

20th Annual Report
FY 2014-15
Ortel Communications Ltd.



Ortel
communications
AN ISO 9001: 2008 COMPANY

One Cable, Many Solutions

BUREAU VERITAS
Certification



008



Listing Ceremony on 19.03.2015 at NSE

Board of Directors



Mr. Baijayant Panda

Non Executive Director Cum Chairman

He is the Chairman and co-founder of the Company. He holds a bachelor's degree of science in scientific and technical communication from the Michigan Technological University. He has experience in media sector operations, strategic and financial planning, capital structuring, mergers and acquisitions. He also serves as the vice chairman of Indian Metals & Ferro Alloys Limited. He is also a Member of Parliament (Lok Sabha) from the state of Odisha. Further, Mr. Panda has been awarded the prestigious 'Bharat Asmita National Award', the award for best parliamentary practices by the Chief Justice of India in 2008.



Mrs. Jagi Mangat Panda

Managing Director

She is the Promoter and Managing Director of the Company. She holds a

bachelor's degree in biology and chemistry from Osmania University and also participated in the middle management programme of the three-tier programme for management development at the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 19 years of experience in the media and broadcasting industry.



Dr. Joseph Puliparambil

Non Executive and Independent Director

He holds a master's degree in science from the University of Madras. He also holds a masters' degree in business administration from St. Joseph's University, Philadelphia. He was awarded a doctorate of philosophy in electrical and computer engineering from Marquette University. He is currently serving as the director of Marian International Institute of Management, Kuttikkanam and has previously has been associated with XLRI and Xavier Institute of Management, Bhubaneswar, Odisha as a professor. He was a visiting scholar at Campion Hall, Oxford University, United Kingdom in 2007.



Mr. Subhrakant Panda

Non Executive Director

He holds a bachelor's degree of science in business administration from the School of Management, Boston University. He is presently the managing director of Indian Metals & Ferro Alloys Limited. He is also a member of the executive committee of FICCI. He has been recognised as a member of the "Beta Gamma Sigma Honour Society for Collegiate Schools of Business", "Golden Key National Honour Society" and named amongst the "Who's Who Among Students in American Universities and Colleges".



Dr. Gautam Sehgal

Non Executive Director

He holds a bachelor's degree in medicine and surgery from the University of Mysore and owns the Sehgal Neurological Research Institute in New Delhi. He has more than 23 years of experience in the medical profession.


Mr. Jyoti Bhusan Pany

Non Executive and Independent Director

He holds a bachelor's degree in chemical engineering from the, Nagpur University. Mr. Pany is currently a Director on the board of Radiant Telesystem Limited, a member of the Radiant Group of Companies, Odisha and has more than 25 years of experience in various industries including telecom manufacturing, information technology and mechanical engineering.


Mr. Gautam Buddha Mukherji

Non Executive and Independent Director

He has served in the Indian Administrative Service since 1973 in various positions in Odisha and New Delhi and retired on July 31, 2010. He was the Secretary to Ministry of Tribal Welfare from June 2007 till July 31, 2010. He has also served as the chairman-cum-managing director of Orissa Electronics Development Corporation. He has also held position

as Government nominee for about four years on the Board of Neyveli Lignite Corporation, a public sector undertaking, under the Ministry of Coal, Government of India.


Mr. Debaraj Biswal

Non Executive and Independent Director

He is a fellow member of the Institute of Cost Accountants of India. He has 30 years of experience in power sector. He has also served as the chief executive officer and administrator of the CESU. He is currently acting as the managing director of the Bhubaneswar Stock Exchange Limited.


Major (Retd.) Rabi Narayan Misra

Non Executive and Independent Director

He was associated with the Indian Metals and Ferro Alloys group in the year 1981 as the deputy general manager and retired in the year 1993 as the executive vice president. During this period, he was responsible for the overall operations of the group and had detailed experience in project management, operations, maintenance, marketing, finance and public relations. Major Misra is currently a director on the board of Indian Metals & Ferro Alloys Limited.


Mr. Kadambi Seshasayee

Non Executive and Independent Director

He holds a master's degree in mechanical engineering from the Indian Institute of Technology, Madras. Mr. Seshasayee has over 35 years of experience in the telecom and media industry.

Audit Committee

Mr. Jyoti Bhusan Pany- Chairman
Mrs. Jagi Mangat Panda
Mr. Debaraj Biswal
Mr. Kadambi Seshasayee

Nomination & Remuneration Committee

Dr. Joseph Puliparambil- Chairman
Mr. Baijayant Panda
Dr. Gautam Sehgal
Major (Retd.) Rabi Narayan Misra

Stakeholders' Relationship Committee

Mr. Debaraj Biswal- Chairman
Mr. Jyoti Bhusan Pany
Dr. Gautam Sehgal

Risk Management Committee

Mrs. Jagi Mangat Panda- Chairperson
Mr. Kadambi Seshasayee
Mr. Debaraj Biswal
Mr. Subhrakant Panda

Statutory Auditors

M/s. Haribhakti & Co. LLP, Chartered Accountants, Kolkata

Internal Auditors

M/s SCM & Associates, Chartered Accountants, Bhubaneswar,

Secretarial Auditor

M/s. Kumar Suresh & Associates, Gudgaon

Bankers

Karnataka Bank Limited
UCO Bank Limited

**Registrar & Share Transfer Agent
(Both for physical & demat)**

M/s. Karvy Computershare Private Ltd, Hyderabad

Registered Office

B7/122A, Safdarjung Enclave, New Delhi-110029
Corporate Identity Number: U74899DL1995PLC069353
Telephone: +91 11 4686 8800, Facsimile: +91 11 4686 8801

Corporate Office

C-1, Chandrasekharpur, Bhubaneswar-751016, Odisha
Telephone: +91 674 3983 200; Facsimile: +91 674 2303 448,
Email: ipo@ortelgroup.com

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20TH ANNUAL GENERAL MEETING

Day : Monday

Date : 27 July, 2015

Time : 10.00 A.M.

Venue : LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016

Important Communications to Members:

- Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, issue of duplicate share certificates etc. to Karvy Computershare Private Limited Vittalrao Nagar, Madhapur, Hyderabad - 500081, India. Or at the Company at B-7/122A, Safdarjung Enclave, New Delhi-110029.
- The process and manner of e-voting is being sent to all the members whose e-mail Ids are registered with the Company/ Depository Participant /Share Transfer Agent for communication purpose through electronic mode. For members who have not registered their e-mail Ids as above, the process and manner of e-voting is provided in a separate sheet as enclosed along with this Annual Report / e-mail separately.

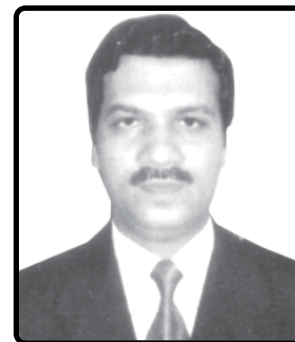
Management Team



Mr. Bibhu Prasad Rath
President &
Chief Executive Officer



Mr. Man Mohan Pattnaik
Chief Technology Officer



Mr. Chitta Ranjan Nayak
Senior Vice President
(Operations)



Mr. Bibhu Prasad Mohapatra
Associate Vice President
(Corporate Affairs)



Mr. Manoj Kumar Patra
General Manager
(Finance & Accounts)



Mr. Kapilendra Swain
General Manager
(Internal Audit)



Mr. Mihirkanta Samal
Sr. General Manager
(Operation)



Mr. Himanshu Sekhar Mohapatra
General Manager
(Human Resources)



Mr. Lalit Kumar Mohanty
Company Secretary &
Compliance Officer

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of the Company shall be held on Monday, 27 July, 2015 at LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Financial Statements as at March 31, 2015 including the audited Balance Sheet as at March 31, 2015, Profit & Loss Account for the year ended on that date along with all annexures thereto and the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Dr. Gautam Sehgal (**DIN 0034243**), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as ordinary resolution.

RESOLVED THAT, pursuant to the provisions of section 139, 142 and other applicable provision of the Companies Act, 2013 ("Act") read with Companies (Audit and Auditors) Rule, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, Kolkata, (ICAI Firm Registration no. 103523W) being eligible, as the Statutory Auditors of the Company for FY. 2015-16 be and is hereby ratified with such remuneration plus applicable tax, out-of-pocket, travelling and living expenses, etc as may be mutually agreed by Board or any committee of Board and Auditors .

SPECIAL BUSINESS:

4. To consider and approve revision of remuneration of Managing Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an "**SPECIAL RESOLUTION**":

"RESOLVED THAT, pursuant to the provisions of sections 196 and 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014, Listing agreement of the stock exchanges including any other laws, rules etc as may be applicable from time to time and any statutory amendment by way of addition, deletion, modification, clarification, circular, notification etc thereto from time to time, and also subject to approval or consent of Central government and any other authorities, required if any, the consent of the members be and is hereby accorded for increase of present remuneration of Mrs. Jagi Mangat Panda, Managing Director of the Company (DIN-00304690) from Rs.48.00 lakhs per annum to Rs.65.00 lakhs per annum excluding exempted perquisites and allowances which will not be included in calculating managerial remuneration as specified in Schedule V of the Act .

RESOLVED FURTHER THAT, Mrs. Jagi Mangat Panda, Managing Director shall be paid the aforesaid remuneration as minimum remuneration even in the event of absence or inadequacy of profits in any financial year during the tenure of Mrs. Jagi Mangat panda,

Managing Director, in excess of limits prescribed under sections 196 and 197 of the Act."

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, Board of Directors, Nomination and remuneration Committee be and are hereby severally authorized to take all actions and do all such acts deeds, matters and things, as may be required in due compliance."

5. To consider and approve remuneration of Non Executive Directors.

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 sections 196 and 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014, Listing agreement of the stock exchanges including any other laws, rules etc as may be applicable from time to time and any statutory amendment by way of addition, deletion, modification, clarification, circular, notification etc thereto from time to time, and also subject to approval or consent of Central government and any other authorities, required if any, the consent of the members be and is hereby accorded for payment of managerial remuneration to the non-executive directors up to 0.50% of the net profit calculated in accordance with the provisions of section 198 of the Act to be paid for 3 years based on the previous financial year's net profit of the Company.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, Board of Directors, Nomination and remuneration Committee be and are hereby severally authorized to take all actions and do all such acts deeds, matters and things, as may be required."

