

# AVANTEL LIMITED

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## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF AVANTEL LIMITED

### OFFER FOR BUYBACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGE

This Public Announcement ("PA") is in compliance with and is made pursuant to the provisions of Regulation 15 (d) read with Regulation 15 (c) of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended thereto ("Buyback Regulations") and contains the disclosures as specified in Schedule II to the Buyback Regulations.

#### SCHEDULE II - PART A OF BUYBACK REGULATIONS

1.1 The Board of Directors of Avantel Limited ("the Company") at its meeting held on July 31, 2014, have approved the proposal for buyback of the Company's fully paid up equity shares of Rs.10/- each (hereinafter referred to as "the Buyback") in accordance with the provisions contained in Article 33 of the Articles of Association of the Company, Sections 68, 69 and 70 of the Companies Act, 2013 (hereinafter referred to as "the Act") and other applicable provisions, if any, of the Companies Act, 2013 (to the extent notified) and Companies Act, 1956 (to the extent not repealed) and the provisions contained in the Buyback Regulations subject to other applicable laws, approvals as may be necessary, from statutory authorities including Securities and Exchange Board of India, Stock Exchange, Reserve Bank of India, etc., and further subject to such conditions as may be prescribed while granting such approvals which may be agreed to by the Board of Directors (which term shall include Committee of Directors and hereinafter referred to as "the Board").

1.2 The Buyback is proposed considering the availability of accumulated cash, the expected future cash flows from business operations and funding requirements of the Company to fund its future plans. The Buyback proposal is being implemented keeping in view the Company's desire to enhance overall shareholders' value. The Buyback would lead to reduction in outstanding number of equity shares and may consequently increase earnings per equity share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value.

1.3 The aggregate paid-up capital and free reserves of the Company as at March 31, 2014 (the date of the latest audited accounts as on the date of the Board Meeting) were Rs.183.90 lakhs and under the provisions of the Act, the funds deployed for Buyback with Board of Director's approval shall not exceed 10% of the total paid-up equity capital and free reserves of the Company in a financial year. Accordingly, the maximum amount that can be utilized in the present Buyback is Rs. 183.19 lakhs and the amount proposed to be expended for the Buyback is Rs. 180.00 lakhs (excluding brokerage and other charges, if any) ("Buyback Size"), which is 9.83% of the paid up equity capital and free reserves of the Company as at March 31, 2014 and is within the maximum permissible limit as aforesaid. Further, the Company shall utilize minimum of Rs. 90.00 lakhs, which is 50% (Fifty per cent) of the Buyback Size ("Minimum Buyback Size").

1.4 The maximum Buyback price of Rs.90/- per equity share ("Maximum Buyback Price") has been arrived at after considering prevailing stock market prices, the net worth of the Company, the impact of the Buyback on the earnings per share of the Company and other relevant considerations. However, in accordance with the Buyback Regulations, Buyback price for the Equity Shares in physical form will be determined as the volume weighted average price of the Equity Shares bought back, other than in the physical form, during the calendar week in which the Equity Shares in physical form are received by the broker (or in case no Equity Shares are bought back in the normal market during that calendar week, then the previous week when the company last bought back Equity Shares) and the price of Equity Shares tendered in physical form during the first calendar week of the Buyback shall be the volume weighted average market price of the Equity Shares of the company during the preceding calendar week, subject to the volume weighted average price being less than Rs.90/- per equity share.

1.5 The maximum number of equity shares to be bought back by the Company are 2,25,000 ("Maximum Offer Shares") being 5.38% of equity shares of Rs.10/- each outstanding as at March 31, 2014, and the number of shares to be bought back shall be subject to a minimum of 1,00,000 equity shares ("Minimum Offer Shares").

1.6 The equity shares of the Company shall be bought back through the methodology of "Open Market Purchases through Stock Exchange". The equity shares of the Company are listed on BSE Limited ("BSE"). The Buyback will be made through BSE (hereinafter referred to as "Stock Exchange") only through the order matching mechanism except "all or none" order matching mechanism.

1.7 The Buyback is proposed to be completed within the maximum period of 6 (six) months from the date of opening of the Buyback offer. The time frame for the Buyback will be determined by the Board of Directors within this validity period, subject to the relevant provisions of the Act and the Buyback Regulations.

