommendations of the Audit Committee the Board of Directors at its meeting held on 24.04.2021 recommends M/s. Grandhy & Co (Firm Registration No: 001007S), Chartered Accountants, as the Statutory Auditors of the Company, to hold office as such from the conclusion of the thirty first Annual General Meeting until the conclusion of the thirty-Six Annual General Meeting.

M/s. Grandhy & Co, Chartered Accountants, Hyderabad, have confirmed that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s Grandhy & Co, Chartered Accountants, Hyderabad, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

The financial statements have been audited by M/s. Ramanatham & Rao, Chartered Accountants, Statutory Auditors of the Company. The Board would like to place on record its appreciation to M/s Ramanatham & Rao, Chartered Accountants, for giving their valuable insights and suggestions for the past five years, and also wishes them all success in their future endeavours.

## **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 31<sup>st</sup> March, 2021.

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 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 2020-21, as required under Section 204 of the Companies Act, 2013 and Rule 9 thereunder. The secretarial audit report for F.Y. 2020-21 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 31<sup>st</sup> March, 2021.

## **12. RISK MANAGEMENT POLICY**

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

## **13. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As part of the Corporate Social Responsibility initiative the Company has spent an amount of Rs. 25,39,523/- (Rupees Twenty Five Lakhs Thirty Nine Thousand Five Hundred and Twenty Three Only) towards the various CSR activities during the financial year 2020-21. 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](http://www.avantel.in).

**Composition of Corporate Social Responsibility Committee:**

Smt. A Sarada	-	Chairperson
Shri. N Naveen	-	Member
Shri. Y Kishore	-	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. 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 31<sup>st</sup> March 2021.

## **19. NOMINATION AND REMUENRATION 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 March 31, 2021, 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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 were 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](http://www.avantel.in) on the following <https://www.avantel.in/>

**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 31<sup>st</sup> March, 2021. 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](http://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: 24<sup>th</sup> April, 2021

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

for the Financial Year ended March 31, 2021

*[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 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 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 Telegraphic Act, 1993.

We have also examined compliance with the applicable clauses of 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 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.

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

Sd/-

**MB Suneel**

Company Secretary

C.P. No.: 14449

UDIN: A031197C000147390

Place: Hyderabad

Date: 24<sup>th</sup> April, 2021

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

**ANNEXURE-A**

To  
The Members  
**Avantel Limited**

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

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. 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: 24<sup>th</sup> April, 2021

Sd/-  
**MB Suneel**  
Company Secretary  
C.P. No.: 14449  
UDIN: A031197C000147390

## ANNEXURE –II REPORT ON CSR ACTIVITIES

The CSR is being reported from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

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      |

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

Rs. 11,39,60,456/- (Rupees Eleven Crores Thirty-Nine Lakhs Sixty Thousand Four Hundred and Fifty-Six 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. 22,79,209/- (Rupees Twenty-Two Lakhs Seventy-Nine Thousand Two Hundred and Nine only)

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

- a) Total amount spent for the financial year: Rs. 25,39,523/-
- 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.	Pursuant to the CSR policy the company has contributed an amount of Rs. 11,00,000/- to Smt. Abburi Lakshmikantham Charitable Trust for carrying out various CSR activities.  The following is the brief description of the various activities carried out in this regard: -  The Trust has provided a computer lab with 35 laptops to students & faculty of YN Junior College , Narasapuram.	Education	Narasapuram Andhrapradesh		9,38,575	9,38,575	By the Trust
2.	The Trust has provided four digital class rooms with 4 smart Tvs to students & faculty at YN Junior College , Narasapuram through KEATS	Education	Narasapuram, Andhrapradesh		1,30,000	1,30,000	By the Trust
3.	The Trust has provided financial support to Poor Children for pursuing their Education for VIII Class Student for the year 2020-21.	Education	Children Studying in CSR Aditya Concept school		31,425	31,425	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
4	The Company as a CSR initiative has donated to ICHA Foundation for Mentally Challenged	Food & Books	Achuthapuram, Visakhapatnam		30,853	30,853	By the Company
5.	The Company has donated to construction of toilet blocks at Taylor High School	Education	Narsapur, W.G Dist		6,50,000	6,50,000	By KEATS (Trust)
6.	The Company has donated to KEATS towards food and other essential expenses in pandemic situation	Food for needy	Various places		3,00,000	3,00,000	By KEATS (Trust)
7.	The Company has donated to KEATS towards salaries to teachers at Vivekananda school	Education	Hyderabad, Telangana		1,85,000	1,85,000	By KEATS (Trust)
8.	The Company has provided five digital smart class rooms at ZPHS Sircilla.	Education	Sircilla, Telangana		2,56,500	2,56,500	By the Company
9.	Administrative Overheads	Admin Expenses	Sircilla, Telangana and Narsapur, Andhra Pradesh		17,170	17,170	By the Company
			<b>Total</b>		<b>25,39,523</b>	<b>25,39,523</b>	

For and on behalf of the Board of Directors  
**Avantel Limited**

Sd/-

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

**Abburi 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:

- Upgradation of Vibration test facility for airborne platform
- Automation of production testing process.
- 3D Automatic Optical Inspection System established
- Test Equipment 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.
- Automatic Surface Mount Technology (SMT) line established for automatic PCB Assembly process.
- 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 (DSIR), 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 Aircraft with GSAT- 6 Satellite
- ✓ 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 of Software Application for 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 1 KW HF System for Indian Air force
- ✓ MSS transceiver with electronic beam former for GSAT-6
- ✓ SDR and Modem development
- ✓ Upgradation of MSS HUB stations with LDPC
- ✓ 5 KW HF System for Indian Navy
- ✓ Development of UHF Satcom System for Helios and P8I aircraft
- ✓ TR Module in UHF Band for Wind Profile Radar

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

**Rs. in Lakhs**

Capital	68.48
Recurring	607.34
Total	675.82
Total R & D expenditure % as of Turnover	8.70%

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

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

Foreign exchange earnings	:	Rs. 8.23 Lakhs
Foreign exchange outgo	:	Rs. 1164.67 Lakhs

For and on behalf of the Board of Directors  
**Avantel Limited**

Sd/-

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

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

## 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.

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 Whole Time Director & CFO, Spouse of Dr. Abburi Vidyasagar	Rent	Ongoing	N.A	30.10.2009	10,54,624/-

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

For and on behalf of the Board of Directors

**Avantel Limited**

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 24<sup>th</sup> April, 2021

**Annexure–V**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(I) of the Company (Management & Administration) Rules, 2014.

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
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 <sup>st</sup> March 2020]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March 2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	16,57,122	0	16,57,122	40.87%	16,36,425	0	16,36,425	40.36%	(0.51%)
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%
<b>Sub Total (A) (1)</b>	<b>16,57,122</b>	<b>0</b>	<b>16,57,122</b>	<b>40.87%</b>	<b>16,36,425</b>	<b>0</b>	<b>16,36,425</b>	<b>40.36%</b>	<b>(0.51%)</b>
(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%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>16,57,122</b>	<b>0</b>	<b>16,57,122</b>	<b>40.87%</b>	<b>16,36,425</b>	<b>0</b>	<b>16,36,425</b>	<b>40.36%</b>	<b>(0.51%)</b>

<b>B. Public Shareholding</b>									
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%
<b>Sub Total (B)(1)</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.0%</b>	<b>0.00%</b>
(2) Central Govt/State Govt/President of India	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (B)(2)</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>3 . Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,04,317	100	1,04,417	2.58%	1,16,441	100	1,16,541	2.87%	<b>0.29%</b>
ii) Overseas	0	0	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									0.00%
i) Individual shareholders holding nominal share capital upto Rs. 2lakh	15,10,548	40,743	15,51,291	38.26%	15,17,455	37,543	15,54,998	38.35%	0.09%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	6,56,607	0	6,56,607	16.19%	6,56,607	0	6,44,304	15.89%	(0.30%)
c) NBFC's registered with RBI									
d) Others (specify)									
Non Resident Indians	39,329	0	39,329	0.97%	45,232	0	45,232	1.12%	0.15%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	5,525	0	5,525	0.14%	13,341	0	13,341	0.33%	0.19%
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	40,202	0	40,202	0.99%	43,652	0	43,652	1.08%	0.09%
<b>Sub-total (B)(3):-</b>	<b>23,56,528</b>	<b>40,843</b>	<b>23,97,371</b>	<b>59.13%</b>	<b>23,80,425</b>	<b>37,643</b>	<b>24,18,068</b>	<b>59.64%</b>	<b>0.51%</b>
<b>Total Public (B)</b>	<b>23,56,528</b>	<b>40,843</b>	<b>23,97,371</b>	<b>59.13%</b>	<b>23,80,425</b>	<b>37,643</b>	<b>24,18,068</b>	<b>59.64%</b>	<b>0.51%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>40,13,650</b>	<b>40,843</b>	<b>40,54,493</b>	<b>100.00</b>	<b>40,16,850</b>	<b>37,643</b>	<b>40,54,493</b>	<b>100.00</b>	<b>0.00%</b>



## (ii) Shareholding of Promoter

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	Dr. Abburi Vidyasagar	8,23,193	20.30%	0	7,73,193	19.07%	0	(1.23%)
2	Shri Abburi Siddhartha Sagar	2,91,941	7.20%	0	3,16,941	7.82%	0	0.62%
3	Smt Abburi Sarada	2,71,946	6.71%	0	2,51,249	6.20%	0	(0.51%)
4	Smt Abburi Sailaja	2,33,422	5.76%	0	2,58,422	6.37%	0	0.61%
5	Shri Abburi Venkateswara Rao	36,620	0.90%	0	36,620	0.90%	0	-
	Total	16,57,122	40.87%	0	16,36,425	40.36%	0	(0.51%)