6. To consider and approve reappointment of Dr. Gautam Sehgal, Non-Executive Director as Independent Director.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an "**ORDINARY RESOLUTION**":

"RESOLVED THAT, Subject to compliance of all the applicable provisions of Companies Act, 2013 ("**the Act**") read with Companies (Appointment and Qualification of Directors) Rule, 2014 ("**the Rule**") and Schedule- IV of the Act, listing agreements of the Stock Exchanges including any other laws, rules etc as may be applicable from time to time and any statutory amendment by way of addition, deletion, modification, clarification, circular, notification etc thereto from time to time, **Dr. Gautam Sehgal (DIN-0034243)**, a Non-Executive Director of the Company, who has submitted his willingness and a declaration of meeting the criteria of independence as provided in section 149(6) of the Act and who is being eligible for appointment, be and is hereby reappointed as a Non-Executive Independent Director (" Director") for a period of 5 years from the date of this Annual General Meeting till the conclusion of 25th Annual General Meeting of the Company, not liable to retire by rotation during his appointment."

7. To approve keeping and maintaining of statutory books and Registers and other documents at a place other than registered office under Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **"SPECIAL RESOLUTION"**:

RESOLVED THAT, Pursuant to the compliance of provisions of Companies Act, 2013 read with Companies (Management and Administration) Rule, 2014, Listing agreement of the Stock Exchanges, Articles of Associations of the Company including any amendment, modification, substitution and otherwise thereof from time to time and subject to such approvals and consents as may be required, the consent of the members be and is hereby accorded to keep and maintain the register of members and index of members separately for each class of equity and preference shares, register and index of debenture holders if any, register and index of any other Security holders if any, Register of Renewed and Duplicate Shares / Debentures / Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books be kept at the registered office of the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited, Hyderabad.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, documents etc. as aforesaid be kept open for inspection between the hours of 2.00 p.m. and 4.00 p.m. on any working day of the Registrars except when the Registers and Books are closed."

FURTHER ALSO RESOLVED THAT, all other statutory registers, minute books and index thereof including other books as may be required to be maintained by the Company at registered office be and are hereby maintained at corporate office of the Company at C-1, Chnadrasesharpur, behind RMRC, near BDA colony, Bhubaneswar-751016, Odisha.

RESOLVED FURTHER THAT, all these registers, index and books etc. as aforesaid be kept open for statutory inspection, if any between the hours of 2.00 p.m. and 4.00 p.m. on any working day of the Company at Corporate office.

FURTHER RESOLVED THAT, Board of Directors including any committee thereof, any director including Managing Director, President & CEO, General Manager (Finance & Accounts) and Company Secretary be and are hereby jointly and/ or severally authorized to take all such steps and to do all such acts, deeds and things for due compliance in this regard and act upon.

8. To ratify remuneration of Cost Auditors of the Company for FY. 2015-16

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **"ORDINARY RESOLUTION"**:

"RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit

and Auditors) Rules, 2014 ("the Act") , the consent of the Company be and is hereby accorded for ratification of the below remuneration to M/s. NIRAN & CO., Cost Accountants, Bhubaneswar, Odisha as the Cost Auditors of the Company for the financial year 2015-16 as recommended by audit Committee and approved by Board of Director of the Company

a) Rs. 70,000/- plus out of pocket expenses & tax as applicable for conducting the Cost audit of the Company.

9. To Consider and approve amendment of ESOS 2010

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **"SPECIAL RESOLUTION"**:

"RESOLVED THAT pursuant to the applicable provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, listing agreement with stock exchanges and any other applicable laws, rules and regulations for the time being in force, if any, including any amendment, modification, substitution, enactment and otherwise thereof for the time being in force and subject to such approvals and consents as may be required, if any, the new Employee Stock Option Scheme 2015 ("the ESOS 2015") in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 as recommended by Nomination & Remuneration Committee and Board of Directors be and is hereby approved and adopted in substitution of the existing Employee Stock Option Scheme 2010 ("ESOS 2010").

FURTHER RESOLVED THAT, an irrevocable Trust be and is here by executed to acquire shares of the Company from secondary market and manage them for the benefit of the employees with such power and duties as may entrusted to them by Nomination & Remuneration Committee from time to time for the administration of trust.

FURTHER RESOLVED THAT, Board of Directors, Nomination & Remuneration Committee or any other committee of directors, any Director including Managing Director of the Company, and such other officers or Company Secretary as may be delegated by Board and Committee be and are hereby jointly / severally authorized to take all such steps and do all such incidental and ancillary things, acts and deeds as may be necessary and expedient from time to time for giving effect to such resolution and for necessary compliance in this regard.

Place: Bhubaneswar

By the order of the Board

Date: 20 April, 2015

For Ortel Communications Ltd

(Lalit Kumar Mohanty)

Company Secretary & Compliance Officer

Notes:

1. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself / herself and the proxy need not be a member. Proxies in order to be valid must be received by the company not later than 48 hours before the commencement of the meeting. The relevant proxy form is attached herewith.
3. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that member holding more than 10% 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 proxy for any other person or member.
5. The members/Proxies are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
7. In case of joint holders attending the meeting, 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.
8. The members are requested to intimate to the Company, queries, if any, at least 7 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. The Company has decided to close the Register of Members and the Share Transfer Register for a period of six days from 21 July, 2015 to 26 July, 2015 (both days inclusive).
10. Trading in the shares of the Company can be done in dematerialized form only. Dematerialisation would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
12. The Notice of the AGM, and instructions for e-voting and the Annual Report of the Company for the year ended 31 March, 2015 is uploaded on the Company's website www.ortelcom.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office and Corporate Office for inspection during normal business hours on working days. Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
13. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the Annual General Meeting is annexed to this Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
14. 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 the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and all the items of the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (Karvy). The instructions for e-voting are as under:
 - i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
 - ii) Enter the login credentials (i.e., user-id & password) mentioned on the remote e-voting Form. Your folio/DP Client ID will be your User-ID.

User - ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) 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 the remote evoting form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- i) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
 - ii) Members can cast their vote online from 23 July, 2015 @ 9.00 AM to 26 July 2015 @ 5.00 PM
 - iii) After entering these details appropriately, click on "LOGIN".
 - iv) Members holding shares in Demat/Physical form will now reach Password Change menu wherein 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 **Karvy Computershare 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 1st 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.
 - v) You need to login again with the new credentials.
 - vi) On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.
 - vii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
 - viii) 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 shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
 - ix) 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.
 - x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xi) Corporate/Institutional Members (corporate /FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to scrutinizer@ortelgroup.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and corporate office of the Company during normal business hours (10:00 a.m. to 06:00 p.m.) on all working days, up to and including the date of the Annual General Meeting of the Company.

Explanatory statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following Explanatory Statement pursuant to Companies Act, 2013 (hereinafter referred to as 'the Said Act') sets out all the material facts relating to the proposed Special Business.

Item No. 4:

Ms. Jagi Mangat Panda, was reappointed as Managing Director of the Company for further period of five (05) years at the Annual General Meeting (AGM) held on 28 September, 2012 with a remuneration of up to Rs.48.00 lakhs per annum as per Schedule -XIII of the erstwhile Companies Act, 1956. As per the schedule, resolution approving the remuneration is valid for three years. So the remuneration of Managing Director requires approval again.

Further, the remuneration of the Mrs. Panda has not been increased since the date of first approval in 2012 and Company is now proposing to revise her remuneration from the present remuneration of Rs.48.00 lakhs to Rs.65.00 lakhs subject to approval of members.

As per Section 197 of the companies act, 2013, Company can pay upto 5% of the net profit as managerial remuneration to one whole time Director and accordingly Mrs Panda is eligible upto Rs.28.00 Lakh p.a. as remuneration.

However, as per Section II of Part II of Schedule V read with section 196 and 197 of the Companies Act, where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, without Central Government approval, pay higher remuneration to its managerial person based on the effective capital of the Company.

As per the last Audited accounts for FY. 2014-15, the effective capital of the Company is more than Rs.100.00 Crs but less than Rs. 250 Crs. So the Company is proposing to pay Rs. 65.00 lakhs per annum subject to approval of shareholders by special resolution.

Note: Effective Capital" means

The aggregate of the paid-up share capital (excluding share application money or advances against shares); amount, if any, for the time being standing to the credit of share premium account; reserves and surplus (excluding revaluation reserve); long-term loans and deposits repayable after one year (excluding working capital loans, over drafts, interest due on loans unless funded, bank guarantee, etc., and other short-term arrangements) as reduced by the aggregate of any investments (except in case of investment by an investment company whose principal business is acquisition of shares, stock, debentures or other securities), accumulated losses and preliminary expenses not written off.

So considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities

borne by Mrs. Panda and the industry standards, the Board of Directors of the Company at its Meeting held on 20th April, 2015 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved increase of her remuneration from the present remuneration of Rs.48.00 lakhs per annum to Rs. 65.00 lakhs per annum based on the effective capital of the Company.

No Director and Key Managerial Personnel or their respective relatives except Ms. Panda, Mr. Baijayant Panda and Mr. Subhrakant Panda and their respective relatives is deemed to be concerned or interested in this item of business.

The copies of relevant resolution of the Board is available for inspection by members at the registered office and corporate office of the Company during working hours on any working day till the date of this Annual General Meeting.

The Board recommends this resolution for your approval.

A Statement of additional informations and other particulars as required under Section II of Part II of Schedule V are provided in the Annexure attached to this Notice.

I. General Information:

(1) Nature of industry:

The Company is engaged in the business of providing cable television service and high speed Broadband service.

(2) Date or expected date of commencement of commercial production

The Company got the commencement certificate on 02 June, 1995.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

(4) Financial performance based on given indicators

Sl. No	Particulars	FY. 2014-15
(i)	Turnover	16112.12
(ii)	Profit/(Loss) before tax	705.67
(iii)	Net Profit/(Loss) after tax	559.91

(5) Foreign investments or collaborations, if any.

The Company has not entered into any foreign collaborations. The Company also has not made any foreign investments. The Foreign Investors are holding shares in the Company within the permitted limits.

II. Information about the appointee:

(1) Background details

Mrs. Jagi Mangat Panda was appointed as the Director of the Company on October 5, 1995. Mrs. Panda is the Promoter of the Company. She was appointed as the Managing Director of the Company on December 22, 2007. She holds a bachelor's degree in biology and chemistry from Osmania University and also has participated in the middle management programme of the three-tier programme for management

development at the Indian Institute of Management, Ahmedabad. She has more than 19 years of experience in the media and broadcasting industry.

(2) Past remuneration

Remuneration drawn by Ms. Jagi Mangat Panda for the period 1st April, 2014 to 31st March, 2015 is Rs,42.11 lakhs

(3) Recognition or awards

Mrs. Jagi Mangat Panda has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008.