1.8 The aggregate shareholding of Promoters and Promoter Group the person(s) who are in control of the Company as on the date of Board Meeting i.e., July 31, 2014 was as below:-

| Category of Member  | No. of Equity Shares Held | % of Existing Equity Share Capital |
|---|---------------------------|------------------------------------|
| 1. Promoters & Promoter Group   | 16,66,064                 | 39.83                              |
| 2. Persons Acting in Concert  | —                         | —                                  |
| <b>Total of Promoters, Promoter Group and Persons Acting in Concert</b> | <b>16,66,064</b>          | <b>39.83</b>                       |

1.9 None of the promoters, persons in promoter group or persons acting in concert have either purchased or sold any shares during the period of six months preceding July 31, 2014, being the date of Board Meeting.

1.10 As per Regulation 15 (b) of the Buyback Regulations, the Company shall not buy shares from its promoters and persons in control of the Company.

1.11 The promoters, persons in promoter group and persons acting in concert will neither participate in the Buyback nor deal in the equity shares of the Company on the Stock Exchanges or through off-market transactions, including inter-se transfer of shares among the promoters, as per the provisions of the Buyback Regulations.

1.12 The Company will not buyback shares from any persons through negotiated deals whether through the stock exchange or through spot transactions or through any private arrangement.

1.13 No scheme of amalgamation or compromise or arrangement is pending in relation to the Company on the date of this PA.

1.14 In compliance with the Buy Back Regulations, the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations such as conversion of warrants, stock options, etc.

1.15 The Company confirms that there are no defaults subsisting in the repayment of deposits; redemption of debentures or preference shares; or repayment of term loans to any financial institutions or banks.

1.16 The Board hereby confirms that it has made full inquiry into the affairs and prospects of the Company and it has formed the opinion:

a. That, immediately following the date of Board Meeting, there were no grounds on which the Company could be found unable to pay its debts;

b. That, as regards the Company's prospects for the year immediately following the date of Board Meeting, having regard to their intentions with respect to the management of the Company's business during the year and to the amount and character of the financial resources which will in their view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and

c. That, in forming their opinion for the above purposes, the Board has taken into account the liabilities (if the Company were being wound up under the provisions of the Act, Companies Act, 1956 (to the extent not repealed) (including prospective and contingent liabilities).

d. That the debt equity ratio of the Company after the Buyback will be within the limit of 2:1 as prescribed under the Act.

1.17 The text of the report dated July 31, 2014 received from M/s. Ramanatham & Rao Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:-

To,  
The Board of Directors  
Avantel Limited  
Hyderabad  
Dear Sir(s),

Sub: Proposed Buyback of equity shares of Avantel Limited ("the Company")

We have been informed that the Board of Directors in their meeting held on July 31, 2014, have decided to Buy-back Company's Equity shares as allowed under Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013 (to the extent notified), at a price not exceeding Rs.90/- per equity share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (SEBI Buyback Regulations), we confirm that:

a) We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2014 which have been approved by the Board of Directors of the Company.

b) The Board of Directors has proposed to Buy-back the Company's equity to the extent of Rs.180.00 lakhs at a price not exceeding Rs.90/- per equity share. The amount of permissible capital payment towards Buy-back of equity shares, as computed below has been properly determined in accordance with Section 68 of the Companies Act, 2013:

| Particulars   | Amount (Rs. In lakhs)* |
|---|------------------------|
| Paid up equity share capital as on March 31, 2014   | 418.36                 |
| <b>Free Reserves as on March 31, 2014</b>   | <b>—</b>               |
| Securities Premium Account  | 79.30                  |
| General Reserves  | 453.55                 |
| Profit and Loss Account   | 880.69                 |
| <b>Total</b>  | <b>1,831.90</b>        |
| Maximum amount permissible for buyback with Stock Exchange Mechanism as per SEBI Buyback Regulations (i.e. 10% of total paid up capital and free reserves with Board of Directors Approval) | <b>183.19</b>          |
| Amount proposed for Buyback   | <b>180.00</b>          |

\*Based on standalone financial statements for the year ended March 31, 2014.

c) The Board of Directors in their meeting held on July 31, 2014, have formed the opinion as specified in Part A, clause (x) of Schedule II of SEBI Buyback Regulations on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing of the resolution in case of buy-back of up to 10% of its paid-up equity capital and free reserves of the Company under Section 68 of the Companies Act, 2013.

d) This certificate has been prepared for and only for the Company in reference to proposed Buy-back of Equity Shares approved by the Board of Directors of the Company at its meeting held on July 31, 2014, in pursuance of the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including disposing in Public Announcement and submission to various Regulatory bodies such as SEBI, Stock Exchanges, RBI etc., as required under SEBI Buyback Regulations) and for no other purpose."