## (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
Dr. Abburi Vidyasagar						
At the beginning of the year	01.04.2020	N.A	8,23,193	20.30	8,23,193	20.30
Changes during the year	26.03.2021	Transfer	(50,000)	(1.23)	7,73,193	19.07
At the end of the year	31.03.2021	N.A	7,73,193	19.07	7,73,193	19.07
Shri Abburi Siddhartha Sagar						
At the beginning of the year	01.04.2020	N.A	2,91,941	7.20	2,91,941	7.20
Changes during the year	26.03.2021	Transfer	25,000	0.62	3,16,941	7.82
At the end of the year	31.03.2021	N.A	3,16,941	7.82	3,16,941	7.82
Smt Abburi Sarada						
At the beginning of the year	01.04.2020	N.A	2,71,946	6.71	2,71,946	6.71
Changes during the year	14.08.2020	Sale	(5,697)	(0.14)	2,66,249	6.57
	(10,000)		(0.25)		2,56,249	6.32
	(5,000)		(0.12)		2,51,249	6.20
At the end of the year	31.03.2021	N.A	2,51,249	6.20	2,51,249	6.20
Smt Abburi Sailaja						
At the beginning of the year	01.04.2020	N.A	2,33,422	5.76	2,33,422	5.76
Changes during the year	26.03.2021	Transfer	25,000	0.62	2,58,422	6.37
At the end of the year	31.03.2021	N.A	2,58,422	6.37	2,58,422	6.37
Shri Abburi Venkateswara Rao						
At the beginning of the year	01.04.2020	N.A	36,620	0.90	36,620	0.90
Changes during the year	NA	NA	-	-	-	-
At the end of the year	31.03.2021	N.A	36,620	0.90	36,620	0.90

**(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	<b>K SWAPNA</b>						
	At the beginning of the year	01.04.2020	N.A.	3,00,000	7.40%	3,00,000	7.40%
	Changes during the year	NA	-	-	-	-	0.00%
	At the end of the year	31.03.2021	N.A.	3,00,000	7.40%	3,00,000	7.40%
2	<b>VASUDEVARAO DHANEKULA</b>						
	At the beginning of the year	01.04.2020	N.A.	1,00,000	2.47	1,00,000	2.47
	Changes during the year	08.05.2020	Purchase	100	0.00	1,00,100	2.47
		15.05.2020	Purchase	110	0.00	1,00,210	2.47
		19.06.2020	Purchase	10	0.00	1,00,220	2.47
		30.06.2020	Purchase	100	0.00	1,00,320	2.47
		04.09.2020	Purchase	6,250	0.15	1,06,570	2.63
		23.10.2020	Sale	(2,810)	(0.07)	1,03,760	2.56
		30.10.2020	Sale	(1,500)	(0.04)	1,02,260	2.52
		06.11.2020	Sale	(2,214)	(0.05)	1,00,046	2.47
		13.11.2020	Sale	(2,000)	(0.05)	98,046	2.42
		11.12.2020	Sale	(1,858)	(0.05)	96,188	2.37
		31.12.2020	Sale	(100)	(0.00)	96,088	2.37
		08.01.2021	Sale	(681)	(0.02)	95,407	2.35
		15.01.2021	Sale	(2,468)	(0.06)	92,939	2.29
		22.01.2021	Sale	(2,100)	(0.05)	90,839	2.24
	At the end of the year	31.03.2021	N.A.	90,839	2.24	90,893	2.24
3	<b>GIRISH GULATI HUF</b>						
	At the beginning of the year	01.04.2020	N.A.	54,460	1.34	54,460	1.34
	Changes during the year		N.A.	-	0.00	-	-
	At the end of the year	31.03.2021	N.A.	54,460	1.34	54,460	1.34
4	<b>NAGENDRA BABU NAGABHYARVA</b>						
	At the beginning of the year	01.04.2020	N.A.	48,000	1.18	48,000	1.18
	Changes during the year		N.A.	-	0.00	-	-
	At the end of the year	31.03.2021	N.A.	48,000	1.18	48,000	1.18
5	<b>Hindustan Candle MFG Co. Pvt. Ltd</b>						
	At the beginning of the year	01.04.2020	N.A.	43,657	1.08	43,657	1.08
	Changes during the year	NA	NA	-	-	-	-
	At the end of the year	31.03.2021	N.A.	43,657	1.08	43,657	1.08
6	<b>INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M</b>						
	At the end of the year	01.04.2020	N.A.	40,202	0.99	40,202	
	Changes during the year	18.09.2020	Sale	(100)	(0.00)	40,102	0.99
		25.12.2020	Purchase	3,650	0.09	43,752	1.08
		26.02.2021	Sale	(100)	(0.00)	43,652	1.08
	At the end of the year	31.03.2021	N.A.	43,652	1.08	43,652	1.08
7	<b>NILAKSHI SODHI</b>						
	At the beginning of the year	01.04.2020	N.A.	38,210	0.94	38,210	0.94
	Changes during the year	N.A.	N.A.	-	-	-	-
	At the end of the year	31.03.2021	N.A.	38,210	0.94	38,210	0.94

8	VARALAKSHMI GUTTIKONDA							
	At the beginning of the year	01.04.2020	N.A.	62,468	1.54	62,468	1.54	
	Changes during the year	08.05.2020	Sale	(35,420)	(0.87)	27,048	0.67	
		07.08.2020	Sale	(27,048)	(0.67)	-		
		11.09.2020	Purchase	25,193	0.62	25,193	0.62	
		23.10.2020	Purchase	2,635	0.06	27,828	0.69	
		31.12.2020	Purchase	9,343	0.23	37,171	0.92	
		19.02.2021	Sale	(7,900)	(0.19)	29,271	0.72	
		05/03/2021	Sale	(3,770)	(0.09)	25,501	0.63	
		19/03/2021	Sale	(4,000)	(0.10)	21,501	0.53	
		26/03/2021	Sale	(2,419)	(0.06)	19,082	0.47	
		31/03/2021	Sale	(3,196)	(0.08)	15,886	0.39	
	At the end of the year	31.03.2021	N.A.	15,886	0.39	15,886	0.39	
9	KRISHNASWAMY MOHAN							
	At the beginning of the year	01.04.2020	N.A.	-	-	-	-	
	Changes during the year	04.09.2020	Purchase	14,733	0.36	14,733	0.36	
		25.09.2020	Sale	(1,100)	(0.03)	13,633	0.34	
		09.10.2020	Purchase	6,567	0.16	20,200	0.50	
		20.11.2020	Purchase	1,884	0.05	22,084	0.54	
		15.01.2021	Purchase	3,704	0.09	25,788	0.64	
		22.01.2021	Purchase	2,571	0.06	28,359	0.70	
	At the end of the year	31.03.2021	N.A.	28,359	0.70	28,359	0.70	
10	CHEREDDI RAMACHANDRA NAIDU							
	At the beginning of the year	01.04.2020	N.A.	-	-	-	-	
	Changes during the year	10.04.2020	Purchase	20	0.00	20	0.00	
		01.05.2020	Sale	(20)	(0.00)	0	0.00	
		05.06.2020	Purchase	3,874	0.10	3,874	0.10	
		12.06.2020	Purchase	2,126	0.05	6,000	0.15	
		19.06.2020	Purchase	125	0.00	6,125	0.15	
		26.06.2020	Sale	(1,125)	(0.03)	5,000	0.12	
		10.07.2020	Sale	(2,550)	(0.06)	2,450	0.06	
		17.07.2020	Sale	(450)	(0.01)	2,000	0.05	
		24.07.2020	Sale	(1,000)	(0.02)	1,000	0.02	
		28.08.2020	Sale	(500)	(0.01)	500	0.01	
		18.09.2020	Purchase	1,500	0.04	2,000	0.05	
		16.10.2020	Sale	(2,000)	(0.05)	0	0.00	
		13.11.2020	Purchase	200	0.00	200	0.00	
		27.11.2020	Purchase	800	0.02	1,000	0.02	
		04.12.2020	Purchase	2,000	0.05	3,000	0.07	
		08.01.2021	Purchase	1,000	0.02	4,000	0.10	
		15.01.2021	Purchase	1,000	0.02	5,000	0.12	
		22.01.2021	Purchase	1,500	0.04	6,500	0.16	
		29.01.2021	Sale	(300)	(0.01)	6,200	0.15	
		26.02.2021	Purchase	400	0.01	6,600	0.16	
		05.03.2021	Purchase	6,200	0.15	12,800	0.32	
		12.03.2021	Purchase	1,400	0.03	14,200	0.35	
		19.03.2021	Purchase	4,179	0.10	18,379	0.45	
		26.03.2021	Purchase	3,890	0.10	22,269	0.55	
		31.03.2021	Purchase	1,231	0.03	23,500	0.58	
		At the end of the year	31.03.2021	N.A.	23,500	0.58	23,500	0.58

