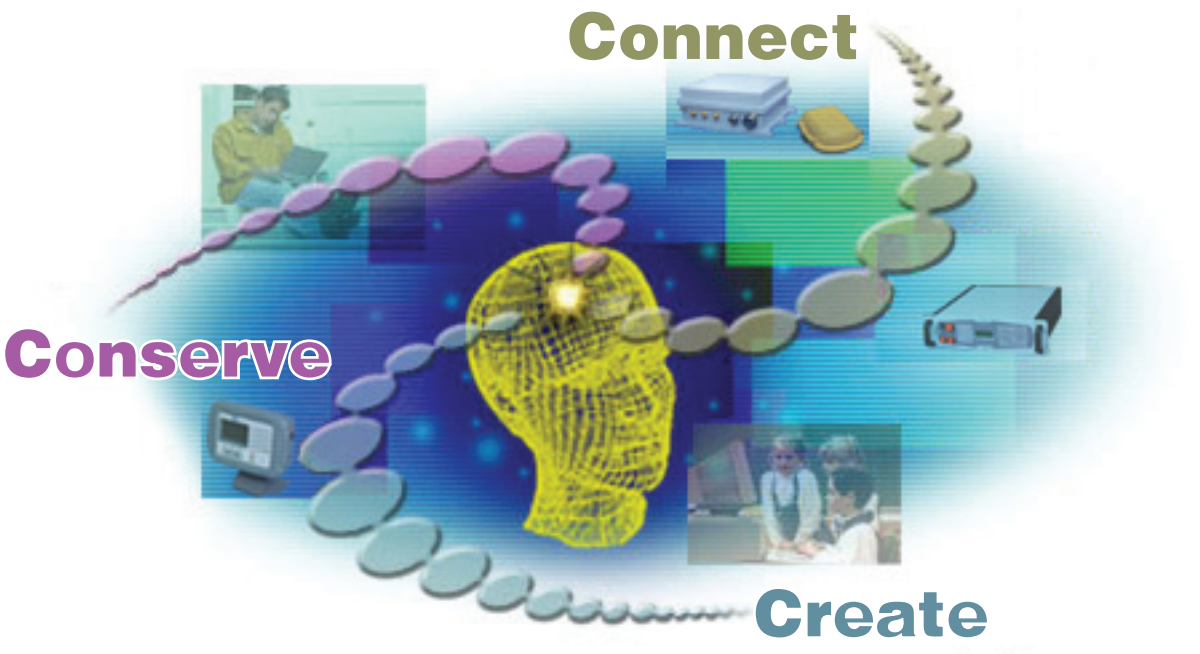
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Annual Report
2015 - 2016

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Abburi Vidyasagar	-	Chairperson & Managing Director
Smt. Abburi Sarada	-	Whole-Time Director
Shri Subramanaiya Balakrishnan	-	Non Executive Director
Shri Yalamanchili Kishore	-	Independent Director
Shri Raghu Prasad Pidikiti	-	Non Executive Director
Shri Naveen Nandigam	-	Independent Director
Shri Eluru Bala Venkata Ramana Gupta	-	Independent Director (w.e.f 13.02.2016)
Shri Myneni Narayana Rao	-	Independent Director (w.e.f. 13.02.2016)

Chief Financial Officer
Smt. Abburi Sarada

Company Secretary & Compliance Officer
Lokesh Agarwal

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 – 6698000
Fax: +91 - 891 – 6698004

Corporate Office:
Plot No. 16, Sector-III, HUDA Techno Enclave,
Opp. K. Raheja IT Park,
Madhapur, Hyderabad -500 081, Telangana.
Phone: +91 - 40 - 6630 5000,
Fax: +91 - 40 - 6630 5004

Registrars & Share Transfer Agents:
M/s. Karvy Computershare Pvt. Ltd,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana.
Phones: 040 - 6716 1565
Email: einward.ris@karvy.com

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

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, 4th Floor, D. No.6-3-347/22/2
Ishwarya Nilayam, Opp: Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad– 500 082, Telangana.