For Ramanatham & Rao,  
Chartered Accountants  
Firm Regn No. 002934S  
Sd/-  
K Sreenivasan  
Partner  
Membership No. 206421"

Place: Hyderabad  
Date: July 31<sup>st</sup>, 2014

#### DISCLOSURES IN ACCORDANCE WITH PART 'B' OF SCHEDULE II OF BUYBACK REGULATIONS

1. AUTHORITY FOR THE BUYBACK  
1.1 The Company is authorized by Article 33 of Articles of Association of the Company and Sections 68, 69 and 70 of the Act and other applicable provisions, if any, of the Act and the Companies Act, 1956 (to the extent not repealed). This Buyback has been duly authorized by a resolution passed by the Board of Directors of the Company at its meeting held on July 31, 2014.

2. MINIMUM AND MAXIMUM NUMBER OF SHARES TO BUYBACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUYBACK  
2.1 The minimum and maximum number of equity shares to be bought back, as approved by the Board are 1,00,000 and 2,25,000 respectively. However, at the maximum price of Rs.90/- per equity share and maximum buy back size of Rs. 180.00 lakhs, the maximum number of shares that can be bought back are approximately 2,00,000 equity shares. The actual number of shares to be bought back would therefore vary depending on the average market price of the shares and the amount deployed in the Buyback.

2.2 The Buyback will be funded out of the Company's current surplus and / or cash balances and / or internal accruals.

2.3 The Company has substantial accumulated free reserves and the funds required for the Buyback will be drawn out of such free reserves. The cost of financing the Buyback would therefore be only a notional loss of income that the funds used for Buyback would have earned had they been deployed in the ordinary course of the Company's business.

#### PROPOSED TIME TABLE

|                                     |  |
|-------------------------------------|--|
| Board Meeting approving the Buyback | July 31, 2014  |
| Date of opening the Buyback         | August 11, 2014  |
| Acceptance of Shares                | Within 15 days of the relevant payout dates of the Stock Exchange.   |
| Extinguishment of Shares            | In case the Equity Shares bought back are in dematerialized form the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended and the bye-laws framed thereunder. In case the Equity Shares bought back are in physical form, the Company shall extinguish and physically destroy the share certificates bought back during the month, or before the 15th day of the succeeding month. Provided that, the Company shall ensure that all the Equity Shares bought back are extinguished within 7 days of the last date of completion of the Buyback Offer.   |
| Last Date for the Buyback           | Earlier of:<br>(a) February 10, 2015; or<br>(b) when the Company completes the Buyback Offer by deploying the amount equivalent to the Buyback Size; or<br>(c) when the Company completes the Buyback Offer to the extent of buying back Equity Shares equal to the Maximum Offer Shares provided that the Company has deployed an amount equivalent to the Minimum Buyback Size; or<br>(d) at such earlier date as may be determined by the Board, after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buy-Back Size has not been reached or the Maximum Buyback Shares have not been bought back). |

#### PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

4. The Buyback is open to all Shareholders / Beneficial owners of the fully paid-up equity shares of the Company, both registered and unregistered, holding equity shares either in physical and/or electronic form, except the promoters, persons in promoter group and persons acting in concert.

4.1 The Company shall not buyback the locked-in equity shares or non-transferable equity shares during the pendency of the lock-in or until they become transferable.

4.2 The Buyback Regulations permit the Company to effect the Buyback from the Open Market only through the Stock Exchanges having nationwide electronic trading facility. Accordingly, the Company proposes to Buyback shares through BSE.

4.3 The Company has appointed Zen Securities Limited ("Broker"), 3rd Floor, GEV-Tulasi, Plot No. 151, 152&153, Pragathi Nagar, Opp. JNTU-Kukatpally, Quthbullapur (Mandal), Hyderabad -500090 as the broker through whom the purchases and settlement on account of the Buyback shall be made.