(4) Job profile and his suitability

Mrs. Jagi Mangat Panda, Managing Director, is responsible for day-to-day management of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration her qualifications and expertise in this industry, she is best suited for the responsibilities of current assigned role.

(5) Remuneration proposed

Rs.65.00 lakhs including all perquisites and allowances other than exempted perquisites and allowances

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

Taking into consideration the size of the Company, the profile of Mrs. Jagi Mangat Panda, the responsibilities shouldered by her and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

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

Besides the remuneration proposed to be paid to her, Mrs. Jagi Managat Panda along with Mr. Baijayant Panda, Mr. Subhrakant Panda and also their relatives are directly or indirectly interested in the company both as shareholders and promoters of the Company. She along with other persons forming part of promoters and promoter groups and persons acting in concert control 51.38% of the total paid up capital of the Company as on 31 March, 2015

III. Other information:

(1) Reasons of loss or inadequate profits

Due to stiff competition, and higher overall expenditure including financial charges the company has incurred losses.

(2) Steps taken or proposed to be taken for improvement

The Company has taken various strategic measures to increase revenue and to reduce overall cost of expenditure. The company has made net profit of Rs.559.91 lakhs in FY. 2014-15.

(3) Expected increase in productivity and profits in measurable terms.

After making profit in FY 2014-15, the Company is hopeful of further improvement in margins going forward as a result of deeper penetration in the Cable business along with continued focus on the high-margin Broadband segment and inorganic buy out strategy, the company is expecting to

achieve significant growth both in terms turnover and profitability

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report in the Corporate Governance Report Section under the heading "Remuneration paid / payable to Managing Director for the year ended 31st March, 2015.

Item No. 5:

As per the section 197 of Companies Act, 2013, Company can pay up to 1% of the net profit as managerial remuneration to all the Non-executive Directors where there is managing director or whole time director (s) excluding sitting fees paid for attending meetings.

Presently, the Company is paying sitting fees only. Since the Company has made profit in FY. 2014-15 and considering the contribution of all the Non-executive Directors and role played by them for the growth of the company, it is now proposed to pay managerial remuneration up to 0.50% of the net profit as calculated in accordance with the provisions of section 198 of the Act subject to approval of the shareholders. This will be paid based on net profit of the previous year. The above limit (%) shall be valid for 3 financial years. This remuneration will be distributed amongst the Directors in ratio of their No. of Board meetings attended by each Director during previous financial year. Board of Directors, on recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders have approved the business item.

All the Directors of the Company except Managing Director are concerned or interested in the business item to the extent of the remuneration that may be received by each of them.

Item No. 6:

Dr. Gautam Sehgal was appointed as Non-Executive Director w.e.f. 31.03.2000. However, it is now proposed to reappoint him as Non-Executive & Independent Director for a period of five years being eligible.

Board of Directors have recommended the proposal for appointment of Dr. Sehgal as Independent Director for period of five years. Dr. Sehgal has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Dr. Sehgal fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Dr. Gautam Sehgal as Independent Director is now being placed before the Members for their approval. The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

Details of director proposed for re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Dr. Gautam Sehgal
Date of Birth	02.02.1965
Date of Appointment	31.03.2000
Experience in specific functional area	More than 20 years of experience in the medical profession and owns the Sehgal Neurological Research Institute in New Delhi
Qualification	Bachelor's degree in medicine and surgery from the University of Mysore
Directorship in other Public Limited Companies	1. A D S Diagnostic Ltd (Managing Director) 2. Cardiovas Medical Pvt. Ltd 3. Ved Med Software & Trading Pvt. Ltd
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	Not Applicable
Number of shares held in the Company	52,750

Except Dr. Gautam Sehgal and his relatives, none of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolution financially or otherwise.

Item No. 7:

Though the registered office of the Company is at New Delhi, the main business operation and corporate office is at Odisha. So for operational convenience, it is proposed to keep and maintain all the register and books of accounts at corporate office of the Company.

Further, Under the provisions of the Companies Act, 2013, (the "Act") certain documents such as the register of members and index of members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, Register of Renewed and Duplicate Shares / Debentures / Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books, are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorising the keeping of the register at any other place within the city, town or village in which the registered office is

situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.

M/s. Karvy Computershare Private Limited, Hyderabad, is Company's Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares / debentures / securities held in demat mode and also acting as the Share Transfer Agent for the shares / debentures / securities held in physical segment.

In view of the enabling provisions of new Companies Act, 2013 as explained above, it is proposed to keep the aforementioned Registers and documents at the premises of the R & T Agents as stated in the resolution.

Board of Directors have recommended the proposal for the approval of Shareholders. Shareholders may deliberate and approve the same.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolution.

Item No. 8.

Board of Directors of the Company on recommendation of Audit Committee, has approved reappointment of M/s.NIRAN & CO., Cost Accountants, Bhubaneswar, Odisha as the Cost Auditor of the Company for the Financial Year 2015-16 with same remuneration of Rs.70,000/- plus out of pocket expenses if any and tax. However, the said remuneration shall be subject to ratification by shareholders in the ensuing Annual General Meeting. Members may deliberate and approve the same as ordinary resolution.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolution.

Item No. 9.

Stock options are an effective instrument to align interests of employees with those of the Company and provide an opportunity to employees to participate in the growth of the Company besides creating long term wealth in their hands. This also helps the Company to attract, retain and motivate the best available talent in a competitive environment.

The Company had instituted the ESOP Scheme ("ESOS 2010") pursuant to the approval of Board and shareholders prior to IPO in compliance with SEBI ESOP Regulation 1999. Presently, the said scheme is being implemented by way of allotment of equity shares to the option holders, as and when they exercise their stock options. This results in proportionate dilution of equity stake of existing shareholders.

SEBI, vide recently notified SEBI (Share Based Employee Benefit) Regulation, 2014 ("Regulation"), has permitted companies to

implement employees' welfare schemes by way of secondary acquisition through ESOP Trust, subject to compliance of conditions stated in that Regulations and with the approval of the shareholders by passing of special resolution.

Under this route, the ESOP Trust is allowed to acquire the equity shares of the Company from the secondary market and utilize the same upon exercise of stock options by option holders. The said Regulation also permits providing financial assistance to the ESOP Trust for this purpose subject to the overall limits specified under the applicable Laws, if any.

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under said Regulations and other applicable Laws from time to time. The Nomination & Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the ESOP Scheme 2015. In terms of the provisions of the said Regulations, ESOP Scheme 2015 is required to be approved by the members by passing of special resolution.

ESOP Regulations also require separate approval of members by way of special resolution to grant stock options to the employees of holding and/or subsidiary companies. Accordingly, a separate resolution under this item is proposed to extend the benefits of ESOP Scheme 2015 to the employees of holding and subsidiary company (ies) as may be decided by the Compensation Committee from time to time under applicable Laws.

Accordingly, the Company has proposed to substitute the existing ESOS 2010 by new ESOS 2015 in line with new ESOP requirement and SEBI (Share Based Employee Benefits) Regulation, 2014.

A copy of the draft ESOP Scheme 2015 incorporating the proposed amendments, will be available for inspection on all working days (Monday to Saturday) between 11.00 a.m. and 1.00 p.m. at the registered office and Corporate office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options already held by them and also those may be granted to them under ESOP Scheme 2015.

The Board recommends passing of the resolution(s) as set out under Item for approval of the members as special resolution.

Place: Bhubaneswar

Date: 20 April, 2015

By the order of the Board

For Ortel Communications Ltd

(Lalit Kumar Mohanty)

Company Secretary and Compliance Officer

DIRECTORS' REPORT

To the esteemed Members,

We, on behalf of the Board of Directors of your company, take pleasure in presenting before you the 20th Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2015.

1. Financial Highlights

A summary of your Company's financial performance is given below:

(₹ in Crore)

Particulars	Year ending 31 March 2015	Year ending 31 March 2014
Total Operating and other Income	161.12	132.62
Operating Expenses	102.07	89.92
Earnings before Interest, Depreciation, Tax & Amortization (EBIDTA)	59.05	42.70
Interest and Financial Charges	22.59	23.42
Foreign Exchange Fluctuation	-	1.18
Earnings before Depreciation, Tax & Amortization (EBDTA)	36.46	18.10
Depreciation, Amortization & other exceptional expenses.	29.41	27.71
Earning before Tax (EBT)	7.06	(13.93)
Tax	1.46	(13.78)
Earning after tax (EAT)	5.60	(13.78)

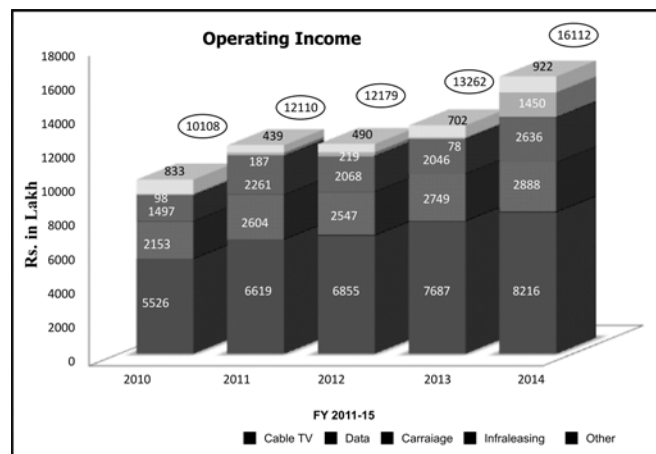
2. State of Company's affairs and Operational Results.

The highlights of the Company's performance are as under:

- Total Income increased by 21% to Rs. 1,61.12 cr from Rs. 1,32.62 cr of last financial year.
- EBITDA grew by 44% to Rs. 59.05 Crs from Rs. 42.70 cr of last financial year
- EBITDA margins stood at 37% in FY15 as compared to 31% in FY14.,
- Profit After Tax stood at Rs. 5.60 cr as compared to a Loss of Rs. 13.8 cr of last fiscal
- EPS amounted to Rs. 2.30 as compared to negative EPS of Rs. 6.5 of last financial year.