(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	<b>Dr Abburi Vidyasagar</b>						
	At the beginning of the year	01.04.2020	NA	8,23,193	20.30	8,23,193	20.30
	Changes during the year	26.03.2021	Transfer	(50,000)	(1.23)	7,73,193	19.07
	At the beginning of the year	31.03.2021	NA	7,73,193	19.07	7,73,193	19.07
2	<b>Smt Abburi Sarada</b>						
	At the beginning of the year	01.04.2020	NA	2,71,946	6.71	2,71,946	6.71
	Changes during the year	14.08.2020	Sale	(5,697)	(0.14)	2,66,249	6.57
		31.05.2019		(10,000)	(0.25)	2,56,249	6.32
		07.06.2019		(5,000)	(0.12)	2,51,249	6.20
	At the beginning of the year	31.03.2021	NA	2,51,249	6.20	2,51,249	6.20
3	<b>Shri Abburi Siddhartha Sagar</b>						
	At the beginning of the year	01.04.2020	N.A	2,91,941	7.20	2,91,941	7.20
	Changes during the year	26.03.2021	Transfer	25,000	0.62	3,16,941	7.82
	At the beginning of the year	31.03.2021	N.A	3,16,941	7.82	3,16,941	7.82
4	<b>Shri Naveen Nandigam</b>						
	At the beginning of the year	01.04.2020	NA	-	0.00%		0.00%
	Changes during the year	N.A.	NA	-	0.00%	-	0.00%
	At the beginning of the year	31.03.2021	NA		0.00%	-	0.00%
5	<b>Shri Yalamanchili Kishore</b>						
	At the beginning of the year	01.04.2020	NA	-	0.00%		0.00%
	Changes during the year	N.A.	NA	-	0.00%	-	0.00%
	At the beginning of the year	31.03.2021	NA		0.00%	-	0.00%
6	<b>Shri Myneni Narayana Rao</b>						
	At the beginning of the year	01.04.2020	N.A.	-	0.00%		0.00%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the beginning of the year	31.03.2021	N.A.		0.00%	-	0.00%
7	<b>Shri Elluru Bala Venkata Ramana Gupta</b>						
	At the beginning of the year	01.04.2020	N.A.	1736	0.04%	1736	0.04%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the beginning of the year	31.03.2021	N.A.	1736	0.04%	1736	0.04%
8	<b>Shri M Murali Krishna</b>						
	At the beginning of the year	01.04.2020	N.A.	-	0.00%		0.00%
	Changes during the year	N.A.	N.A.	-	0.00%	-	0.00%
	At the beginning of the year	31.03.2021	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**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/WTM/ Manager			Total Amount (In ₹.)
		Dr. Abburi Vidyasagar	Mrs. Abburi Sarada	A Siddhartha Sagar	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	17,29,032	2,32,258	55,61,290
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,54,624		-	10,54,624
	(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	55,51,724	61,23,809	-	1,16,75,533
	- others, specify	-	-	-	-
5	Others, please specify		-	-	-
	<b>Total (A)</b>	<b>1,02,06,348</b>	<b>78,52,841</b>	<b>2,32,258</b>	<b>1,82,91,447</b>
	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	1,60,000	1,50,000	1,10,000	1,40,000	5,60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,60,000</b>	<b>1,50,000</b>	<b>1,10,000</b>	<b>1,40,000</b>	<b>5,60,000</b>
2	Other Non-Executive Directors	-	Raghu Prasad Pidikiti	-	-	-
	Fee for attending board committee meetings	-	1,10,000	-	-	1,10,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	<b>1,10,000</b>	-	-	<b>6,70,000</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	<b>1,89,61,447</b>
	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 (₹)
	<b>Name</b>		Abburi Sarada	M Murali Krishna		
	<b>Designation</b>	<b>CEO</b>	<b>CFO</b>	<b>CS</b>	<b>CS</b>	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	17,29,032*	7,02,400	-	24,31,432
	(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	-	61,23,809*	-	-	61,23,809
	- others, specify	-	-	-	-	-
5	Others, please specify					-
	<b>Total</b>	-	<b>78,52,841*</b>	<b>7,02,400</b>	-	<b>85,55,241</b>

\* Mrs Abburi Sarada Has Drawn remuneration in the capacity of Whole Time Director.

**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)
<b>A. COMPANY</b>			<b>NIL</b>			
	Penalty					
	Punishment					
	Compounding					
<b>B. DIRECTORS</b>						
	Penalty					
	Punishment					
	Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>						
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board of Directors  
**Avantel Limited**

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

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) Business Overview:

##### Review of Operations:

The FY 2020-21 is a remarkable year for your company having recorded its highest turnover i.e. INR 77.70 Crores since inception. This year, the company has also signed a highest value contract till date with Indian Navy for supply of 125 No's I KW HF Transceivers. The contract shall be executed in the next two financials years. Another milestone this year has been the execution of the project for "Refurbishment of 49 MHz Wind Profiler Radar" to SDSC, SHAR-ISRO. These projects are of high value and have potential for future business prospects.

Your company has further consolidated its SATCOM vertical and the new version of MSS System is being inducted into various IN platforms including Aircraft in phased manner. Dr. Abburi Vidyasagar, CMD has been awarded with "Manager of the Year" award by Hyderabad Management Association in a glittering function held at Hyderabad on 19th March 2021 in recognition of Avantel's achievements over the years.

The company has recorded a Profit (before tax) of Rs. 18.50 Crores as against Rs. 13.01 Crores in the previous year with an increase in profit by 42.19 % compared to last fiscal.

##### Outlook for the next year

Union Budget for the Financial Year 2021-22, presented by the Finance Minister Smt Nirmala Sitharaman in the Parliament on February 01, 2021 has given historic push to defence modernisation by increasing defence capital outlay by 18.75 per cent.

Defence allocation in the budget has been increased to Rs 4,78,195.62 crore for the Financial Year 2021-22. Excluding Defence Pension, the total allocations for Defence Services and other organizations / Departments under Ministry of Defence for the FY 2021-22 is Rs 3,62,345.62 crore which is an increase of Rs 24,792.62 crore over the Current FY 2020-21.

The allocation under capital expenditure which relates to modernisation and infrastructure development of Armed Forces has been significantly increased. The allocation under Capital of Rs 1,35,060.72 Crore for FY 2021-22 represents an increase of 18.75 per cent over FY 2020-21 and 30.62 per cent over FY 2019-20. This is the highest ever increase in capital outlay of Defence in the last 15 years. (Source - <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1693987>)

Your company operates mainly in the strategic segment and any consolidation on Revenue / Capital procurement by the defence services would open new avenues for business. We expect positive influence of the increased defence outlays on pending procurement cases of the strategic customers leading to order conversion and enhanced enquiries for Avantel's product offerings.

##### Risks And Concerns:

##### Risks:

The previous financial year 2020-21 has been very tough due to the outbreak of COVID 19 pandemic which has thrown up many challenges in terms of complete shutting down for few months, limited operations for most part of the year and



crippled supply chains across the manufacturing sector. The COVID effect on businesses is still a worrisome situation for the industry in the next FY and the businesses have to adopt newer strategies to stay afloat and relevant.

Further, the major part of the company's business comes from the strategic segment and uncertainties in customer requirements & long procurement cycles have direct impact on Avintel's Business Growth.

**Risk Mitigation:**

The effects of COVID situation were minimized with close involvement of top management, continuous monitoring, identification & development of new vendor base for essential raw materials and effective coordination with customers.

A diverse product portfolio could offset uncertainties of the strategic segment. Your company keeps enhancing its product offerings and the recent foray into the HF and Radar domain is one such initiative. We expect that these two segments to grow into profitable business verticals in future. Further, the company is also working on various diversification plans and is on the lookout for suitable business opportunities outside Aerospace & Defence segment for business sustainability and quicker growth.

**Opportunities And Threats:****Opportunities:**

The new DAP (Defence Acquisition Procedure) 2020 has given a stronger push to indigenization and announced a slew of measures to support MSME's. The provisions of DAP 2020 will help your company to expedite the current procurement cases and open new avenues for business.

Avintel has collaborated with L & T who has bid as Lead system integrator for implementing the RTIS (Realtime Train Information System) project of CRIS, Indian Railways. L& T has been declared as the successful bidder. Avintel therefore shall be supplying the IRN (Indian Rail Navigator) and RMT-L (Rail Mount Terminal-Loco) to be installed on 6300 Locos, if L&T is awarded the contract by CRIS, Indian Railways as they are declared as successful bidder.

**THREATS:**

There is assured business in the next two to three year term and your company is expected to keep up the current momentum in terms of its business projections. No major threat is envisaged at this point of time except for the unexpected disruptions of current COVID pandemic, if any.

**Internal Control Systems:**

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

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

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

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

The company has a robust Internal & external audit mechanisms which are regularly monitored through the ERP system “Funwork”.

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

**Industrial Relations And Human Resources Management:**

Your Company enjoys an excellent rapport and standing among its Customers & Suppliers. There are no pending disputes with any of the stakeholders and the company enjoys very cordial and harmonious relations across the business environment. The company's strength lies in its Human resources and its HR policies. The employees are highly motivated and technically equipped to meet the organizational goals at all times.

**Development of new products:**

Your Company has developed Radar subsystems and new variants of Mobile satellite services products during the current financial year.

**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**

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

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

**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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under.

Sl No	Name Of Director/KMP	Remuneration of Director / KMP for the Financials Year 2020-21 (₹.in Lakhs)	% increase in Remuneration in the Financial Year 2020-21	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	102.06	70.71	27.7337	The marginal increase is inline with the operations of the Company for the year 2019-20
2	Smt Abburi Sarada Whole-Time Director & CFO	78.53	45.26	21.34	
3	Shri A Siddhartha Sagar Whole-Time Director	2.32	NA	0.63	
4	Shri Naveen Nandigam Non-Executive Director	1.50	NA	NA	NA
5	Shri EBV Ramana Gupta Non-Executive Director	1.10	NA	NA	NA
6	Shri Yalamanchili Kishore Non-Executive Director	1.60	NA	NA	NA
7	Shri Myneni Narayana rao Non-Executive Director	1.40	NA	NA	NA
8	Shri Raghu Prasad Pidikiti	1.10	NA	NA	NA
9	Shri M Murali Krishna Company secretary	7.02	NA	NA	NA

- ii. The median remuneration of employees of the Company during the year was 3.68 Lakhs
- iii. In the financial under review, there was an decrease of 0.91% in the median remuneration of employees
- iv. There were 175 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2021.
- v. We herewith affirm that remuneration to the Directors and Key Managerial Personnel is as per the remuneration

policy of the Company.