4.4 The Buyback of Shares will be made only through the order matching mechanism except "all or none" order matching system.

4.5 The Company may, from the date of opening of Buyback, place "buy" orders on BSE at least once in every week through the Broker, in such quantity and at such prices, not exceeding Rs.90/- per share, as it may deem fit, depending upon the prevailing quotations of the shares on the Stock Exchange. When the Company has placed an order for Buyback of shares, the identity of the Company as purchaser would be displayed on the screen of the market participants of the Stock Exchange.

4.6 The equity shares of the Company are traded in the compulsory demat mode under the trading code 532406 at BSE. The ISIN of the Company is INE005B01019.

4.7 The equity shares bought back by the Company may not be at a uniform price. Orders will be placed by the Company at least once in a week in such quantity and at such prices, as it may deem fit, depending upon the prevailing quotations of equity shares on the Stock Exchange so long as the market price is lower than the Maximum Offer Price. Such orders will be placed both in normal and physical segments. The Company shall intimate the Stock Exchange as well as the public through notice in the newspapers regarding quantity of equity shares purchased and amount utilized, as prescribed by the Buyback Regulations.

4.8 Procedure for Buyback of Demat Shares: Beneficial owners, who desire to sell their shares under the Buyback, would have to do so through a stock broker, who is a member of BSE by indicating to their broker the details of shares they intend to sell and price thereof. The trade would be executed at the price at which the order matches and that price would be the price for that seller. Execution of the order, issuance of contract note delivery of stock to the broker and receipt of payment from the broker would be carried out in accordance with the requirements of Stock Exchanges.

4.9 Procedure for Buyback of Physical Shares: The Company shall approach the Stock Exchange(s) for permission to use a separate window for Buyback of Equity Shares in physical form ("Physical Shares") in terms of Regulation 15A of the Buyback Regulations (the "Physical Shares Buy-Back Window"). Upon the receipt of the permission from the Stock Exchange(s) to use their Physical Share Buyback Window, the Company shall Buyback the Physical Shares from the shareholders. The procedure for Buyback of Physical Shares in the Physical Shares Buy-Back Window shall be subject to the requirements provided by the Stock Exchange(s) and any directions in this regard. As per Regulation 15A of the Buyback Regulations:

4.10.1 A separate window shall be created by the Stock Exchange, which shall remain open during the Buyback period, for buy-back of Physical Shares.

4.10.2 The Company shall buy-back Physical Shares from eligible shareholders through the Physical Shares Buyback Window, only after verification of the identity proof and address proof by the broker.

4.10.3 The time at which the Physical Shares are bought back shall be the volume weighted average price of the Equity Shares bought-back, other than Physical Shares, during the calendar week in which such Physical Shares were received by the broker.

4.10.4 In case no Equity Shares were bought back in the normal market during the calendar week, the preceding week when the Company last bought back the Equity Shares may be considered.

4.10.5 Provided that the price of Physical Shares tendered during the first calendar week of the Buyback shall be the volume weighted average market price of the Equity Shares of the Company during the preceding calendar week.

Registered shareholders of the Company holding Physical Shares and proposing to participate in the Buyback will be required to submit the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled, stamped and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and self-attested at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the shareholder's PAN Card. In addition, the shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card, Passport or Driving License, (iv) any other relevant documents (but not limited to) power of attorney,

corporation authorization (including board resolution/ specimen signature), notarised copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. Registered shareholders of the Company holding Physical Shares should note that Physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions in this regard. Please note that only such Physical Shares as are issued by and under the name of the Company will be accepted by the Company for the Buy-Back, subject to verification and other requirements. Physical share certificates issued by and under any other company's name, shall not be eligible to be bought back by the Company through the Buyback and shall not be accepted. Share holders holding such physical share certificates should first get such certificates converted into the share certificates of the Company for which they can separately correspond with the Registrar to the Company.

4.11 Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any Equity Shares or confer any right on the part of any Shareholder to have any Equity Shares bought back, even if the Buyback Size has not been reached, and / or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, the amount held in the Escrow Account up to a maximum of 2.5% (Two and Half per cent) of the Buyback Size, shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.