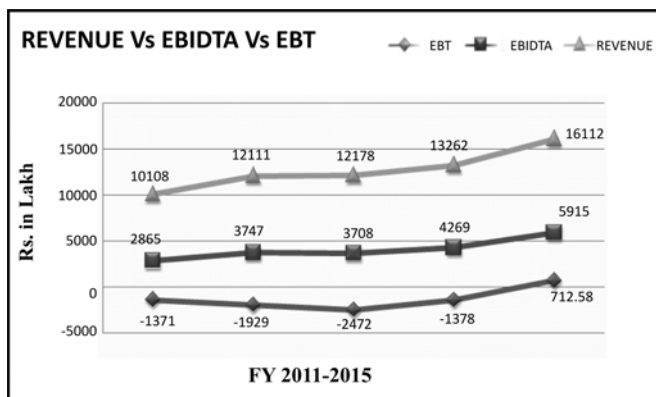
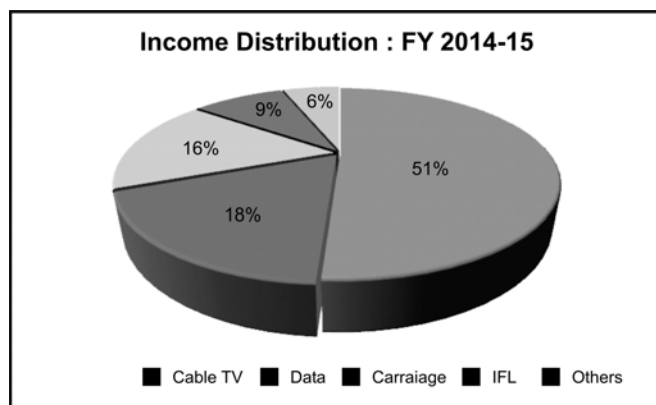
The Financial year 2014-15 has been a very successful and remarkable year as the Company has achieved EAT positive after a continuous loss for six years. The overall performance of the Company both in terms of Turnover and Earning after tax has significantly improved for the period under review due to over all growth of cable TV, Data, carriage fee and infrastructure leasing income.

**Achieved +ve PAT
and Looking Forward**

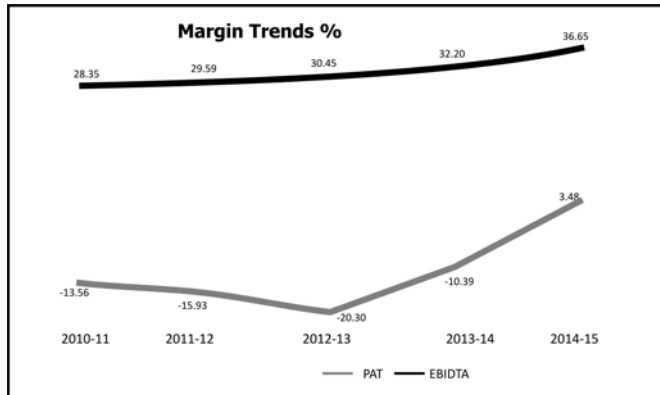


The contribution of each income stream to the total revenue is as below:-

Cable TV services has contributed 51 % to the total revenue during the year 2014-15. Data Services has attributed 18 % to the total revenue of the Company for the year. Infra-structure leasing has contributed 9% where as Carriage fees and other incomes have shared 16 % and 6 % respectively to the total revenue for FY. 2014-15.



During the year, Andhra Pradesh has turned EBIDTA positive and West Bengal is expected to be positive EBITDA in FY.2015-16. The company has also taken several initiatives in Chhattisgarh to reduce losses and we expect a marked improvement in EBIDTA performance in Chhattisgarh in the year 2015-16.



Review of Operations

ii) Cable TV Operation:

During the year under review, your company continued to be a dominant player in the Cable TV market in Odisha and has continued to consolidate its position in the other emerging markets too where operations were launched in last few years (Chhattisgarh, Andhra Pradesh & West Bengal). The total Cable TV customer base (Analog and Digital) has been increased to 471,592 (Previous Year: 461,408) as on 31.03.2015.

With digitalization mandated by the Government of India for mandatory digitization of cable TV signal across India, your company has already started converting more subscribers to digital cable tv platform. As your Company's distribution network is 100% digitally ready and possess

**"Ortel Digital" Ready
with HD and SD to
Serve all its Customers**

the capability to further digitize customers already in analog platform, your company is contemplating to complete the same in its major markets ahead of timelines announced by the government. Further by deploying funds raised in IPO which has been allocated for network expansion and development of digital cable services, the Company is expecting to improve substantial Subscriber Base and revenue in FY 2015-16 and your company is taking aggressive steps in this direction.

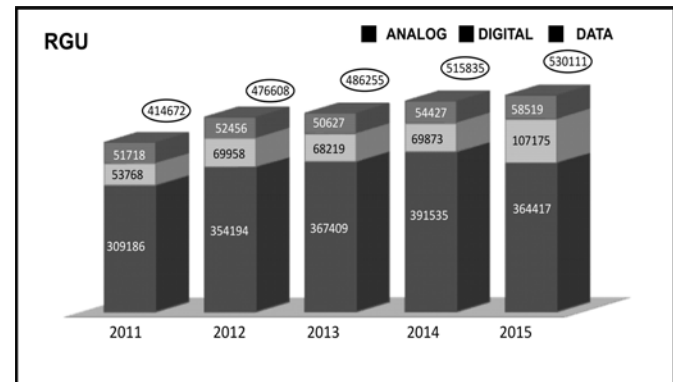
ii) Data Operation:

During the year under review, your company continued to be a significant Data Services provider in the market it operates in spite of severe competition from wireless service providers notably the national telecom companies. The total subscriber base as on 31.03.2015 is 58,519 (Previous Year: 54,427). Though the growth in subscriber numbers during the year has been tough owing to lack of capital, but with better quality services, improved customer care and with aggressive marketing campaign plan and by deploying IPO proceeds set aside for expansion of network and development of data service, the Company is hopeful of increasing the growth trend of customer base in the coming years.

Further, the Company is in the process of upgrading present technologies of DOCSIS 2.0 standard used in cable modem for providing data services to DOCSIS 3.0 which once implemented will enable provision of broadband services at a higher speed which will result in more customer base and better service to the customers.

**"Ortel Broadband"
Offering High speed
Broadband upto 50
Mbps powered by
DOCSIS 3.0 Tech.**

In total, your company has achieved total RGU base of 530,111 during the year (previous year 515,835), out of which 88 % are on its own last mile network.



Your Company also provides high bandwidth dedicated leased line service to various corporate subscribers. As on 31 March, 2015, your Company has provided 784.50 Mbps (Previous year 718.50 Mbps) bandwidth to various corporate customers, a 9.18% growth over previous year.

iii) Infrastructure leasing:

During the year, the Company has aggressively pursued as another major revenue generating stream by leasing out its own infrastructure to corporate clients for their communication requirement and has leased out to various corporates a total of 761.42 kms as on 31 March, 2015. With rapid industrialization in our target market, Company expects continued growth from providing these services.

3. Dividend

Though the Company has reported profits for the year, no dividend is being recommended due to accumulated losses for the past Financial Years.

4. Particulars of Employees

Information as per section rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 read with Companies (Particulars of Employees) Rules, 1975, is not applicable.

5. Observations of the Auditors

Observations of the Auditors on the Annual Accounts of the Company are annexed as part of "Auditors' Report". The observations made in their report have been dealt elsewhere within the Notes to the Accounts which are self-explanatory.

6. Directors' Responsibility Statement

Yours Directors hereby certify:-

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) that the directors had selected such accounting policies and applied them consistently and made judgment and estimates that they are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- d) that the directors had prepared the annual accounts on a going concern basis.
- e) 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.
- f) 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.

IPO

Your Board is pleased to inform you all that, the Company has successfully completed the Initial Public Offer (IPO) of the Company and got listed on both National Stock Exchanges of India Limited (NSE), being the designated Stock Exchange and BSE Limited (BSE) on 19 March, 2015. The issue was open for subscription on 03 March 2015 and closed on 05 March 2015. Out of 1200 lakh shares issued for subscription, 96,52,500 shares including offer for sale by the selling shareholder, NSR PE Mauritius, LLC was subscribed by the investors at a price band of Rs. 181-200 per share. The final price per share was finalized as Rs. 181/- per share by IPO Committee of the Board. After final rejection of the applications for various reasons out of 96,52,500 shares subscribed by public, 95,93,850 Nos of total shares consisting of 60,00,000 nos. of fresh shares and 35,93,850 nos shares out of offer for sale (OFS) were allotted based on the basis of allotment approved by NSE (Designated Stock Exchange) and also IPO Committee on 12 March, 2015. Further, Company got final listing permission of both BSE and NSE on 17 March, 2015 and trading has been started w.e.f. 19 March, 2015.

8. Directors and Key Managerial Personnel.

During the year under review, Mr. Shantanu Yeshwant Nalavadi, the Nominee Director from NSR-PE Mauritius, LLC (NSR) has resigned from the Board w.e.f. 20 March, 2015 in compliance with the termination agreement executed between Company and NSR on 14 February, 2015 and the corresponding disclosure in the Prospectus as per SEBI (ICD) Regulation for IPO. The Board expressed its sincere thanks to Mr. Nalavadi for long standing association with the Company and guiding the Company for its success.

Further, Dr. Gautam Sehgal, Non-Executive Director of the Company is retiring at the ensuing Annual General Meeting. Your Directors have recommended his reappointment as Independent Director in the next AGM. The detailed resume of Dr. Sehgal who has offered for re-ap-

pointment is provided in the explanatory statement annexed to the notice of the Annual General Meeting. Further, Company has complied with the requirement of new Companies Act, 2013 relating to appointment of independent Directors and key managerial personnel. There are no other changes in the constitutions of the Board of Directors and key managerial personnel.

The Company has obtained declaration from Independent Directors as required under Section 149 of the Companies Act, 2013.

9. Share Capital

During the year under review, the Company had allotted 1,44,97,774 nos of 0.001% compulsorily convertible preference shares which got converted into 10,35,555 nos of equity shares.

During the same period, the Company has also allotted 35,500 equity shares under Employee Stock Option Scheme (ESOS 2010).

Further, as you know, during the year under review, the Company has allotted 60,00,000 nos of equity shares on 12 March, 2015 pursuant to the Initial Public Offer (IPO) of the Company under book building process.

10. Auditors:

a) Statutory Auditors

M/s. Haribhakti and Co. LLP, Chartered Accountants Kolkata, was appointed as Statutory Auditors of the Company at the last Annual General Meeting for a period of five years subject to ratification of their appointment by the shareholders in the Annual General meeting of the Company every year if eligible.