**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	60	M.Tech, MBA, Phd & 28 .3	Managing Director	03.01.1993	Permanent	36.00	HAL (Design Engineer), APSFC (Manager), Satyam Computers Ltd (GM)	Spouse of WTD	19.07
Smt A Sarada	56	MBA & 7 Y	Director – F&A	14.05.2014	Permanent	17.29	-	Spouse of MD	6.20
P Bala Bhaskar Rao	45	AMIETE & 26.2	Vice President - Marketing	13.02.1995	Permanent	23.01	-	-	0.046
N Srinivas Rao	49	BSc & 24.2	Vice President -Technical	10.02.1997	Permanent	22.92	Radio and TV Centre Electronics Corporation of India	-	0.004
Gp Capt P Srinivas (Retd)	49	B.Tech, M.E. & 3.4	Vice President - Operations	04.12.2017	Permanent	22.20	Indian Air Force		0.052vv
Wg Cdr PRL Prakash (Retd)	54	M.Tech & 7	General Manager	01.04.2014	Permanent	21.60	BrahMos Aerospace Private Limited Det Norske Veritas (DNV), Indian Air Force	-	0
Nageswara Rao Tatikonda	57	M.Tech, PGDM & 8.9	General Manager	13.07.2012	Permanent	19.05	M/s Aster Group Noida Customer Operations PVT Ltd, Indian Air Force	-	0.084

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
Ravi Shankar Jawa	36	MBA (Mktg), B.Tech (IT) 4 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	46	M.Sc & 16.3	General Manager	19.01.2005	Permanent	18.00	Vikas Communication Pvt Ltd	-	0
Rajendra Sudhakar Dixit	52	M.E. (E&T) MBA& 3.8	General Manager	01.08.2017	Permanent	17.40	L&T Limited as DGM	-	0.00
D Mahesh Kumar	52	MBA, GNIIT &22	General Manager (MIS) & CISO	01.04.1999	Permanent	16.77	Pennar Paterson Securities Limited , Randezvous Infotech Pvt Ltd	-	0.00
M J S Kishore	38	M.Sc & 15	Program Manager	26.03.2006	Permanent	16.77	-	-	-

For and on behalf of the Board of Directors  
**Avantel Limited**

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

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 ensure 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. 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. As at March 31, 2021, 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 (%)	Names of the Listed companies holding directorship & category of such directorship held
Dr Abburi Vidyasagar	Promoter-Executive	Chairman & Managing Director	773193 (19.07)	• Avantel Ltd. (Managing Director)
Smt Abburi Sarada	Promoter-Executive	Whole-Time Director	251249 (6.20)	• Avantel Ltd (Whole Time Director)
Shri Abburi Siddhartha Sagar (Appointed w.e.f. 01.03.2021)	Promoter-Executive	Whole-Time Director	316941 (7.82)	• Avantel Ltd (Whole Time Director)
Shri Raghu Prasad Pidikiti (Resigned w.e.f. 22.01.2021)	Non-Executive	Non-Executive Director	Nil	• Avantel Ltd (Non-Executive Director)

Shri Yalamanchili Kishore	Non-Executive	Independent Director	Nil	• Avantel Ltd (Independent Director)
Shri Naveen Nandigam	Non-Executive	Independent Director	Nil	• Avantel Ltd • Tanvi Foods (India) Ltd • Kapston Facilities Management Ltd (Independent Director)
Shri Elluru Bala Venkata Ramana Gupta	Non-Executive	Independent Director	Nil	• Avantel Ltd (Independent Director)
Shri Myneni Narayana Rao	Non-Executive	Independent Director	NIL	• Avantel Ltd • 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 on the Board considers eminent persons having an independent standing in their respective field and who can effectively contribute to the Company's business, for appointment of new Directors on the Board. The Policy for determining the qualifications, positive attributes and independence of director is available on the website of the Company.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted Guidelines on selection criteria of Board members, which 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 desired of the Board as a whole, in order for the Board to fulfill its role and in light of the Company's strategic direction;
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future Director Appointments.

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

### Board skills and experience

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

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

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

#### Relationship among Directors

Dr. Abburi Vidyasagar, Shri. Abburi Siddhartha Sagar and Smt. 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 25 <sup>th</sup> June 2020	Other		
	Held	Present		Directorships	Committee	
					Membership	Chairman
Abburi Vidyasagar	5	5	Y	0	0	0
Abburi Sarada	5	5	Y	0	0	0
Abburi Siddhartha Sagar (Appointed wef 1st March, 2021)	1	1	NA	0	0	0
Raghu Prasad Pidikiti	5	5	Y	1	0	0
Yalamanchili Kishore	5	5	Y	0	0	0
Naveen Nandigam	5	5	Y	3	6	5
Elluru Bala Venkata Ramana Gupta	5	5	Y	0	0	0
Myneni Narayana Rao	5	5	Y	3	5	3

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, 2021 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 there under and SEBI Listing Regulations, 2015, as amended from time to time, and are independent of the management.

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

#### **DATES OF BOARD MEETINGS:**

The Board met 5 times in the financial year 2020-21 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
09.05.2020	7	7
27.07.2020	7	7
21.10.2020	7	7
22.01.2021	7	7
05.03.2021	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	4	4
Shri. Y. Kishore	Member	4	4
Shri. Raghu Prasad Pidikiti (Resigned w.e.f. 22.01.2021)	Member	4	4
Shri. EBV Ramana Gupta	Member	4	4
Shri. M NarayanaRao	Member	4	4

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 4 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
09.05.2020	5	5
27.07.2020	5	5
21.10.2020	5	5
22.01.2021	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	3	3
Shri. N. Naveen	Member	3	3
Shri. Raghu Prasad Pidikiti (Resigned w.e.f. 22.01.2021)	Member	3	2
Shri. Y. Kishore	Member	3	3
Shri. E B V Ramana Gupta (Appointed w.e.f. 22.01.2021)	Member	3	1

#### **Meetings of Nomination and Remuneration Committee:**

The members of the Committee met three during the year 2020-21 i.e. on 09.05.2020, 22.01.2021 & 05.03.2021

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](http://www.avantel.in).

The Company has paid Remuneration, Profit related Commission and Sitting Fee during the Financial Year 2020-21.

**REMUNERATION OF DIRECTORS:**

The details of remuneration to the Directors for the financial year ended March 31, 2021

(Amount in ₹ lacs)

Name of Director	Salary	Perquisites and other benefits <sup>1</sup>	Commission <sup>2</sup>	Sitting fee	Total
Dr. Abburi Vidyasagar	36.00	10.55	55.52	N.A	102.07
Smt. Abburi Sarada	17.29	-	61.24	N.A	78.53
Shri. A Siddhartha Sagar	2.32	-	-	N.A	2.32
Shri Raghu Prasad Pidikiti	-	-	-	1.10	1.10
Shri Yalamanchili Kishore	-	-	-	1.60	1.60
Shri Naveen Nandigam	-	-	-	1.50	1.50
Shri EBV Ramana Gupta	-	-	-	1.10	1.10
Shri Myneni Narayana Rao	-	-	-	1.40	1.40

1. *Perquisites and other benefits include Provident Fund*
2. *Represents commission for the year ended March 31, 2021, 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 Non-Executive Directors

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

### Stakeholders Relationship Committee:

The Committee met once during the year 2020-21 on 22.01.2021

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	I	I
Shri. Y Kishore	Member	I	I
Shri. A Vidyasagar	Member	I	I
Shri Raghu Prasad Pidikiti (Resigned w.e.f. 22.01.2021)	Member	I	I
Shri. E B V Ramana Gupta (Appointed w.e.f. 22.01.2021)	Member	I	-

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, 2021.

**Terms of reference:**

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

- Redressal of grievances of shareholders, debenture holders and other security holders.
- Transfer and transmission of securities.
- Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
- Issuance of duplicate shares certificates.
- Review of dematerialization of shares and related matters.
- 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	2
Shri. N Naveen	Member	2	2

**COMPLIANCE OFFICER**

Mr. 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 Listing 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 22<sup>nd</sup> January, 2021, 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 <sup>st</sup> March, 2020	Thursday, the 25 <sup>th</sup> Day of June, 2020 10:00 A.M.	Video Conference	1. To consider and approve the re-appointment of Smt. Abburi Sarada (DIN: 00026543) as the Whole-Time Director of the Company 2. Increase in borrowing powers of the board of directors 3. Creation of the Charge / Providing of security of the assets of the Company
31 <sup>st</sup> March, 2019	Friday, the 12 <sup>th</sup> Day of July, 2019 11.00 A.M.	Sy No.141, Plot No.47/P, APIIC Industrial Park, Gambheeram(V), Anandapuram (M), Vishakhapatnam-531163	1. To consider and approve the reappointment of Dr. Abburi Vidyasagar as the Managing Director of the company. 2. 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 3. 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 <sup>st</sup> March, 2018	Friday, the 27 <sup>th</sup> 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

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:**

- a. 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, 2021.
- 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 2020-21 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 31<sup>st</sup> Annual General Meeting of the company will be held on Saturday , 5<sup>th</sup> day of June, 2021 at 02.00 P.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:

30<sup>th</sup> June 2021 : On or before 14<sup>th</sup> August, 2021.

30<sup>th</sup> Sep, 2021 : On or before 14<sup>th</sup> November, 2021.

31<sup>st</sup> Dec, 2021 : On or before 14<sup>th</sup> February, 2022.

31<sup>st</sup> Mar, 2021 : On or before 30<sup>th</sup> May, 2022.

Date of Book closure : Saturday, 29<sup>th</sup> day of May, 2021 to Saturday , 5<sup>th</sup> day of June 2021 (both days inclusive).

Dividend Payment Date : 20<sup>th</sup> June, 2021

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 2021-22 will be paid to the Stock Exchange.

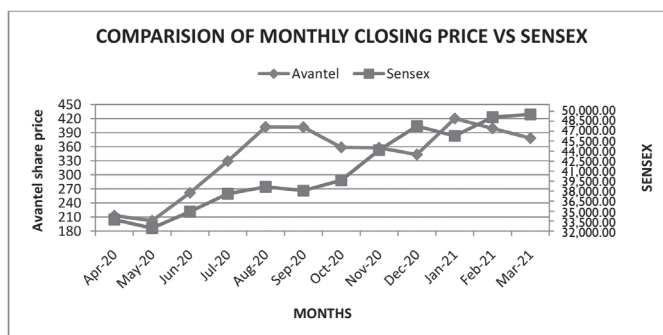
**MARKET PRICE DATA**

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2020-21 at The BSE Limited (BSE) areas under:

Month	BSE		
	High	Low	Traded Quantity
April, 2020	230.00	161.00	35,179
May, 2020	234.55	182.30	95,227
June, 2020	299.80	201.90	1,31,162
July, 2020	380.00	253.00	1,81,568
August, 2020	478.90	320.00	4,06,647
September, 2020	457.00	377.45	2,69,342
October, 2020	409.60	350.55	1,32,718
November, 2020	379.95	349.00	73,644
December, 2020	379.95	325.10	1,34,143
January, 2021	455.00	345.00	2,50,158
February, 2021	443.70	370.50	1,78,787
March, 2021	428.00	360.55	1,55,650

The securities of the Company are not suspended from trading during the financial year ended March 31, 2021.