#### 5. METHOD OF SETTLEMENT

5.1 Settlement of Demat Shares: The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the respective Stock Exchanges where the transaction is executed. The Company has opened a depository account with Zen Securities Limited ("Buyback Demat Account"). Demat Shares bought back by the Company will be transferred into the Buyback Demat Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback Offer, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective depository participant ("DP") for debiting their beneficiary account maintained AS with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions.

5.2 Settlement of Physical Shares: The shareholders holding Equity Shares in physical form would present the share certificate(s) along with valid transfer deed(s) and other documents to their respective brokers through whom the trade was executed.

5.3 Extinguishment of Demat Shares: The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 1996, as amended and its bye-laws, in the manner specified in the Buyback Regulations and the Companies Act, 2013. The Equity Shares lying in credit in the Buyback Demat Account will be extinguished within 15 (fifteen) days of acceptance of the Demat Shares provided that the Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within 7 (seven) days from the last date of completion of the Buyback Offer.

5.4 Extinguishment of Physical Shares: Physical Shares bought back by the Company during a month shall be extinguished and physically destroyed by the Company in the presence of Karyv Investor Services Limited ("Manager") and the statutory auditor of the Company on or before the 15th (fifteenth) day of the succeeding month provided that the Company undertakes to ensure that all Physical Shares bought back are extinguished within 7 (seven) days from the last date of completion of the Buyback Offer, in compliance with the Buyback Regulations.

5.5 The details of equity shares extinguished shall be notified to SEBI and the Stock Exchanges in accordance with the Buyback Regulations.

#### 6. BRIEF INFORMATION ABOUT THE COMPANY

6.1 The Company was originally incorporated on 30th day of May 1990 under the Companies Act, 1956, as Dialog Communications Private Limited. The name of the Company was changed to Avantel Communications Private Limited on 11th August 1993. The Company was converted to Public Limited Company with effect from 20th December 1994. Later, the name of the Company has been changed to Avantel Softech Limited on 24th December 1998, and with effect from 25th September 2008 to AVANTEL LIMITED. AVANTEL LIMITED is a technology driven ASI100C standards Public Limited Company engaged in the Design & Development, Manufacturing and Servicing of Satellite Communication Products for Aerospace and Defense Applications. Avantel also offers integrated solutions for connectivity through development and integration of communication, networking and software products and services.

#### 7. BRIEF FINANCIAL INFORMATION OF THE COMPANY (ON STANDALONE BASIS)

7.1 Brief audited financial information of the Company for the last three financial years ended March 31, 2014, 2013 and 2012 is detailed below:-

| Particulars   | Year Ending     |                |
|---|-----------------|----------------|
|   | 31.03.2014      | 31.03.2013     |
| Revenue/Sales & Services less Returns   | 1300.53         | 4294.60        |
| Other Income  | 18.38           | 21.07          |
| <b>Total Income</b>   | <b>1318.91</b>  | <b>4315.67</b> |
| <b>Total Expenditure</b>  | <b>1122.84</b>  | <b>3270.62</b> |
| <b>Profit before Interest, Depreciation &amp; Tax</b>                             | <b>196.07</b>   | <b>1045.05</b> |
| Depreciation and amortization expenses  | 198.99          | 126.40         |
| Financial Cost  | 112.27          | 99.05          |
| <b>Profit / (Loss) before tax</b>   | <b>(115.19)</b> | <b>819.60</b>  |
| Tax Provision   | (7.86)          | 160.00         |
| <b>Profit/(Loss) after Tax before provision for earlier years</b>                 | <b>(107.33)</b> | <b>659.60</b>  |
| Less/(Add) : Short / (Excess) provision of the relating to earlier years          | (3.96)          | 7.68           |
| <b>Profit / (Loss) after Tax</b>  | <b>(103.37)</b> | <b>651.92</b>  |
| Equity Share Capital  | 418.36          | 448.36         |
| Reserves & Surplus (excluding Revaluation Reserve and Capital Redemption Reserve) | 1413.54         | 1719.29        |
| Net worth (excluding Revaluation Reserve and Capital Redemption Reserve)          | 1831.9          | 2167.65        |
| Total Debt  | 1053.28         | 375.81         |
| Equity Dividend (%)   | —               | 25             |
| Earnings per share - Basic (Rs.)  | (2.47)          | 14.54          |
| Earnings per share - Diluted (Rs.)  | (2.47)          | 14.54          |
| Book value per share (Rs.)  | 43.79           | 48.35          |
| Return on Net Worth (%)   | (5.64)          | 30.07          |
| Debt-Equity Ratio   | 0.57            | 0.17           |