Your Directors have recommended M/s. Haribhakti and Co. LLP, Chartered Accountants Kolkata, being eligible, for ratification by the members of the Company in the next Annual General Meeting.

b) Cost Auditor

Terms of M/s. NIRAN & CO., Cost Accountants, Bhubaneswar, Odisha who was reappointed as Cost Auditor of the Company for Financial Year 2014-15 expired on 31 March, 2015.

Your Directors have approved their reappointment for FY. 2015-16 and their remuneration shall be ratified by the members in the ensuing Annual General Meeting.

c) Internal Auditor

Terms of M/s. SCM & Associates, Chartered Accountants, Bhubaneswar, Odisha who was reappointed as Internal Auditor of the Company for Financial Year 2014-15 expired on 31 March, 2015.

Your Directors have approved their reappointment.

d) Secretarial Auditor

Your Board has also appointed M/s. Kumar Suresh & Associates, Gurgaon, a firm of Practising Company Secretaries as Secretarial Auditor for FY 2015-16.

11. Public Deposits

During the period under review, your company has not taken any public deposit.

12. Corporate Governance:

Pursuant to clause 49 of the Listing agreement, a report on the corpo

rate governance, Management Discussion and Analysis, Certificate regarding Compliance of conditions of Corporate Governance, Secretarial Audit Report and Managing Director & CFO certification have been made part of the Annual Report

13 Conservation of Energy, technology, foreign exchange earnings and outgo

13.1 Conservation of energy

Conservation of RF ,Optical, Electrical and fuel energy is being accomplished by your company in economically responsible and beneficial ways by using power efficient equipment, broadband HFC network, provisioning system, ergonomics in the cable layout, cleanest and state of art technologies.Recent salient steps that are taken towards these methods in improving Conservation of Energy in efficient manner in your company are as under Increasing more deeper fiber by using Broadband HFC network in star structure has resulted less power consumption. Applying the strongest feasible energy efficiency standards to network opto electronics, RF products and signal quality.

13.2. Technology

Your company is one of the MSOs in India which has started Triple lay services over Broadband HFC network. It has chosen best, economical and state of art technologies.

Your company is using Cable Modem technology for high speed Internet access. The Company is also using Metro Ethernet ("MEN") and Ethernet over Cable (EoC) technology which engages different network topology for providing high speed data service at a lower cost.

Your company has adopted digital video technology to deliver qualitative video and audio using MPEG-2 and MPEG-4 Technology. Your company has also started HD TV services and offers HD channels to its subscribers in select markets.

Further, your company deployed Home Wireless Cable modems in the market and also conducted trials of Voice over Internet Protocol.

We have completed Trials and running pilot projects on other new technologies such as DOCSIS 3.0 Cable Modem and expect commercial deployment soon.

13.3. Foreign Exchange Earnings & Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Note No. 38 "Notes on Accounts" forming part of the Audited Annual Accounts.

Foreign Exchange Earning:	Nil
Foreign Exchange Outgo :	Rs. 1607.67 lakhs.

14. Certifications

Your company has been certified and recertified by Bureau Veritas Certification (India) Pvt. Ltd. (BVQI) to confirm with ISO 9001:2008 standardization for both cable and data services for Bhubaneswar, Cuttack, Rourkella and Sambalpur operational sites.

Your company has also received certification from BECIL (TRAI ap pointed Certifying Agency) for its digital Encryption and Subscriber Management System of digital services.Your company is the first of its kind in India to receive such certification.

15. Corporate Social Responsibility:

Your company has undertaken various social works as part of corporate social responsibility. It invests in Social programs for the underprivileged girl child, contributes towards their overall learning and personal growth, opens employment avenues and also it attempts to bring about significant and sustainable improvements in their standard of living. Your company's flagship CSR activity known as 'Ortel Dayitwa' provides financial support to girl children for college education. Ortel Dayitwa encourages girls to pursue education after secondary education with an objective to reduce dropouts after secondary education and also conducts various education awareness programs from time to time.

Further, as a part of its CSR initiatives, Ortel Dayitwa has tied up with "Gram Tarang Employability Training Services Pvt. Ltd. a social entrepreneurial outreach of Centurion University, Odisha" in partnership with National Skill Development Corporation to promote and provide vocational education to underprivileged youth thereby providing employment after successful completion of training and to encourage students to pursue higher education through University diploma/ degree programs.

The Company continues and shall continue to contribute towards social well being in future.

Further, as Company has made net profit of Rs. 5.59 Cr in FY 14-15, Section 135 of the Companies Act, 2013 and Listing agreement of the Stock Exchanges has become applicable which specifies constitution of a Corporate Social Responsibility Committee of the Board ("CSR Committee"). Accordingly, the Company will constitute ("CSR Committee") in F.Y. 2015-16.

16. Personnel & Industrial Relations

Personnel & industrial relations during the year were cordial & harmonious.

17. Acknowledgement

Your Directors place on record their sincere appreciation for the continued support from share holders, customers, suppliers, government authorities, banks and financial institutions and other business associates. A particular note of thanks to all employees of your company, without whose contribution, your company could not have achieved the year's results.

On behalf of the Board of Directors

For Ortel Communications Ltd

Jagi Mangat Panda
Managing Director

Jyoti Bhusan Pany
Director

Place: Bhubaneswar

Date: 20 April, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry over view:

Media and Entertainment Industry

The Indian Media and Entertainment ("M&E") industry, which comprises television, film, radio, print, music, the internet, animation, gaming, outdoor media and digital advertising, has been one of the fastest growing industries in India over the last few years. The Indian M&E industry grew from Rs. 821 billion in 2012 to Rs. 918 billion in 2013, registering an overall growth of 11.8 per cent. While low GDP growth and a weaker rupee ensured that growth in this industry remained muted in 2013 increased digitization of media products and growth in regional media ensured some resilience in the M&E industry. The industry is estimated to achieve a growth of 13.18 per cent in 2014 to touch Rs. 1,039 billion. Going forward, the sector is projected to grow at a healthy CAGR of 14.2 per cent to reach Rs. 1,786 billion by 2018. (Source: FICCI KPMG Report 2014)

India's Television Industry

The Indian television industry is slated on the path of continued growth, with increased digitization and the rollout of the mandatory DAS almost complete in in Phase I (the four metropolitan cities) and Phase II cities (38 cities in India with a population of over one million). In 2013, while carriage fees experienced an overall reduction of 15-20 per cent, the anticipated increase in ARPU and subscription revenues is expected to be realized over the next three to four years. (Source: FICCI KPMG Report 2014)

The number of households in India with television increased to 161 million in 2013, implying a penetration of 60 per cent. The number of C&S subscribers increased by 9 million in 2013, to reach 139 million. Excluding Doordarshan direct, the number of paid C&S subscribers in India is estimated to be 130 million. This C&S subscriber base is expected to grow to 181 million by 2018, representing 95 per cent of households with television, of which, paid C&S base is expected to be 171 million in 2013, representing 90 per cent of all TV households with television. (Source: FICCI KPMG Report 2014)

Indian broadcasting and pay-television ("Pay-TV")

industry

India's television distribution industry can be divided into three main categories:

- Terrestrial television
- Cable television
- DTH

Industry projections indicate that subscriber growth will remain strong between 2015 - 2017 as the DAS is implemented in Phase III and Phase IV cities. Pay-TV subscription revenues are projected to grow at a CAGR of 11 per cent between 2013 - 2018 and in contrast to the industry's volume-led growth between 2009 - 2013, the growth for the next five years will be led by increase in ARPUs. Pay-TV subscribers are expected to reach 165 million by 2018 and 180 million by 2023, implying a long-term penetration of 80 per cent, adjusted for multiple subscriptions. (Source: MPA Report 2014)

Industry projections further indicate that total digital cable subscription will reach around 50 million by 2018, and around 55 million by 2023. Growth in cable ARPU will be a function of analog and digital subscriber mix; the package mix; and the contribution of HD services. While monthly digital cable ARPU will grow from around USD 3.5 in 2013 to around USD 6.0 by 2023, overall cable ARPU growth will lag from USD 2.9 in 2013 to USD 4.4 in 2023 due to the prevalence of analog subscribers. (Source: MPA Report 2014)

Growth Drivers:

- (i) Increase in television Penetration in India:
- (ii) Increase in C&S Penetration:
- (iii) Increase in television Viewing Time:

Cable Television

India's cable television industry has grown rapidly since its inception almost twenty years ago, spurred by entrepreneurship and innovation from distribution platforms and content providers. Cable television is now established as a mass medium for entertainment and information, available in more than 134 million subscribers across India. This represents around 79.9 per cent of television-owning homes in the country. (Source: MPA Report 2014)

Digitization Mandate by the Government

The government has passed the The Cable Television Networks (Regulation) Amendment Bill 2011 (and subsequent notifications in relation to this amendment) that makes it mandatory to digitalise analog cable network throughout the country in four phases by December 31, 2016. The digitisation of cable networks will hugely benefit the government, broadcasters, MSOs and the consumer in the following ways:

- Lead to higher tax receipts for the government;
- An improved experience for consumers with more choice and services;
- Higher subscription fees and margins for broadcasters;
- Scalable business models for MSOs and LCOs with multiple services across the last mile including digital cable and high speed broadband; and
- Improve the distribution of Cable television subscription revenues between the broadcasters, MSOs and LCOs.

To support the process of mandatory digitalisation, the government raised the limit of foreign investment in broadcast services from 49 per cent to 74 per cent. This move is likely to help the MSOs in attracting new funding to supplement the funding requirements for digitalisation apart from enabling partnerships with foreign strategic players that will help bring in better technological know-how, particularly on rolling out of broadband internet and other value added services as relevant to the cable industry.

Impact of Digitization

Mandatory digitization will result in consolidation of the last mile cable industry. Larger operators will be keen to acquire the last mile as valuations for LCOs drop and operators successfully develop skill sets and necessary infrastructure as they transition to a B2C model.

Internet Broadband Industry

Pursuant to recommendations of TRAI, the GoI formulated Broadband Policy of 2004. In this policy, broadband was defined as an "always on" connection with downloads speeds of 256 kbps or more which has thereafter been changed to 512 kbps or more. As on March 2014, the total number of broadband subscribers were 60.87 million. Non broadband internet connections were 190.71 million, which comprises dial up connections working upto 56.6 kbps and other connections with speeds less than 512 kbps. (Source: TRAI, Indian Telecom Services Performance Indicators (January - March 2014). While broadband has been deployed using Cable Modems, xDSL technologies, fibre and wireless, in India xDSL has been predominantly used. As per TRAI data as on March 2014, 12.95 million wired internet subscribers utilized DSL.