## Share Price Performance:



## DISTRIBUTION OF SHAREHOLDING:

Sl.No	Category	Holders		Amount	
		Number	% To Total	In Rs	% To Total
1	1-5000	5980	91.05	5205900.00	12.84
2	5001- 10000	282	4.29	2254790.00	5.56
3	10001- 20000	142	2.16	2070930.00	5.11
4	20001- 30000	55	0.84	1370160.00	3.38
5	30001- 40000	26	0.40	881220.00	2.17
6	40001- 50000	18	0.27	842350.00	2.08
7	50001- 100000	31	0.47	2116460.00	5.22
8	100001 & Above	34	0.52	25803120.00	63.64
	<b>Total</b>	6568	100.00	40544930.00	100.00

## CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2021:

Sl.No	Category of Shareholders	No. of Shares	Percentage %
1	Promoter & Promoter Group	16,36,425	40.36
2	Mutual Funds	-	-
3	Alternate Investment Funds	-	-
4	Foreign Portfolio Investors	-	-
5	Financial Institutions & Banks	-	-
6	Other Bodies Corporate	1,16,541	2.87
7	Resident Individuals	20,45,357	50.44
8	Non-Resident Individuals	45,232	1.12
9	Clearing Members	13,341	0.33
10	IEPF	43,652	1.08
11	HUF	1,53,945	3.80
	<b>Total</b>	40,54,493	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, 2021, 99.07% of the Company's Shares are dematerialized.

**Dematerialization mandatory for effecting share transfers**

SEBI has vide proviso to Regulation 40(I) 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-53116.

Address for Correspondence & Any query on Annual Report	<p>M Murali Krishna</p> <p>Company Secretary &amp; Compliance Officer</p> <p>Avantel Limited , Corporate Office</p> <p>Plot No:68 &amp; 69,4thFloor, JubileeHeights</p> <p>Survey No: 66 &amp; 67, Jubilee Enclave</p> <p>Madhapur , Hyderabad-500081.Telangana, India.</p> <p>E-mail: <a href="mailto:cs@avantel.in">cs@avantel.in</a>, <a href="mailto:compliance@avantel.in">compliance@avantel.in</a></p> <p>Phone: +91- 40-66305000</p>
Registrar and Transfer Agents:	<p>KFIN Technologies Pvt Ltd</p> <p>Selenium, Tower B, Plot No- 31 &amp; 32,</p> <p>Financial District, Nanakramguda, Serilingampally</p> <p>Hyderabad, Rangareddi-500032</p> <p>E-mail: <a href="mailto:compliance.kfpl@kfintech.com">compliance.kfpl@kfintech.com</a></p>
Contact Person:	<p>Mr. N. Shyam Kumar</p> <p>M/s. KFin Technologies Private Limited,</p> <p>Selenium Tower B, Plot31-32, Gachibowli,</p> <p>Financial District, Nanakramguda, Hyderabad – 500 032</p> <p>Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>, <a href="mailto:Shyam.kumar@kfintech.com">Shyam.kumar@kfintech.com</a></p> <p>Phone: 040-67162222</p>
Share Transfer System:	<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>
Compliance Certificate:	<p>Certificate from P S Rao &amp; 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 31<sup>st</sup> 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 2020-21. 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 31<sup>st</sup> March, 2021.

For Avantel Limited

Sd/-

**Abburi Vidyasagar**

Chairman & Managing Director

DIN: 00026524

Place: Hyderabad

Date: 24<sup>th</sup> April, 2021

## 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 31<sup>st</sup> March, 2021 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.

**For Avantel Limited**

Place: Hyderabad  
Date :24<sup>th</sup> April 2021

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: L72200AP1990PLC011334 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](http://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, 2021 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	Whole-Time Director & Chief Financial Officer	00026543
3.	Shri. A Siddhartha Sagar	Whole-Time Director	02312563
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**

Partner

C.P. No.: 14449

UDIN: A031197C000147302

Place: Hyderabad

Date: 24<sup>th</sup> April, 2021

## 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 31<sup>st</sup> March, 2021 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations. The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Sd/-

**MB Suneel**

Partner

C.P. No.: 14449

UDIN: A031197C000147302

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

## 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 Avante Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, 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, 2021, 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
<b>Fair value assessment of trade receivables</b> 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.	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: <ul style="list-style-type: none"> <li>• Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance;</li> <li>• Consideration and concurrence of the agreed payment terms;</li> <li>• Verification of receipts from trade receivables subsequent to year-end; and</li> <li>• Considered the completeness and accuracy of the disclosures.</li> </ul> To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and no provision is deemed to be required against these receivables.

<p><b>Revenue recognition</b></p> <p>The Company applies judgment to determine whether each goods, software product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods, software product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their selling price determined in contract.</p> <p>The accuracy and of revenue amounts recorded is an inherent industry risk</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"> <li>– documentation evidencing internal and third party physical inspection and confirmation of complete status;</li> </ul> <p>We evaluated the adequacy of the disclosures included in Note 23</p>
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### **Information Other than the Financial Statements and Auditor's Report Thereon**

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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 to the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i The Company 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:21206421AAAAGM9239

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

## 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 2021, 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 2021 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. 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. 0029345

Sd/-  
**(K SREENIVASAN)**

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

Partner  
ICAI Membership No. 206421  
UDIN:21206421AAAAGM9239



## 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, 2021 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, 2021 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)**

Place: Hyderabad  
Date: 24<sup>th</sup> April, 2021

Partner  
ICAI Membership No. 206421  
UDIN:21206421AAAAGM9239

**BALANCE SHEET AS AT MARCH 31, 2021**

(In ₹)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	133,997,242	111,813,586
(b) Capital work-in-progress		7,364,263	-
(c) Right-to-use Asset	3	26,255,256	30,400,823
(d) Other intangible assets		-	-
(e) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	571,738	4,202,630
(iii) Loans		-	-
(iv) Others	5	51,975,710	29,249,110
(f) Deferred tax Assets (net)	6	-	-
(g) Other non-current Assets		-	-
<b>Current Assets</b>			
(a) Inventories	7	25,143,170	50,893,607
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	8	130,698,477	296,497,257
(iii) Cash & Cash Equivalents	9	8,020,348	3,719,968
(iv) Bank Balances other than (iii) above	10	421,684,683	75,515,759
(v) Loans		-	-
(vi) Others (Int accrued on employee loans & term deposits)	11	6,658,618	5,267,646
(c) Current Tax Assets	12	2,264,552	2,744,964
(d) Other Current Assets	13	53,001,243	58,550,372
<b>Total Assets</b>		<b>867,635,300</b>	<b>668,855,722</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	40,550,930	40,550,930
(b) Other Equity	15	621,846,338	476,190,331
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(b) Provisions	16	841,243	3,756,774
(c) Other non-current liabilities	17	30,628,099	32,836,476
(d) Deferred Tax Liability (Net)	6	7,114,178	10,329,778
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables	19		
- Total outstanding dues of Micro enterprises and small enterprises		1,826,586	14,561,831
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,449,134	984,303
(iii) Other Financial Liabilities	20	162,191,896	81,632,558
(b) Provisions		-	-
(c) Current Tax Liabilities	21	-	472,490
(d) Other current liabilities	22	1,186,895	7,540,251
<b>Total Equity and Liabilities</b>		<b>867,635,300</b>	<b>668,855,722</b>
<b>III. Significant Accounting Policies</b>	I		

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

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

Sd/-  
**N NAVEEN**  
Director  
DIN: 02726620

Place: Hyderabad  
Date: 24.04.2021

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

Sd/-  
**M MURALI KRISHNA**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

		(In ₹)	
Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Income</b>			
i) Revenue From Operations	23	776,959,586	519,193,053
ii) Other Income	24	8,731,815	11,966,983
<b>Total Income</b>		<b>785,691,401</b>	<b>531,160,036</b>
<b>Expenses</b>			
i) Cost of materials consumed	25	265,708,327	139,483,063
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	4,180,775	(5,855,170)
iii) Employee benefits expense	27	103,565,397	100,274,860
iv) Manufacturing Expenses	28	85,122,496	46,615,962
v) Research and Development Expenses	29	60,734,337	44,302,420
vi) Selling and Distribution Expenses	30	11,870,442	15,342,628
vii) Depreciation and amortisation expense	31	30,314,836	27,113,483
viii) Finance Cost	32	15,138,609	8,534,125
ix) Administrative & Other Expenses	33	24,022,006	25,223,437
<b>Total expenses</b>		<b>600,657,225</b>	<b>401,034,808</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>185,034,176</b>	<b>130,125,228</b>
Exceptional Items			
<b>Profit Before Tax</b>		<b>185,034,176</b>	<b>130,125,228</b>
Tax Expenses		<b>31,697,167</b>	<b>22,551,315</b>
- Current Tax		<b>32,667,634</b>	<b>23,161,037</b>
- Prior Period Adjustments		<b>2,478,482</b>	<b>-</b>
- Deferred Tax		<b>(3,448,950)</b>	<b>(609,722)</b>
<b>Profit/(loss) for the period from continuing operations</b>		<b>153,337,009</b>	<b>107,573,913</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		<b>-</b>	<b>-</b>
<b>I Profit/(loss) for the Period</b>		<b>153,337,009</b>	<b>107,573,913</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss			
Remeasurment of defined benefit plan		801,345	(2,330,095)
Tax on the above		(373,361)	606,754
		<b>427,984</b>	<b>(1,723,341)</b>
ii) Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income		<b>427,984</b>	<b>(1,723,341)</b>
<b>III Total Comprehensive Income for the period</b>		<b>153,764,993</b>	<b>105,850,572</b>
<b>IV Earnings per equity share :</b>			
<b>Equity Shares of par value ₹ 10/- each</b>			
(1) Basic (₹)		37.82	26.53
(2) Diluted (₹)		37.82	26.53