#### The Key ratios are computed as below:-

|                            |  |
|----------------------------|--|
| Basic Earnings per share   | Profit/(Loss) after tax / Weighted average no. of equity shares                              |
| Diluted Earnings per share | Profit/(Loss) after tax / Weighted average no. of equity shares including potential dilution |
| Book Value per share       | Net Worth / number of equity shares issued and outstanding                                   |
| Return on Net Worth        | Profit/(Loss) after tax / Net Worth  |
| Debt Equity Ratio          | Total Debt / (Equity Share Capital + Free Reserves)  |

#### 8. ESCROW ACCOUNT:

8.1 In accordance with Regulation 15B of the Buy-Back Regulations and towards security for performance of its obligations under the Buy-Back Regulations, the Company has entered into an escrow agreement dated August 1, 2014 with the Manager and Canara Bank ("Escrow Bank") pursuant to which the Company has opened an escrow account bearing number: 242320100275 titled "Escrow A/c Avantel Ltd Buyback" ("Escrow Account").

8.2 The Company has deposited in the Escrow Account cash aggregating to Rs.45.00 lakhs (Rupees Forty Five lakhs only), being 25% (Twenty five percent) of the Buyback Size in compliance with the Buyback Regulations. The Company has authorized the Manager to operate the Escrow Account.

8.3 The funds in the Escrow Account may be released for making payments to the shareholders subject to at least 2.50% of the Maximum Buyback Size remaining in the Escrow Account at all points in time.

8.4 If the Company is not able to complete the Buyback equivalent to Minimum Buyback Size, the amount held in Escrow Account up to a maximum of 2.5% of the Maximum Buyback Size, shall be forfeited in accordance with the provisions of the Buyback Regulations.

8.5 The balance lying to the credit of Escrow Account may be released to the Company in accordance with the provisions of the Buyback Regulations.

Continued

#### 9. LISTING DETAILS AND STOCK MARKET DATA

9.1 The equity shares of the Company are listed on BSE.

9.2 The high, low and average market prices of the Company's equity shares for the last three years and the monthly high, low and average market prices of the Company's equity shares for the six months preceding the date of this PA and the corresponding volumes on BSE are as follows:-

BSE (Scrip Code: 532406)

| Period      | High (Rs.) | Date of High and No. of shares traded on that date | Low (Rs.) | Date of Low and No. of shares traded on that date | Weighted Average Price# (Rs) | Total Volume of shares Traded in the period | Total Turnover (Rs.) |
|-------------|------------|--|-----------|---|------------------------------|---|----------------------|
| 2011        | 69.50      | 06.07.2011 (12,700)                                | 41.00     | 28.02.2011 (21,433)                               | 56.40                        | 11,52,878                                   | 6,50,22,833          |
| 2012        | 74.95      | 06.02.2012 (6,607)                                 | 50.05     | 04.09.2012 (346)                                  | 62.58                        | 9,01,268                                    | 5,64,04,299          |
| 2013        | 79.90      | 11.01.2013 (6,248)                                 | 39.20     | 06.12.2013 (300)                                  | 61.38                        | 10,36,438                                   | 6,36,20,885          |
| February'14 | 49.75      | 24.02.2014 (523)                                   | 42.10     | 28.02.2014 (2,313)                                | 45.38                        | 9,875                                       | 4,48,118             |
| March'14    | 52.55      | 12.03.2014 (456)                                   | 42.00     | 20.03.2014 (8,374)                                | 45.19                        | 80,581                                      | 36,41,146            |
| April'14    | 56.50      | 28.04.2014 (1,104)                                 | 44.00     | 03.04.2014 (1,981)                                | 47.80                        | 25,948                                      | 12,40,253            |
| May'14      | 83.00      | 30.05.2014 (24,790)                                | 49.00     | 02.06.2014 (2,281)                                | 67.78                        |   |                      |