Cable Internet Broadband

The cable broadband sector in India remains nascent with limited investments made in network rollout and upgrades, aside from a few well-capitalized MSOs. According to Media Partners Asia, total fixed broadband subscribers reached ~14.9 million at the end of 2013, 5.7 per cent penetration of total households. In contrast, telecom regulator TRAI estimated that wireless broadband services (via mobile phones and dongles) reached ~40 million at end-2013.

The advantage to cable operators will come in the form of large-scale fiber backhaul availability, which could reduce capital expenditure as well as time required to expand to new territories. Additionally, it also allows operators to focus on last mile upgrades to coaxial networks capable of providing broadband services.

Wireless Broadband

There were about 60.87 million broadband subscribers at the end of March 2014 (equal to or above 512 kbps) out of which wired broadband subscription is 14.86 million and wireless broadband subscription is 46.01 million. Out of such subscribers, wireless (dongle and phone) services is the most preferred technology, constituting 74.9 per cent of broadband subscribers, followed by wired broadband subscribers (24.41 per cent) and fixed wireless subscribers (0.65 per cent). (Source: TRAI).

"Broadband is key driver of the last mile cable business"

International Experience

The development of key cable markets globally provides important insight for India especially with respect to last mile consolidation, digitalization and the growth of broadband. Globally, the development of the cable business has focused on ownership of the last mile with cable MSOs operating as B2C businesses. Globally, the cable industry typically consolidates under the last mile B2C model with a handful of players emerging with a majority share of the market.

The US is a key last mile cable market with consolidation ensuring that nine MSOs have more than 90 per cent of last mile cable subscribers.

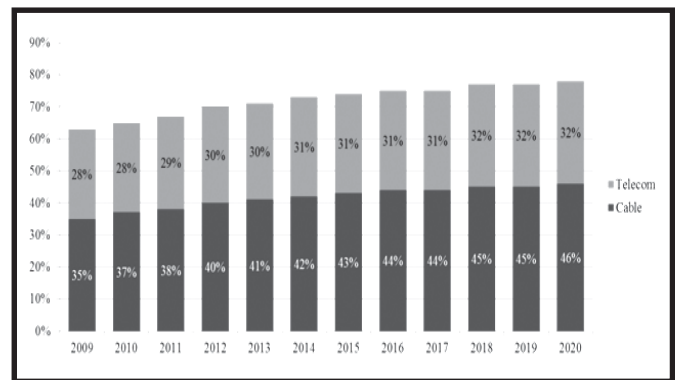
The key advantage for cable operators in global markets stems from return path or two way technological infrastructure. This allows cable operators to offer high-speed broadband services, bundled with digital television and various value added services such as VOD and

DVR. Product innovation, attractive tiering of content and the bundling of broadband services are key drivers of the cable television business proposition, creating a significant pull for consumers. Once the cable network is upgraded and digitalized, the ability to offer new services such as high-speed internet and telephony makes a compelling proposition.

Cable MSOs have rolled out DOCSIS 3.0 in more competitive, urban markets where telecommunications companies have deployed fiber; while in less-urban areas, cable has been competing with legacy DSL networks with average speeds of around 4 mbps. The growth of broadband has also driven significant changes in revenue composition of Comcast Cable's revenues derived from broadband and telephony. The same trend is evident in markets such as Japan, Taiwan and Korea as well as emerging markets such as Indonesia.

"Last Mile Cable" dominates the broadband market place in the USA

US Broadband Penetration Trends (As a per cent of HHS)



About Ortel:

Ortel Communications Limited ("the Company") is a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal. Company built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. It pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services in Orissa, Chhattisgarh, West Bengal and Andhra Pradesh. It currently hold a dominant position in Orissa, with a fast-emerging presence in three other markets, covering an addressable market of approximately five million homes (Source: MPA Report, 2014). It believes that its brand names, "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known in the regions in which it operates. Currently, business of the Company is broadly divided into (i) cable television services comprising of (a) analog cable television services; (b) digital cable television services including other value added services such as HD services, NVoD, gaming and local content; (ii) broadband services; (iii) leasing of fibre infrastructure; and (iv) signal uplinking services and (v) other value added services including NVoD, Electronic Program Guide ("EPG"), gaming and local content.

Your Company currently offer services in 48 towns and certain adjacent semi urban and rural areas with over 21,600 kilometers of cables supported by 34 analog head-ends and five digital head-ends. Company uses HFC (combination of optic fibre in the backbone and coaxial cable in the downstream) to build its network. It has the legal 'rights of way' for laying our network on utility poles as well as for underground cabling which are typically subject to renewal.

Your Company is one of the first private sector companies in India to be granted an ISP license by the Government of India. Your Company is capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. It is in the process of upgrading our modems with DOCSIS 3.0 standard which once implemented will enable provision of broadband services at a higher speed of over 340 mbps. Currently Company provides data services at speeds of up to 5 mbps to retail customers and as per the requirements for our corporate customers and is in the process of providing up to 50 mbps.

Performance highlights:

The Company operates in two segments- cable Television service and Broadband

Particulars	2014-15	2013-14
Total Operating and other Income	161.12	132.62
EBIDTA	59.05	42.70
Earning before Tax (EBT)	7.06	-9.61
Earning after tax (EAT)	5.60	-13.78
EPS	2.33	-6.15
Net Worth	127.17	20.55
Fixed Assets	216.93	201.67
Net Current Assets	13.09	-55.35

Principal factors affecting our results of operations and financial condition

❖ Primary subscriber base

Company's business model is focussed on the control over 'the last mile' connection. Primary subscriber numbers allows benefit from higher revenues per subscriber as it controls the service and collection directly without involving any intermediary and reduces large scale customer churn.

❖ Number and mix of subscribers

The revenue of the Company is significantly impacted by the ability to increase the number of cable television subscribers. The subscriber numbers are affected by the following factors, among others:

- Our geographic reach –
- Competition –

❖ The other factors affecting operation performance are as follows:

- Buyout of network equipments, infrastructure and subscribers

- Channel carriage fees
- Broadband spread and density
- Programming cost
- Regulations

Revenue Drivers for operational performance of the Company:

❖ Cable Subscription Fees

Cable subscription fees primarily consist of fees from analog and digital subscribers and franchisee subscribers.

❖ Internet Subscription Fees

Internet subscription fee primarily consists of subscription fees received from broadband retail and corporate customers.

❖ Channel Carriage Fees

Channel carriage fee primarily consists of the placement charges received from select broadcasters to carry their channels in our network on their preferred signal and frequency band.

❖ Connection Fees

Connection Fees primarily consists of activation and reactivation charges of the connections given for analog and digital cable television subscribers and internet subscribers.

❖ Income from Infrastructure

Income from infrastructure primarily comprises of the fees received for providing fibre connectivity by leasing our network to corporates for communication services.

❖ Signal Uplinking Income

Signal uplinking income primarily comprises of the fees received from providing uplinking services to television channels through our teleport and DSNG vans for live telecasts.

❖ Other Income

Other income primarily consists of interest on fixed deposits, liability no longer required and written back and other miscellaneous income including insurance claims, sale of scrap.

Current Business Trends and Future Outlook

Cable TV:-

After consolidating its business at various locations in Odisha, your Company is now taking steps to consolidate its market base in other States that have been entered into since 2008. We take the opportunity to communicate that your company is making steady progress in these States in spite of intense competition and has achieved positive EBIDTA in Andhra Pradesh. Both West Bengal and Chhattisgarh have been operative with EBIDTA due to stiff competition and other local factors. Your company has taken several measures to make both West Bengal and Chhattisgarh break even during this year. The Company is also aggressively working on to improve both subscriber base and revenue in these States by acquiring new subscribers, expanding networks and providing better service.

As on 31st March 2015, out of total Cable TV subscriber base of 471,592, Odisha has 422,689 nos and balance 48,903 nos have been contributed by other three States. The company is hopeful of

achieving a substantial growth in its Subscriber Base both through Organic as well as inorganic acquisition of LCOs. Company has also plans to expand into other new markets through a combination of competitive pricing, multiple service offering, extensive marketing and acquiring network equipments, infrastructure and subscribers from LCOs/ MSOs in those new areas.

Digitization:

In order to address the fundamental issue of service / price tiering and to improve its operational efficiencies, your company has been focusing on increasing the penetration of the Digital Cable TV services in all its major markets. Further, the announcement made by the Government of India mandating the compulsory roll-out of digital cable TV services and ending of analog cable TV signal is also likely to provide a further impetus in this direction and enable a faster adoption of digital Cable TV service by the subscribers. Your Company has already implemented this service voluntarily since past few years and is fully equipped to implement the Government directive. Your company already offers its digital TV service in 7 cities and has 107,175 subscribers enjoying the same as on 31st march 2015.

By deployment of IPO proceeds set aside for digital development, the Company has plans to increase investments in Digital Headends, Set Top Boxes, Inter City Connectivity and other related expenditure to enhance its digital presence. This will enable the company to increase its market penetration and generate benefits.

Presently, in addition to SD (standard definition) series, your Company is also providing high quality HD (high definition) and has also plan to invest more in an HD Head end and Set Top Boxes to provide high quality HD services to its customers.

The Company has also obtained registration certificate as prescribed in the amended Act to operate as MSO in DAS areas from Ministry of Information & Broadcasting.

Data Services:-

Ortel continues to be the one of the market leaders in the Data Services market in Odisha by providing high speed services at competitive prices. The Company presently provides both retail and corporate broadband services in 19 towns including 11 towns in the state of Odisha. In spite of the severe competition from Telcos, your company has increased its Data Services (retail) customer by 3800 Nos during the year under review.

As per MPA Report 2014, fixed broadband penetration in India is expected to reach 6% by Indian homes by 2023, while mobile per capita penetration is expected to reach 3% by 2023. (Source: MPA Report, 2014). The GoI has announced its 'National Broadband Policy' providing emphasis on broadband penetration. The personal computer penetration pegged at 4% at the end of 2009 is expected to reach 17% by 2015 (Source: TRAI Recommendations on National Broadband Plans dated December 8, 2010). We intend to tap this potential and substantially increase our broadband penetration.

While the competition for data services has intensified especially from wireless operators who offer the advantage of mobility, high speed service still remains the unique selling proposition for Ortel Broadband. Your company has identified and initiated steps for improving network uptime by providing for power backups at nodes, expanding to new

locations and deeper penetration in existing locations and improving customer service delivery infrastructure so as to increase the subscriber base. Your Company also intends to improve network penetration by cross selling our broadband services to the existing cable television customers and attracting new customers through competitive pricing, better customer support service.