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

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

Sd/-  
**N NAVEEN**  
Director  
DIN: 02726620

Place: Hyderabad  
Date: 24.04.2021

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

Sd/-  
**M MURALI KRISHNA**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	185,034,176	130,125,228
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	185,034,176	130,125,228
Adjustments for		
Depreciation and amortisation expense	30,314,836	27,113,483
Gain on disposal of property, plant and equipment	-	-
Written off assets	20,540	407,899
Dividend and interest income classified as investing cash flows	(7,860,606)	(10,253,406)
Finance costs	15,138,609	8,534,125
Other Comprehensive Income	801,345	(2,330,095)
	<b>223,448,900</b>	<b>153,597,234</b>
<b>B. Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase)/decrease in trade receivables	169,429,672	(108,114,048)
(Increase)/decrease in inventories	25,750,437	(26,472,423)
(Increase)/decrease in other financial assets	(1,390,972)	(1,597,690)
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	5,549,129	(41,690,568)
Increase/(decrease) in trade payables	(12,270,414)	13,869,103
Increase/(decrease) in provisions	(2,915,531)	110,857
Increase/(decrease) in other current liabilities	(6,353,356)	3,683,690
Increase/(decrease) in financial liabilities	80,559,338	60,963,426
Increase/(decrease) in other non current liabilities	-	-
<b>Cash generated from operations</b>	481,807,203	54,349,581
Income taxes paid	(35,288,242)	(23,964,696)
<b>Net cash inflow from operating activities</b>	<b>446,518,961</b>	<b>30,384,885</b>

**C. Cash flows from investing activities**

Payments for property, plant and equipment

(49,443,768)

(18,194,196)

Increase in Capital Work in Progress

(7,364,263)

797,621

Increase in Term deposits

(368,895,524)

7,371,609

Proceeds from sale of property, plant and equipment

1,080,356

-

Interest received

7,860,606

10,253,406

**Net cash outflow from investing activities**

(416,762,593)

228,440

**D. Cash flows from financing activities**

Increase/(decrease) in borrowings

-

-

Interest paid

(11,504,690)

(4,679,935)

Payment of lease obligations

(5,842,312)

(5,564,104)

Dividends paid to Company's share holders

(8,108,986)

(19,551,612)

**Net cash inflow (outflow) from financing activities**

(25,455,988)

(29,795,651)

**E. Net increase (decrease) in cash and cash equivalents**

4,300,380

817,674

Cash and cash equivalents at the beginning of the financial year

3,719,968

2,902,294

Effects of exchange rate changes on cash and cash equivalents

-

**Cash and cash equivalents at end of the year**

8,020,348

3,719,968

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

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

Sd/-  
**N NAVEEN**  
Director  
DIN: 02726620

Place: Hyderabad  
Date: 24.04.2021

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

Sd/-  
**M MURALI KRISHNA**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2021****A Equity Share Capital** (In ₹)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount	Amount	Amount
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, 2021** (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	422,679,904	476,190,331
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	153,764,993	153,764,993
Dividend and DDT *	-	-	-	-	-	(8,108,986)	(8,108,986)
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	568,335,911	621,846,338

B. Other Equity as at March 31, 2020							(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	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



## Note 1: 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 24th April, 2021.

### 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, 2021

### 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 01-04-2020	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
Additions											
(Deduction/ Retirement) During the year				454,127		30,824,451	3,779,418	669,062	6,868,739	6,847,971	49,443,768
									(2,925,248)		(2,925,248)
Gross Block as at 31-03-2021	17,433,713	68,509,273	4,574,411	7,289,321	-	62,027,708	12,630,045	12,927,430	10,415,373	33,595,437	229,402,711
Depreciation/ Amortization											
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
Depreciation for the Year	-	3,903,543	914,381	1,035,112		7,592,817	2,667,870	1,194,981	1,818,031	7,042,534	26,169,269
(Deduction/ Adjustments) During the year	-								(1,834,405)		(1,834,405)
Total Depreciation As at 31-03-2021	-	18,907,085	3,148,978	4,993,973	-	25,146,729	7,116,905	11,263,674	3,328,557	21,499,569	95,405,469
Net Block As at 31-03-2021	17,433,713	49,602,188	1,425,433	2,295,348	-	36,880,979	5,513,140	1,663,756	7,086,816	12,095,868	133,997,242

**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									(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 31-03-2020	-	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: 3. Right-to-use Asset**

Particulars	As at March 31, 2021	As at March 31, 2020
Right to Use Lease	30,400,823	34,546,390
Less: Depreciation	4,145,567	4,145,567
<b>Total</b>	<b>26,255,256</b>	<b>30,400,823</b>

**Note: 4. Trade Receivables Non Current**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade Receivables from related parties		
(ii) Other Trade Receivables		
Secured, considered Good	-	-
Unsecured, considered good	571,738	4,202,630
Which have significant increase in Credit Risk	-	-
Credit Impaired		
<b>Sub-Total</b>	<b>571,738</b>	<b>4,202,630</b>
<b>Total</b>	<b>571,738</b>	<b>4,202,630</b>

**Note: 5. Other Financial Assets Non Current**

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured (considered good)		
In Margin Money/ Deposit A/c with original maturity of more than one year	48,038,000	25,327,400
Deposits	3,937,710	3,921,710
<b>Total</b>	<b>51,975,710</b>	<b>29,249,110</b>

**Note: 6. Deferred tax Liabilities / (Assets)**

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liability</b>		
Property, plant and equipment	(9,434,280)	(12,636,060)
Lease Asset	(7,645,531)	(8,852,720)
<b>Sub Total</b>	<b>(17,079,811)</b>	<b>(21,488,780)</b>
<b>Deferred tax Assets</b>		
Lease Liability	8,918,902	9,561,982
Employee benefits	601,560	918,500
Remeasurment of defined benefit plan	445,170	678,520
<b>Sub Total</b>	<b>9,965,632</b>	<b>11,159,002</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(7,114,178)</b>	<b>(10,329,778)</b>



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

Particulars	Balance As at April 01, 2020	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2021
Property, plant and equipment	(12,636,060)	3,201,780		(9,434,280)
Employee benefits	918,500	(316,940)		601,560
Lease Liability	9,561,982	(643,079)		8,918,902
Lease Asset	(8,852,720)	1,207,189		(7,645,531)
Remeasurment of defined benefit plan	678,520	(233,350)		445,170
<b>Total</b>	<b>(10,329,778)</b>	<b>3,215,600</b>	<b>-</b>	<b>(7,114,178)</b>

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

Particulars	Balance As at April 01, 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
<b>Total</b>	<b>(11,139,140)</b>	<b>809,362</b>	<b>-</b>	<b>(10,329,778)</b>

**Unrecognised Deferred tax assets**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 7. Inventories**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials		
- Indigenious	12,925,855	25,299,882
- Imported	6,942,920	16,138,555
Work in Progress	5,274,395	9,455,170
<b>Total</b>	<b>25,143,170</b>	<b>50,893,607</b>

**Note: 8. Trade Receivables Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade Receivables from related parties		
(ii) Other Trade Receivables		
Secured, considered Good	-	-
Unsecured, considered good	130,698,477	296,497,257
Which have significant increase in Credit Risk	-	-
Credit Impaired	-	-
Sub-Total	130,698,477	296,497,257
<b>Total</b>	<b>130,698,477</b>	<b>296,497,257</b>

**Note: 9. Cash & Cash Equivalents**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	26,209	14,958
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	569,939	1,731,784
(b) in Cash Credit Account	7,424,200	1,973,226
<b>Total</b>	<b>8,020,348</b>	<b>3,719,968</b>

**Note: 10. Bank Balances other than above**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
For Unpaid Dividend	1,192,083	1,386,059
As Margin money/under lien		
In term deposit with original maturity more than 3 months but less than 12 months	420,492,600	74,129,700
<b>Total (A)</b>	<b>421,684,683</b>	<b>75,515,759</b>

**Note: 11. Other Financial Assets Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured (considered good)		
Accrued Interest	6,658,618	5,267,646
<b>Total</b>	<b>6,658,618</b>	<b>5,267,646</b>

**Note: 12. Current tax Assets**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax paid for the FY 2020-21 (Net)	1,348,363	-
TDS and TCS (Net)	916,189	2,744,964
<b>Total</b>	<b>2,264,552</b>	<b>2,744,964</b>

**Note: 13. Other Assets Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured (considered good)		
Prepaid Expenses	12,965,060	7,571,005
Advance to Suppliers	19,558,841	36,243,596
Other Advances	1,475,976	3,764,436
Balances with GST Department	147,223	1,820,034
Balance with GST credit ledger	18,854,142	9,151,301
<b>Total</b>	<b>53,001,243</b>	<b>58,550,372</b>

**Note: 14. Equity Shares**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorized</b>		
Ordinary shares of par value of ₹ 10/- each		
Number	7,000,000	7,000,000
Amount in ₹	70,000,000	70,000,000
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of ₹ 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
<b>Total In ₹</b>	<b>40,550,930</b>	<b>40,550,930</b>

**Reconciliation of number of shares:**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Equity Shares	4,054,493	4,054,493
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Less: Deduction	-	-
<b>Closing balance</b>	<b>4,054,493</b>	<b>4,054,493</b>

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

Name of the Shareholder	As at March 31, 2021	As at March 31, 2020
Sri Vidya Sagar Abburi	773,193	823,193
Smt K Swapna	300,000	300,000
Smt. Sarada Abburi	251,249	271,946
Ms. Sailaja Abburi	258,422	233,422
Sri Siddhartha Sagar Abburi	316,941	291,941