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

Board Committees

Audit Committee:

Shri N. Naveen	-	Chairman
Shri Y. Kishore	-	Member
Shri Raghu Prasad Pidikiti	-	Member
Shri EBV Ramana Gupta	-	Member

Nomination and Remuneration Committee:

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

Stakeholders Relationship Committee:

Shri Raghu Prasad Pidikiti	-	Chairman
Shri Y. Kishore	-	Member
Dr. A.Vidyasagar	-	Member

Corporate Social Responsibility Committee:

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

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NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of Avantel Limited will be held on 25.06.2016 at 11:00 A.M. at the registered office of the company situated at Sy. No. 141, Plot No. 47/P, APIIC Industrial Park, Gambheeram (V), Anandapuram (M), Visakhapatnam, Andhra Pradesh – 531163 to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year 2015- 2016 together with the Report of the Board of Directors and Auditors thereon.

2. To declare dividend of ₹ 1.00/- per Equity Share of ₹ 10/- each to the shareholders for the financial year 2015-16.

3. To appoint a Director in place of Smt. Abburi Sarada (holding DIN: 00026543), who retires by rotation and being eligible, offers herself for re-appointment as Director.

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to ratify the appointment of M/s. Ramanatham & Rao, Chartered Accountants, (ICAI Registration No.002934S), as statutory auditors of the Company to hold office till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2019 and the Board of Directors be and is hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit committee and in consultation with the auditors."

SPECIAL BUSINESS:

5. **TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF DR. A. VIDYASAGAR AS THE MANAGING DIRECTOR OF THE COMPANY:**

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

   "RESOLVED THAT pursuant to the provisions of section 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, consent of the members of the Company be and is hereby accorded for the re-appointment of Dr. A. Vidyasagar, as Managing Director of the Company at a remuneration of ₹ 1,50,000/- (Rupees One Lakh and Fifth Thousand only) per month and other superannuation benefits as per service rules of the Company and a perquisite of Rent Free Accommodation, as approved by the Remuneration Committee, for another Three years term effective from 1st day of April, 2016."

   "FURTHER RESOLVED THAT Dr. A. Vidyasagar in addition to above mentioned Salary and perquisites is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

   "FURTHER RESOLVED THAT the overall amount of remuneration payable to Dr. A. Vidyasagar shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

   "FURTHER RESOLVED THAT in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during 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."

6. APPOINTMENT OF SHRI ELURU BALA VENKATA RAMANA GUPTA (DIN: 07402341) AS AN INDEPENDENT DIRECTOR 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 the provisions of section 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Eluru Bala Venkata Ramana Gupta (DIN 07402341), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director on the Board of the Company for a period of five consecutive years from the ensuing Annual General Meeting."

7. APPOINTMENT OF SHRI MYNENI NARAYANA RAO (DIN: 00577494) AS AN INDEPENDENT DIRECTOR 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 the provisions of section 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Myneni Narayana Rao (DIN: 00577494), who was appointed as an Additional Director of the Company by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director for a period of five consecutive years from the ensuing Annual General Meeting."

By order of the Board of Directors
For **Avantel Limited**

Sd/-

Place : Hyderabad
Date : 11.05.2016

Lokesh Agarwal
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of him/her and such proxy need not be a member of the Company. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Proxies in order to be effective must be delivered at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Company has notified closure of Register of Members and Share Transfer Books from 18th June, 2016 to 25th June, 2016 for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
6. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched within 20 days from the date of AGM to those members whose names shall appear on Company's Register of Members on 18th June, 2016 in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
8. 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 Companies shares in physical form, please inform Companies RTA viz. M/s. Karvy Computershare Pvt. Ltd., Karvy 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.
9. M/s. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Phones: 040 - 6716 1565 Email: einward.ris@karvy.com is the Registrar &Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
10. 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.
11. Members holding shares in physical form are informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment / misuse of dividend warrants by others.
12. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
13. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.

14. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting. Members are requested to come to the venue of the meeting well in advance for registration. No registration will be entertained after fifteen minutes from the scheduled time of the commencement of the meeting.

15. The annual report for the financial year 2015-16 is being sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.avantel.in. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2015-16, free of cost, upon sending a request to the Company Secretary at Plot No. 16, Sector III, HUDA Techno Park, Opp. Raheja IT Park, Madhapur, Hyderabad – 500081.

16. 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 the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

17. Pursuant to Section 205A and other applicable provisions, if any, of the Companies Act, 1956 and the rules made there under (Section 124 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India.

Members who haven't yet en-cashed their dividend warrants from the financial year 2008-09 onwards are requested to make their claims to the Company without any further delay.

18. Section 108 of the Companies Act, 2013, read with rules made thereunder and Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015, requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings. Accordingly, the Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically.

19. In case a Member desires to exercise his/her/its vote by using e-voting facility then he/she/it has to carefully follow the instructions as given for E-Voting. He/she/it can use the facility and log in any number of times till he/she/it has voted on the Resolution or till the end of the voting period whichever is earlier. The detailed instructions for E-Voting are given as part of this Notice.

20. Since E-Voting facility is provided to the Members pursuant to Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015 and pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, as amended, the chairman shall call for voting by poll at the meeting and upon such call being made, the voting by show of hands will not be allowed at the meeting.

21. The results of the e-voting and result of the physical voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the scrutinizer's report shall be placed on the website of the Company.

22. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the Company as on 18th June, 2016, being the cut-off date.

23. The members of the Company, holding shares either in physical form or in dematerialized form, as on 18th June, 2016, being the cutoff date, may cast their vote (for or against) electronically.

24. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote

electronically through e-voting shall be able to exercise their voting right at the Meeting.

25. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

26. Mr. M. B. Suneel, Practicing Company Secretary, has been appointed by the Board as Scrutinizer for the purpose of ascertaining the requisite majority for all the businesses in a fair and transparent manner. The results declared along with the scrutinizer's report shall be placed on the website of the Company.

27. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, brief profile of the Directors proposed to be appointed, re-appointed, is annexed to this notice.

28. The Proxy Form and the Attendance slip are enclosed with this notice.

29. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / STA.

E-VOTING

1. The Company is providing facility for voting by electronic means and the business as set out in the Notice may be transacted through electronic voting system. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 26th Annual General Meeting. The Company has engaged the services of M/s. Karvy Computershare Pvt. Ltd, to provide the e-voting facility.

2. The Members whose names appear in the Register of Members / List of Beneficial Owners as on 18th June, 2016 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

3. The e-voting period will commence on 22nd June, 2016 (9:00 hrs) and will end on 24th June, 2016 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by M/s. Karvy Computershare Pvt. Ltd for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

4. The Company has appointed Mr. M. B. Suneel, Practising Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

PROCEDURE & INSTRUCTIONS FOR E-VOTING

Instructions and other information relating to remote e-voting are as under:

1. Please take note of the below:

(A) In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

(i) Launch internet browser by typing the URL:https://evoting.karvy.com.

(ii) Enter the login credentials (i.e. User ID and Password as mentioned in the Covering Letter). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering these details appropriately, click ok "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatorily

change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (A-Z), one numeric value (0-9) and a special character(@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the "EVENT" i.e., Avantel Limited.

(vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any numbering "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned in the Covering Letter. You may also choose the option "ABSTAIN". If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

(ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).

(xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer/Company at e-mail ID: cssunil1427@gmail.com/lokeshagarwal@avantel.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO." The documents should reach the Scrutinizer and such other person on or before 24th June, 2016 17:00 hours.

(B) In case of Members receiving physical copy of the AGM Notice by Courier [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:

(i) User ID and initial password as provided in the Covering Letter.

(ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

(C) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the Cut-off date i.e. 18th June, 2016 may write to the Karvy on the email ID: varghese@karvy.com (or) contact Mr. P. A. Varghese on 040-33215424, at Karvy Computershare Private Limited, Unit – Avantel