In order to partly counter the mobility feature of the competitors, we are focusing on providing home wireless options to customers by installing wireless modems to interested consumers.

Your Company is also leveraging the existing infrastructure to provide bulk bandwidth as well as leasing out the fiber network to various Corporates.

Your company is well equipped with its upgraded Network Operating Center (NOC) with inbuilt redundancy of key elements in the system to support and sustain the higher level of customer base and service. Your Company provides data services through MEN in West Bengal, which engages different network topology capable of broadband and IP television services. The company is also upgrading its Bandwidth purchases from multiple vendors at competitive prices which, apart from bringing in substantial cost reduction of Bandwidth charges, will improve the customer experience of high speed internet.

Your company has set up a state of the art integrated Call Center to address customer queries and complaints. At present, 18 local customer help centers are integrated to the centralized Call Center with 24X7 help line. Company has also a network monitoring system through which major network failures are monitored and steps taken to restore the services early. Your company also has a grievance redressal system in place to resolve the complaints.

Other Value Added Service:

Your Company has the ability to offer 'Triple Play' services (i.e., video, data and voice capabilities) on its network which will help to earn from multiple streams of revenues with marginal additional capital expenditure differentiating it from competing platforms such as DTH and other cable competitors.

The Company also provides choice of other value added services over the same cable leading to customer convenience and satisfaction with a range of services HD services, NVoD and other interactive video content. Currently Company provides 14+ HD channels on its network. The Company also offers bundled services such as Cable TV + Broadband + HD to its customers. All these services are expected to drive revenue in future.

"Key developments and strategies which will accelerate overall growth of the Company"

- ❖ **Successful IPO:** *The capital infusion of Rs. 108.60 cr raised through Initial Public Offering (IPO) will improve growth and deliver much stronger financial and operational performance in the coming years.*
- ❖ **LCO Buyout:** *The aggressive LCO buy out plan which is already being carried out shall enable the Company to increase its subscriber base substantially which will boost the performance of the Company*

✦ **HD Launch:** Offering Channels in HD platform in its core markets which has already been launched, the Company will be able to provide quality service to its customers and hence will increase both revenue and customer base

✦ **High Speed Broadband Packs:** with already launched high Speed Broadband packs with data speed of upto 5 Mbps in the market, the Company is expecting to increase customer base and revenue in the coming years. The company is in the process of DOCSIS 3.0 with speed upto 50 mbps.
Internal Control Systems and their Adequacy

The Company has developed and maintained with adequate internal control system commensurate to its size and business. The company has appointed M/s. SCM & Associates, Chartered Accountants, an outside agency as its internal Auditors, who conduct internal audit for various activities. The reports of Internal Auditors are submitted to Audit committee, which further reviews the adequacy of internal Control system.

In addition to this the company has its own Internal Audit Department to implement and monitor proper and adequate internal control procedures.

Human Resources

Human Resources are of paramount importance for the sustenance and growth of any industry and it is specifically true for the technically sensitive broadband sector. Your company has initiated steps to recruit and retain talented personal at key levels and believes in involving young executives in its decision-making processes. Your company continues to give maximum thrust to its Human Resources Development.

Employee relations remained cordial at all your company's locations. Your Directors take this opportunity to record their appreciation for the outstanding contribution of all employees of your company.

During the year, the Company maintained harmonious and cordial industrial relations. No man- days were lost due to strike, lock out etc. As on 31st March 2015 there were 930 permanent employees and 969 no. of contract employees, BDCRs, sales agents and apprentices.

Disclosure by Senior Management Personnel i.e. one level below the Board including all HODs

None of the Senior Management personnel has Financial and Commercial transactions with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

Risk Management:

The Company takes proactive risk management initiatives to identify and mitigate the relative risk associated by various risk measures. The company has taken comprehensive insurance policies for its electronic equipment, vehicles, network assets and building setc to cover different types of potential risk that may affect the operational performance of the Company.

Potential risk and measures to mitigate:

Nature of Risk	Definition and impact	Measures for mitigation
Regulatory Risk	Increased regulations or change in existing regulations could potentially impact the operation of the Company	Keep updation of the changed legislation and compliance on top priority by close monitoring regularly.
Industry Risk	Competition from competitors may adversely affect the operating performance of the Company	Adding new technology and better customer service

Health, Safety and environment:

Your Company also gives utmost priority on health and safety of its employees and is committed to ensure high standard work practice in compliance with applicable laws and regulations.

Your Company also conducts training programmes for its staff and employees, and carries out regular safety audits in relation to the operations. All field employees are provided with safety equipment. Regular safety audits are conducted at each location to monitor the implementation of the safety guidelines issued by the Company, and a compliance report is also prepared every month. Though in service industry, the company also believes in environmental safety and zero hazards.

The company has taken adequate measures for health and safety of its employees through Group Insurance covering life, accident and disablement, Employee Deposit Link Insurance and ESI

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be "forward-looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Your Company's philosophy in relation to Corporate Governance is to ensure transparent disclosures and reporting that confirms full compliance to the applicable laws, regulations and guidelines, and to promote ethical conduct of the business operation with primary objective of enhancing all stakeholder's value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders expectations.

Your Company is committed to attain the highest standard of Corporate Governance. Compliance with clause 49 of the listing agreement was first time applied to your company on the listing of its shares on the stock exchanges on 19 March, 2015, However, your Company has voluntarily complied with the code of corporate governance in accordance with Clause 49 of listing agreement particularly in respect of Board of Directors and other committees of the Board. After listing the company has complied with other clauses which has been applied immediately after listing and shall continue to comply with same in future along with various other requirements as and when applies to the company. Your Board functions either through a full board of directors or through various committees constituted to oversee specific operational areas with a professional management team below board level. Your Company undertakes to take all necessary steps to comply with code of Corporate Governance on a continuous basis.

Board of Directors:

The Board of Directors of your Company has been reconstituted in compliance with requirement of Clause 49 of the Listing agreement. Accordingly, the current Board comprises of 10 Directors with non-executive Director as Chairman, one executive Director who is the Managing Director of the Company and 08 other non-executive Directors of whom six are independent Directors. The Company has also complied with the requirement of New Companies Act, 2013 as it has been applicable to your Company w.e.f. 01 April, 2014. Mr. Shantanu Yeshwant Nalavadi, the Nominee Director from NSR-PE Mauritius, LLC (NSR) has resigned from the Board w.e.f. 20 March, 2015 in compliance with the termination agreement executed between Company and NSR on 14 February, 2015 and the corresponding disclosure in the Prospectus as per SEBI (ICD) Regulation for IPO.

The Composition of Board as on 31 March, 2015 as here under:

Name	Business relationship	Inter se relationship between directors	Category of directorship	No. of directorship in other public limited companies#	No. Of Committee membership in other public limited companies #	
					Chairman	Member
Baijayant Panda	Director	Husband of Jagi Mangat panda and brother of Subhrakant Panda	Promoter & Non Executive	12	-	-
Jagi Mangat Panda	Managing Director	Wife of Baijayant Panda and Sister-in-Law of Subhrakant Panda	Promoter & Executive	14	2	-
Subhrakant Panda	Director	Brother of Baijayant Panda and brother-in-law of Jagi Mangat Panda	Promoter & Non-Executive	7	1	-
Rabi Narayan Misra	Independent Director	-	Independent & Non-Executive	2	2	2
Debaraj Biswal	Independent Director	-	Independent & Non-Executive	4	-	-
Jyoti Bhusan Pany	Independent Director	-	Independent & Non Executive	3	-	1
Gautam Sehgal*	Director	-	Non Promoter & Non Executive	3	-	-
Kadambi Seshasayee	Independent Director	-	Independent & Non Executive	7	-	-
Joseph Puliparambil	Independent Director	-	Independent & Non Executive	-	-	-
Gautam Buddha Mukherji	Independent Director	-	Independent & Non Executive	-	-	-

* Has been recommended for reappointment as Independent Director being eligible

in companies other than Ortel Communications Ltd and only Audit Committee, Nomination & Remuneration Committee and Stakeholders' committee have been considered

Note:

1. Directorships in Private, Foreign Companies, and Companies under Section 8 of Companies Act, 2013 if any, are excluded.

2. Memberships of only Audit Committee and Shareholders' Grievance Committee have been considered.

No. of Meetings attended in FY.14-15

Name	No. of Board Meetings attended during 2014-15	Attendance at the AGM Held on 14 August, 2014
Baijayant Panda	4	No
Jagi Mangat Panda	8	Yes
Subhrakant Panda	3	No
Rabi Narayan Misra	7	No
Debaraj Biswal	8	No
Jyoti Bhusan Pany	8	No
Gautam Sehgal	3	No
Kadambi Seshasayee	5	No
Joseph Puliparambil	2	No
Gautam Buddha Mukherji	6	No

During the year, eight Meetings were held on 26 June, 2014, 21 July, 2014, 17 September, 2014, 08 November, 2014, 15 November, 2014, 19 February 2015, 09 March, 2015 and 11 March, 2015.

None of the Directors have been independent directors in more than seven listed companies and Managing Director of the Company is not independent director in more than three listed companies.

All the Independent Directors have been appointed in due compliance of Companies Act, 2013 and Listing agreement and formal letter of appointment with terms of their appointment has been issued to them which has been posted in the website of the Company www.ortelcom.com.

None of the Directors is member in more than ten committees and chairman of five committees.

The Board has also evaluated performance of all the Directors including Independent Directors and expressed its satisfaction on their performance.

The Company had circulated and placed before Board, details of role and responsibilities of all the Directors including Independent Directors in line with Companies Act, 2013 and Listing agreement particularly in respect of the Company and same has been posted in the website of the Company www.ortelcom.com.

Board has reviewed compliance report of all laws applicable to the Companies in its meeting during the year under review.

Your Board has also constituted following other Committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. IPO Committee; and
5. Risk Management Committee;

Audit Committee:

The Audit Committee of the Company originally constituted on November 25, 1999 as per the requirements of Section 292A of the Companies Act, 1956 has been reconstituted on 2nd February 2011 and 20 April, 2015 in line with the requirement of listing agreement

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities by reviewing the financial reports, adequacy of Internal audit function and the disclosure of other financial information provided by the Company to any Govt. Body or to the investors or the public and the company's system of internal controls regarding finance, accounting and legal compliances that Management and the Board have established. The Company has also complied with the requirement of New Companies Act, 2013 as it has been applicable to your Company w.e.f. 01 April, 2014.