The Company has one class of share capital, comprising ordinary shares of ₹ 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, 2021	As at March 31, 2020
<b>Capital Redemption Reserve</b>		
Opening balance	10,982,230	10,982,230
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Total</b>	<b>10,982,230</b>	<b>10,982,230</b>
<b>Securities Premium Reserve</b>		
Opening balance	7,930,104	7,930,104
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Total</b>	<b>7,930,104</b>	<b>7,930,104</b>
<b>General Reserve</b>		
Opening balance	34,598,093	34,598,093
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Total</b>	<b>34,598,093</b>	<b>34,598,093</b>
<b>Surplus in Profit and Loss account</b>		
Opening balance	422,679,904	336,380,944
Add: Current Year Transfer		
Profit and loss account	153,764,993	105,850,572
Less: Dividend Paid	(8,108,986)	(16,217,972)
Less: Tax on Dividend	-	(3,333,640)
<b>Total</b>	<b>568,335,911</b>	<b>422,679,904</b>
<b>Total Other Equity</b>	<b>621,846,338</b>	<b>476,190,331</b>

**Note: 15(a) Nature and purpose of Reserves**

**Capital Redemption Reserve:**

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

**Security Premium:**

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

**Note: 16. Provisions Non Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	841,243	3,756,774
<b>Total</b>	<b>841,243</b>	<b>3,756,774</b>

**Note: 17. Other Non Current Liabilities**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	30,628,099	32,836,476
<b>Total</b>	<b>30,628,099</b>	<b>32,836,476</b>

**Note: 18. Borrowings Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Term Loans	-	-
(ii) Cash Credits		
(a) From Banks		
-Secured*	-	-
(b) From Other parties	-	-
(iii) Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\*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, 2021	As at March 31, 2020
Trade Payables Due to Micro and Small Enterprises	1,826,586	14,561,831
Trade Payables Due to Others	1,449,134	984,303
<b>Total</b>	<b>3,275,720</b>	<b>15,546,134</b>

**Note: 20. Other Financial Liabilities Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Sundry Creditors-Other than trade	1,589,436	6,739,004
Sundry Creditors-Capital Goods	155,936	0
Employees salaries and other payables	13,468,407	8,852,783
Unpaid Dividend	1,192,083	1,386,059
Advance from Customers	145,786,034	64,654,712
<b>Total</b>	<b>162,191,896</b>	<b>81,632,558</b>

**Note: 21. Provisions Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Taxation for the FY 2020-21 (Net)	-	472,490
<b>Total</b>	<b>-</b>	<b>472,490</b>

**Note: 22. Other Liabilities Current**

(In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Statutory dues Payable	1,186,895	7,540,251
<b>Total</b>	<b>1,186,895</b>	<b>7,540,251</b>

**Note: 23. Revenue From Operations**

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

**A. (i) Contract with Customers**

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

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products	673,625,718	441,784,810
Sale of Services	182,252,209	145,656,797
Scrap Sales	831,948	1,490,516
Less: GST	79,750,289	69,739,070
<b>Total</b>	<b>776,959,586</b>	<b>519,193,053</b>

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

**(ii) Contract Balances**

**(a) Receivables**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	300,699,887	192,585,839
Addition/deduction during the year	(169,429,672)	108,114,048
<b>Closing Balance</b>	<b>131,270,215</b>	<b>300,699,887</b>

**(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 ₹ Nil.

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

The company has made the adjustment of ₹ Nil (P.Y. ₹ Nil) in the revenue of ₹ 77,69,59,586/- (P.Y. ₹ 51,91,93,053/-) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of ₹ 77,69,59,586/- (P.Y. ₹ 51,91,93,053/-).

**(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 ₹ 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, 2021	For the year ended March 31, 2020
Interest income	7,860,606	10,253,406
Miscellaneous Receipts	47,739	392,405
Fluctuation In Foreign Currency	823,470	1,321,172
<b>Total</b>	<b>8,731,815</b>	<b>11,966,983</b>

**Note: 25. Cost of Materials Consumed**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cost of materials consumed</b>		
<b>Indigenous</b>		
Indigenous(Opening Stock)	18,982,262	3,952,644
Purchase	144,911,497	107,818,600
<b>Sub Total</b>	<b>163,893,759</b>	<b>111,771,244</b>
Indigenous(Closing Stock)	(8,302,705)	(18,982,262)
<b>Cost of Raw Materials Consumed</b>	<b>155,591,054</b>	<b>92,788,982</b>
<b>Imported</b>		
Imported(Opening Stock)	12,050,041	14,225,937
Purchase	103,232,658	44,518,185
<b>Sub Total</b>	<b>115,282,699</b>	<b>58,744,122</b>
Imported(Closing Stock)	(5,165,426)	(12,050,041)
<b>Cost of Raw Materials Consumed</b>	<b>110,117,273</b>	<b>46,694,081</b>
<b>TOTAL</b>	<b>265,708,327</b>	<b>139,483,063</b>

**Note: 26. Changes in Inventory**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Changes in inventories of finished goods and work-in-progress</b>		
Opening Balance	9,455,170	3,600,000
Closing Balance	(5,274,395)	(9,455,170)
<b>Net (Increase) /Decrease</b>	<b>4,180,775</b>	<b>(5,855,170)</b>

**Note: 27. Employees' Benefit Expenses**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	75,487,728	72,709,399
Directors Remuneration	18,291,447	12,416,968
Bonus	993,314	1,346,109
Leave Encashment, Exgratia & Gratuity	2,928,693	8,419,306
Training & Recruitment	149,817	319,081
Contribution to P.F. and other Funds	2,326,450	2,775,725
Staff welfare Expenses	3,387,948	2,288,272
<b>TOTAL</b>	<b>103,565,397</b>	<b>100,274,860</b>

**Note: 28. Manufacturing Expenses**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Jobwork Charges	38,848,086	5,401,690
Power and fuel	5,153,806	4,310,733
Consumption of stores and spare parts	911,973	510,047
Freight Inwards	1,042,215	580,036
Repairs & Maintenance - Plant & Machinery	1,225,550	890,440
Testing Charges	2,295,260	2,329,200
Installation & Commissioning Charges	11,945,000	21,478,150
Man power hire charge	6,205,504	1,113,100
Travelling	1,578,065	3,227,932
Other Manufacturing Expenses	15,917,037	6,774,634
<b>TOTAL</b>	<b>85,122,496</b>	<b>46,615,962</b>

**Note: 29. Research and Development Expenses**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of materials consumed	36,650,331	14,877,445
Salaries	20,089,962	23,803,549
Jobwork Charges	749,858	315,032
Design	500,000	400,000
Repairs & Maintenance	673,822	947,906
Professional & Consultancy Charges	1,950,000	2,550,000
Testing & Certification Charges	-	1,392,748
Other Expenses	120,364	15,740
<b>TOTAL</b>	<b>60,734,337</b>	<b>44,302,420</b>



**Note: 30. Selling and Distribution Expenses**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Freight Outwards	2,059,622	1,746,632
Packing Materials	713,629	334,295
Business Promotion	682,209	601,446
Travelling Expenses	274,040	3,121,539
Warranty Expenses	1,025,699	1,835,682
Customer Support Expenses	7,115,243	7,703,034
<b>TOTAL</b>	<b>11,870,442</b>	<b>15,342,628</b>

**Note: 31. Depreciation And Amortization Expenses**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Depreciation / Amortisation for the year</b>		
Depreciation on PPE	26,169,269	22,967,916
Depreciation on Right-to-use Assets	4,145,567	4,145,567
<b>TOTAL</b>	<b>30,314,836</b>	<b>27,113,483</b>

**Note: 32. Finance Cost**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses	446	977
Bank Charges	11,504,244	4,678,958
Interest on Lease Liability	3,633,919	3,854,190
<b>TOTAL</b>	<b>15,138,609</b>	<b>8,534,125</b>

**Note: 33. Administrative & Other Expenses**

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery and Others	2,139,024	2,634,548
Vehicles	604,046	947,489
Computers	598,394	827,236
Buildings	4,102,929	3,178,286
Rent, Fees, Taxes & Licenses	2,143,685	2,558,696
Insurance	851,843	918,083
Couriers, Postages, Telephones and others	1,469,979	1,159,257
Printing & Stationery	610,494	503,801
Payment to Auditors	450,000	417,500
Professional & Consultancy Charges	1,169,861	1,200,849
Travelling & Conveyance	1,356,491	2,011,990
Secretarial Expenses	1,117,108	1,129,239
Watch & Ward	1,991,459	1,589,870
Sitting Fee	670,000	680,000
Bad Debts written off	20,540	407,899
Office Maintenance	1,956,875	2,423,755
Donations	191,000	-
CSR Expenses	2,539,523	1,570,000
Miscellaneous Expenses	38,755	1,064,939
<b>TOTAL</b>	<b>24,022,006</b>	<b>25,223,437</b>

(i) Amount paid to auditors'

(In ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditor	325,000	325,000
For Taxation Matters/Tax Audit	-	-
For Other Services	125,000	92,500
For Reimbursement of Expenses	-	-
<b>TOTAL</b>	<b>450,000</b>	<b>417,500</b>

**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, 2021	As at March 31, 2020
Profit before tax	185,034,176	130,125,228
Enacted Tax rates for the financial year (MAT)	17.47%	17.47%
Expected tax expense (A)	32,667,634	23,161,037
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)	-	-
Interest on income tax for the year	-	-
Current tax for the year	32,667,634	23,161,037
Tax credits allowable	-	-
Deferred tax for the year	(3,448,950)	(609,722)
Tax expense of earlier years adjusted	2,478,482	-
Net tax expense for the year	31,697,167	22,551,315

Current Tax for the previous year represents the Minimum Alternative Tax (MAT) payable by the company on the book profits for the year. However, the company is not recognising the MAT credit entitlement determined under section 115JAA(2A) of the Income Tax Act, 1961 during the current year and earlier years as possibility of paying the Income Tax under the normal provisions of the Income Tax, 1961 in future is uncertain because the company claims 100% deduction on capital and revenue expenditure under section 35(2AB) of the Income Tax Act, 1961.

**Note: 35. Employee Benefits**

(In ₹)

- Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of Rs. 27,61,922/- (Previous year Rs. 31,44,152/-) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.

