

To

31.07.2020

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Dear Sir / Madam,

Sub: Intimation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Update on impact of Covid-19 on the Company

Ref: Company Code – 532406

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. SEBI/HO/CFD/CMD 1/CIR/P/2020/84 dated 20th May, 2020, we would like to inform you that the Company is continuously monitoring the situations prevailing due to CoVID-19 and taking various measures to ensure the safety and wellbeing of all employees and is ensuring compliance with the directives issued by the Central Government, State Governments and local administration in this regard and adopted Work from Home for employees, wherever feasible to minimize the risk and contain the spread of CoVID-19. Below is the update on the impact of CoVID-19 on the Company:

1. Impact Of Covid-19 Pandemic On The Business:

- (i) All the operations were disrupted since third week of March, 2020 and the company after taking requisite Government permissions saw partial resumption of operations since early April, 2020, as this was part of Government denominated essential services sector. To ensure seamless functioning of our operations, the company has taken care to communicate with its employees, stakeholders, customers, vendors etc. through digital communications and ensuring hassle-free services to customers and proper information to shareholders. Virtual meetings and discuss adopted.
- (ii) The company is committed to the well-being, health and safety of its employees and support staff. It continuous to take all the necessary measures to contain the COVID-19 pandemic and abide by the directions and advisories issued by the central/ state /Municipal Govt. authorities .All office, factory locations were shut down on announcement of a lockdown by the government and work from home policy was enforced by the company. Notwithstanding the remote working conditions, the company continued to maintain the spirit of collaboration and a healthy morale among the employees across the organization through regular check-ins and various engagement and support led initiatives using virtual platform. However, due to this

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

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pandemic situation, there was a slight disturbance in the supply chain of the company which include foreign suppliers.

2. Ability to maintain Operations including factories/office spaces:

As stated above, the Company had to suspend operations for few days, starting from 25th March, 2020 till first week of April due to Lock Down restrictions. The company has taken conscious series of measures for uninterrupted operations and ensuring safe environment. Transportation of materials got severely hampered due to strict lock down restrictions. Company was able to resume the operations to normalcy by strictly maintaining social distancing and hygienic practices, for the safety of the people at factories and corporate office. As on date the Company's operations have fully resumed with safety precautions for our employees.

3. Schedule, if any, for Restarting the Operations and steps taken to ensure smooth functioning of operations

- (i) As stated earlier, with the lifting of lockdown restrictions Company has resumed its operations across its locations, after establishing through and well- rehearsed safety protocols and following Guidelines/SOPs/ circulars issued by the Central/state/Local Governments. These protocols include encouraging suppliers to take prior appointment to before a visit to the factory, sanitizing raw materials and good before and after delivery, allowing limited number of persons inside the factory in a staggered manner, thermal screening, usage of automatic sanitizer dispensers and compulsory use of face masks etc. Nodal officers have been appointed at factory and other office places of the Company for implementation of these Standard Operating Procedures.
- (ii) Several email communications were shared with employees sensitizing them of the prevailing situation, guiding them to take precautions and safe guards during Covid-19, recommended measures given by the Ministry of Ayush for immunity, enforcing wearing masks, washing of hands several times, and usage of Arogya Setu App on mobile.
- (iii) In addition, all the work places of Factory and corporate office being sanitized at regular intervals as per the SOPs issued by Ministry of Health and Family welfare.

5. Estimation of Future Impact of Covid-19 on the Operations of the Company

As many countries are facing second and third wave of CoVID-19 pandemic, it is very difficult to estimate the future impact on the Company, as major part of Company's business depends on Defence and Aerospace. However, Management of the Company is optimistic on the business operations of the Company as the Company has strong customer base widely spread across the globe and is not specifically dependent on any region.

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6. Impact Of Covid-19 On The Capital And Financial Resources, Profitability, Liquidity Position, Ability To Service Debt And Other Financing Arrangements, Assets, Internal Financial Reporting And Control, Supply Chain, Demand For The Products Of The Company

- (i) The company is taking all requisite measure to manage liquidity that include cost reduction, fund management and focus on collections. The Company is looking at all available options that include long term funding and alternate working capital availability to manage liquidity in the current situation. Its ability to service its debts and financing obligations on time remains unaffected. As an organization we are challenging all costs and also restructuring organization to ensure efficiencies. In line with the prevailing market conditions and unprecedented challenges, the company has undertaken the process of cost rationalization & various cost control measures related to sales & marketing, manpower, rentals and other to minimize the impact on the business due to pandemic.
- (ii) As on date the Company has adequate liquid current assets and unutilized credit lines which will enable adequate cushion against any sensitivity. The Company is having adequate resources for meeting its debt servicing and for the operations. The financial reports and control aspects continue to be robust in the Company. The Company had already tied up the financial arrangements for the working capital requirements hence no hurdles are anticipated on the execution of the projects other than occasional logistics issues, in general.

7. Existing Contracts/Arrangements Where Non-Fulfillment Of The Obligations By Any Party Will Have Significant Impact On The Business Of The Company

With the existing established relationships across the world, the Company is not anticipating any non-fulfillment of obligations by the Company as also towards the Company by any vendors/clients etc. However, under the current conditions, Company is continuously monitoring these aspects and is geared up to take any corrective steps as and when required. Any material change in the business operations and its impact will be updated from time to time.

8. Any Other Relevant Updates

The management team is continuously monitoring the situation so that timely effective steps can be taken.

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9. Impact on Financial Statements:

The Company published its fourth quarter and year ended 31st March, 2020 results on 9th May, 2020, Conducted Virtual Annual General Meeting for financial year 2019-20 on 25th June, 2020 and Published its Financial Results for the First quarter ended on 30th June, 2020 on 27th July, 2020.

This is for your information and records.

Thanking you,

For Avantel Limited



M Murali Krishna
Company Secretary and Compliance Officer

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