- b) **Leave Encashment:** The company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The company recognises expenditure on payment basis.
- c) **Gratuity:** Gratuity is a funded Defined Benefit Plan payable to the qualifying employees on superannuation. It is managed by a 'Life Assurance Scheme' of the Life Insurance Corporation of India and the company makes contributions to the Life Insurance Corporation of India (LIC).

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2021 are as follows:

<b>I. Change in Defined Benefit obligation :</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Defined Benefit obligation as at the beginning	16,397,688	13,098,357
Interest Cost	1,170,951	944,492
Current Service Cost	1,488,373	1,509,810
Benefits paid from planned assets	(493,270)	(1,504,111)
Remeasurements - due to Financial Assumptions	339,922	560,963
Remeasurements - due to Experience Assumptions	(1,111,201)	1,788,177
<b>Defined Benefit obligation as at the end</b>	<b>17,792,463</b>	<b>16,397,688</b>
<b>II. Change in Fair value of plan assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Fair value of Plan Assets at the beginning	12,392,201	9,452,440
Interest Income	1,016,737	839,446
Employer Contributions	3,756,774	3,585,381
Benefits paid from planned assets	(755,938)	(1,504,111)
Remeasurements - Return on Assets (Excluding Interest)	30,066	19,045
<b>Fair value of planned assets at the end</b>	<b>16,439,840</b>	<b>12,392,201</b>
<b>III. Components of Defined Benefit Cost:</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Current Service Cost	1,488,373	1,509,810
Total Net Interest cost	154,215	105,046
<b>Defined Benefit Cost Included in Profit &amp; Loss</b>	<b>1,642,588</b>	<b>1,614,856</b>
Remeasurements - due to Financial Assumptions	339,922	560,963
Remeasurements - due to Experience Assumptions	(1,111,201)	1,788,177
Remeasurements - Return on Assets (Excluding Interest)	(30,066)	(19,045)
Total Remeasurements in OCI	(801,345)	2,330,095
<b>Total Defined Benefit Cost recognized in Profit &amp; Loss and OCI</b>	<b>841,243</b>	<b>3,944,951</b>

<b>IV. Amounts recognized in the Statement of Financial Position</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Defined benefit Obligation	17,792,464	16,397,688
Fair value of Plan Assets	16,439,840	12,392,201
Funded Status	1,352,624	4,005,487
Net Defined Benefit Liability/(Asset)	1,352,624	4,005,487
Of which Short Term Liability	2,908,140	2,895,819

<b>V. Net Defined Benefit Liability /(Asset) Reconciliation</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Net Defined Benefit Liability/(Asset) at the beginning	4,005,487	3,645,917
Defined Benefit Cost Included in Profit & Loss	1,642,588	1,614,856
Total Remeasurement included in OCI	(801,345)	2,330,095
Employer Contributions	(3,756,774)	(3,585,381)
Net Defined Benefit Liability/(Asset) at the end	1,089,956	4,005,487

<b>VII. Principal Assumptions</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Discounting Rate	7.04%	7.25%
Salary Escalation Rate	3.00%	3.00%

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

**Note: 36. Related Party Disclosures:**

(In ₹)

**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 considered as Key Management Personnel. List of Key Management personnel of the company is as follows:

**A. Key Management Personnel**

i)	Dr. Abburi Vidyasagar	Chairman & Managing Director
ii)	Mrs. Abburi Sarada	Wholtime Director & CFO
iii)	Mr. Abburi Siddhartha Sagar	Wholtime Director
iii)	Sri M Murali Krishna	Company Secretary

**B. Relative of Key Management Personnel**

NIL

**C. Transaction with Related Parties**

<b>Particulars</b>	<b>Nature of Transaction</b>	<b>2020-2021</b>	<b>2019-2020</b>
<b>a) Key Managerial Personnel:</b>			
Dr. Abburi Vidyasagar	Remuneration	3,600,000	3,600,000
Dr. Abburi Vidyasagar	Commission on Profits	5,551,724	2,410,255
Mrs. Abburi Sarada	Remuneration	1,729,032	1,200,000
Mrs. Abburi Sarada	Commission on Profits	6,123,809	4,206,363

Mrs. Abburi Sarada	Rent	1,054,624	1,000,350
Mr. Abburi Siddhartha Sagar	Remuneration	232,258	-
Mr. M Murali Krishna	Salary	702,400	172,432
<b>b) Non-Whole time Directors:</b>			
Mr. Raghu Prasad Pidikiti	Sitting Fee	110,000	100,000
Mr. Yalamanchili Kishore	Sitting Fee	160,000	120,000
Mr. Naveen Nandigam	Sitting Fee	150,000	170,000
Mr. Eluru Bala Venkata Ramana Gupta	Sitting Fee	110,000	130,000
Mr. Myneni Narayana Rao	Sitting Fee	140,000	160,000

**Note: 37. Earnings per Share:**

(In ₹)

Particulars		2020-2021	2019-2020
Profit/ (Loss) after Tax	In ₹	153,337,009	107,573,913
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 ₹	10.00	10.00
Earnings per Share			
Basic	In ₹	37.82	26.53
<b>Diluted</b>	<b>In ₹</b>	<b>37.82</b>	<b>26.53</b>

**Note: 38. Contingent liabilities and commitments**

(In ₹)

(to the extent not provided for)	2020-2021	2019-2020
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debt		
(i) Guarantees	327,441,396	229,869,493
<b>Total</b>	<b>327,441,396</b>	<b>229,869,493</b>

**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, 2021

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	8,020,348	-	-	8,020,348	8,020,348
Trade Receivable	131,270,215	-	-	131,270,215	131,270,215
Deposits	472,468,310	-	-	472,468,310	472,468,310
Other Financial Assets	7,850,701	-	-	7,850,701	7,850,701
<b>Liabilities:</b>				-	-
Trade Payable	3,275,720	-	-	3,275,720	3,275,720
Borrowings	-	-	-	-	-
Other Financial Liabilities	162,191,896	-	-	162,191,896	162,191,896

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
<b>Assets:</b>				-	-
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
<b>Liabilities:</b>					
Trade Payable	15,546,134	-	-	15,546,134	15,546,134
Borrowings	-	-	-	-	-
Other Financial Liabilities	81,632,558	-	-	81,632,558	81,632,558

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, 2021 & March 31, 2020 is as follows:

Particulars	USD As at March 31, 2021	USD As at March 31, 2020
<b>Financial Assets:</b>		
Cash & Cash Equivalents	-	-
Trade Receivable	270,570	-
Deposits	-	-
Other Financial Assets		
<b>Financial Liabilities:</b>		
Trade Payable	19,851	13,353
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, 2021						(In ₹)
Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years	
Gross Carrying Amount	131,270,215	130,698,477	571,738	-	-	
Expected Credit loss	-	-	-	-	-	
Carrying amount (net of impairment)	131,270,215	130,698,477	571,738	-	-	
For the year ended March 31, 2020						(In ₹)
Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years	
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	-	-	

#### 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 years	More than three years
<b>As on March 31 2021</b>					
Trade Payables	3,275,720	3,275,720	-	-	-
Other Financial liabilities	162,191,896	162,191,896	-	-	-
<b>As on March 31 2020</b>					
Trade Payables	15,546,134	15,546,134	-	-	-
Other Financial liabilities	81,632,558	81,632,558	-	-	-

**Note: 41. Capital Management**

The objective of the company when managing capital are to

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

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

(In ₹)

Dividends	Particulars	2020-2021	2019-2020
(i) Equity Shares			
	Final Dividend for the year March 31 2020 Rs 2/- (March 31 2019 Rs. 2/- ) per share of Rs. 10/- each	8,108,986	8,108,986
	Dividend Distribution Tax on Final Dividend	-	1,666,820
	Interim Dividend for the year March 31 2021 Rs. 0/- (March 31 2020 Rs 2/-) per share of Rs. 10/- each	-	8,108,986
	Dividend Distribution Tax on interim Dividend	-	1,666,820
(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. 4/- (March 31 2020 Rs 2/-) per share of Rs. 10/- each, The proposed dividend is subject to the approval of Share holders in the general meeting.	16,217,972	8,108,986

**Note: 42. Consumption Of Raw Materials:**

Raw Material	2020-2021		2019-2020	
	%	₹	%	₹
Indigenous	58.56	155,591,054	66.52	92,788,982
Imported	41.44	110,117,273	33.48	46,694,081
<b>TOTAL</b>	<b>100</b>	<b>265,708,327</b>	<b>100</b>	<b>139,483,063</b>



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

(In ₹)

Particulars	2020-2021	2019-2020
Materials	116,315,146	52,337,866
Capital Equipment	27,877,510	1,774,358
<b>Total</b>	<b>144,192,656</b>	<b>54,112,224</b>

**Note: 44. Expenditure in Foreign Currency:**

(In ₹)

Particulars	2020-2021	2019-2020
Purchases (Imports)	116,467,146	52,511,366
Foreign Travel	-	1,410,896
<b>Total</b>	<b>116,467,146</b>	<b>53,922,262</b>

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

Sundry Creditors includes Rs. 18,26,586/- (previous year Rs. 1,45,61,831/-) 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 25,39,523/- (2019-2020 year Rs. 15,70,000/-) towards Corporate Social Responsibility activities during the Financial Year 2020-21 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 2020-21 are as under:

Particulars	2020-2021	2019-2020
Aggregate net profits of last three financial years as per Section 198 of the Companies Act, 2013	341,881,367	225,470,699
Average of net profits	113,960,456	75,156,890
Earmarked percentage U/s 135 of the Companies Act, 2013 towards CSR Activities	2,279,209	1,503,138
Amount spent towards CSR Activities	2,539,523	1,570,000

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. Impact of COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

**Note: 48. Note on “Code on Security, 2020”**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note: 49. 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: 50.**

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

Sd/-  
**CA K SREENIVASAN**  
Partner  
ICAI Membership No. 206421

Place: Hyderabad  
Date: 24.04.2021

for and on behalf of **AVANTEL LIMITED**

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**

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