Composition of Audit Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2014-15
Jagi Mangat Panda	Non Independent & Executive	6
Debaraj Biswal	Independent & Non Executive	6
Jyoti Bhusan Pany	Independent & Non Executive	5
Kadambi Seshasayee	Independent & Non Executive	4

During the year, six meetings were held on 26 June, 2014, 21 July, 2014, 11 September, 2014, 08 November, 2014, 15 November 2014 and 19 February 2015.

Board has made performance evaluation of independent Directors as per the Nomination and remuneration Policy in order to determine whether to extend or continue the terms of appointment of independent director and has been satisfied with the performance and contribution made by them.

Nomination and Remuneration Committee:

The Remuneration/ Compensation Committee as originally constituted on November 25, 1999 and subsequently reconstituted on 02 February, 2011 as per the requirement under Listing Agreement for the erstwhile Initial Public Offer (IPO) of the Company has been renamed as Nomination and Remuneration Committee by the Directors at their meeting held on 21 July, 2014 and reconstituted subsequently on 09 March, 2015 in compliance with the amended clause 49 of the listing agreement of the Stock Exchanges.

The primary function of the Nomination and Remuneration Committee (erstwhile Remuneration/ Compensation Committee) is to formulate 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, to formulate criteria for evaluation of Independent Directors and the Board, to recommend offer and issue of ESOP to eligible employees, devising a policy on Board diversity to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria

Believes in best corporate practice and governance

laid down, and recommend to the Board their appointment and removal, to evaluate of the performance of the Directors on the Board, to fix and finalize remuneration including salary, perquisites, benefits, bonuses, allowances, etc. to fix performance linked incentives along with the performance criteria, increments and Promotions, Service Contracts, notice period, severance fees, Ex-gratia payments and such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

Composition of Nomination & Remuneration Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2014-15
Bajjayant Panda	Promoter & Non Executive	1
Gautam Sehgal	Non Promoter & Non Executive	0
Joseph Puliparambil	Independent & Non Executive	1
Major (Retd.) R. N. Misra*	Independent & Non Executive	-

* Has been inducted on 09 March, 2015.

During the year under review, one Meeting was held on 19 February, 2015.

Remuneration of Directors and Key and Senior Managerial Personnel:

Remuneration of Managing Director is approved by the Board of Directors on recommendation of Nomination & Remuneration Committee which is subject to shareholder's approval.

All Non-Executive Directors are paid sitting fees for attending board and committee meetings.

However, the company in its meeting held on today's (20 April, 2015) has recommended payment of remuneration upto 0.50% of net profit of the previous financial year as computed under companies act, 2013 subject to approval of members.

The Board has formulated a nomination and remuneration Policy relating to appointment, qualification, attributes, independence remuneration of Director(s) and also for appointment, retirement and removal of Key Managerial Personnel (KMPs) and Senior Management Personnel in compliance with the provisions of companies Act, 2013 and Listing agreement with the Stock Exchanges. Same is annexed to this report as Annexure-1.

The Company got listed on 19 March, 2015. As per the requirement of Rule 5 (1) of Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014, remuneration paid to the directors & KMPs and Sr. Management personnel have been paid as per the remuneration policy approved by Nomination & Remuneration Committee & board of directors in commensurate with industry and same has also been disclosed elsewhere in directors report and annexures thereto.

Details of remuneration for FY. 2014-15:

Non-Executive Directors:

Amount in ₹

Name	Sitting fees	Commission	Total
Bajjayant Panda	-	-	-
Subhrakant Panda	15,000	-	15,000
Rabi Narayan Misra	35,000	-	35,000
Debaraj Biswal	80,000	-	80,000
Jyoti Bhusan Pany	75,000	-	75,000
Gautam Sehgal	15,000	-	15,000
Kadambi Seshasayee	50,000	-	50,000
Joseph Puliparambil	15,000	-	15,000
Gautam Buddha Mukherji	30,000	-	30,000
Total	315,000	-	315,000

Managing Director:

Name	Basic Salary	Other allowance & Perquisites	Commission / Performance Pay	Sitting fees	Total
Jagi Mangat Panda	21,60,000	20,50,807	-	-	42,10,807
Total	21,60,000	20,50,807	-	-	42,10,807

Note: The Nomination & Remuneration Committee and Board of Directors have recommended increase of remuneration of Managing Director upto Rs. 65.00 lak in today's (20 April, 2015) meeting subject to approval of shareholders.

Stakeholders Relationship Committee:

Shareholders/ Investors Grievance Committee and Share Transfer Committee as originally constituted by the Directors at their Board meeting held on February 2, 2011 were merged and renamed as the Stakeholders Relationship Committee by our Directors at their Board meeting on July 21, 2014 in compliance with amended clause 49 of the listing agreement of the Stock Exchanges.

The primary function of the Stakeholders Relationship Committee (erstwhile Shareholders/ Investor Grievance Committee) consist of redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/ transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non – receipt of annual reports, etc, giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and dematerialization of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time and overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition

of insider trading pursuant to the Insider Trading Regulations and other related matters as may be assigned by the Board.

Composition of Stakeholders Relationship Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2014-15
Debaraj Biswal	Independent & Non Executive	1
Jyoti Bhusan Pany	Independent & Non Executive	1
Gautam Sehgal	Non Promoter & Non Executive	-

During the year under review, one Meeting was held on 19 February, 2015.

Name, Designation & Address of Compliance Officer:

Mr. Lalit Kumar Mohanty
 DGM- Company Secretary & Compliance Officer
 Ortel Communications Limited
 C-1, Chandrasekharapur, Behind RMRC,
 Near BDA Colony, Bhubaneswar-751016
 Email: lalit.mohanty@ortelgroup.com
 Phone: 0674-3983200
 Fax: 0674-2303448

No. of complains received:

From 19.03.2015 (listing date) to 31.03.2015 : 01

No. of complains not resolved as on 31.03.2015* : 01

No. of pending share transfer as on 31.03.2015 : Nil

* The Complainant was not a shareholder but an applicant in the IPO of the Company and complain for lifting lien of amount applied under ASBA has been resolved on 06 April, 2015.

IPO Committee:

Your Board has also constituted IPO Committee on 2nd February 2011 for the purpose of initial public offer (IPO) of the Company. The primary function of the IPO Committee was to decide and recommend all matters relating to initial public offering and allotment of shares of your Company in consultation with the stock exchanges concerned and SEBI and also for issue of share certificates in accordance with the relevant rules and regulations. However, since the IPO of the company is completed and shares of the company have been listed on the stock exchanges on 19 March, 2015, the Board has abolished the committee in its meeting held on 20 April, 2015

During the year under review, IPO committee met eight times on 17 September, 2014, 08 November, 2014, 19 February 2015, 21 Fe

bruary, 2015, 23 February, 2015, 02 March, 2015, 07 March, 2015 and 12 March, 2015.

Risk Management Committee :

A new Committee named risk management committee has been constituted by your Directors at their Board meeting held on July 21, 2014 and has been reconstituted on 20 April, 2015.

The Risk Management Committee is responsible, among other things, for:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To frame and devise risk management plan and policy of the Company;
3. To review and recommend potential risk involved in any new business plans and processes;
4. Any other similar or other functions as may be laid down by Board from time to time.

Composition of Risk Management Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2014-15
Jagi Mangat Panda	Non Independent & Executive	1
Debaraj Biswal	Independent & Non Executive	1
Kadambi Seshasayee	Independent & Non Executive	1
Subhrakant Panda*	Promoter & Non Executive	-

* Has been inducted on 20 April, 2015

During the year under review, one Meeting was held on 19 February, 2015.

Independent Directors' Meeting:

As required under Companies Act, 2013 and Listing agreement, a meeting of the Independent Directors was held on 19 February, 2015 who had submitted the report to the Board.

Particulars of loans, guarantee or investment:

During the period under review, the Company has taken unsecured loan of Rs. 662.49 lakhs from M/s. Odisha Infra-tech Private Limited under Section 186 of the Companies Act, 2013.

Related party policy:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in normal commercial practice in the ordinary course of business and on an

arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All the related party transactions have been placed and approved before Audit Committee and Board.

Further, Board has approved and laid down policy on dealing with related party transactions and same has been posted in the website of the Company www.ortelcom.com.

Your Directors draw attention of the members to refer note no 40 of notes to the financial statement which sets out related party disclosure.

Policy on material subsidiary:

Board has also approved and laid down Policy on determining material subsidiaries and same has been posted in the website of the Company www.ortelcom.com. The Company does not have any subsidiary for the period under review.

Vigil Mechanism (Whistle Blower Policy):

Board has also approved and laid down Vigil/Whistle-blower mechanism for employees and Directors and same has been posted in the website of the Company www.ortelcom.com.

Utilization of IPO Proceeds:

Against Rs.10860 lakh IPO Proceeds of the fresh issue raised by the Company, Rs.9522.40 lakh was meant for capital expenditure as disclosed in the main object of prospectus and Rs.1337.60 lakh was meant for general corporate and issue expenses purpose. The amount set aside for main object clause and the balance amount that will be available after paying the issue expenses, shall be utilized for the purposes within time period as disclosed in the prospectus. Audit Committee of the Board also reviews the utilization of issue proceeds on quarterly basis.

Disclosure under clause 5A of listing agreement:

Pursuant to Clause 5A of the listing Agreement details in respect of the shares lying in the Ortel Communications Limited- Unclaimed Suspense Account (Promoter group & Non-promoter group) till 31st March, 2015 are as under.

SI No.	Description	No. of Share holders	No. of Shares
i	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2014	N A	N A
ii	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2014-15	N A	N A
iii	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2014-2015	N A	N A
iv	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2015	1	75

Certificate on Corporate Governance:

The Company has obtained certificate on Corporate Governance from a Practising Company Secretary forming part of the Directors' Report as Annexure-2

Secretarial Audit Report:

The Company has obtained Secretarial Audit Report from a Practising Company Secretary forming part of the Directors' Report as Annexure-3

Employees Stock Option Scheme:

The disclosures required to be made are given in the Annexure-4 to this report.

Extracts of Annual Report:

The extract of Annual Return, in format MGT-9 for the financial year has been annexed to this report as Annexure-5

Shares held by Non-Executive Directors:

Si. No.	Name of the Investor	No. of Shares held
1	Baijayant Panda	5,37,282
2	Subhrakant Panda	1,21,875
3	Gautam sehgal	52,750
4	Jyoti Bhusam Pany	15,000

Code of Conduct:

Board has also approved and laid down a code of conduct for all Board members, Key and senior managerial personnels of the Company and same has been posted in the website of the Company www.ortelcom.com.

DECLARATION

As provided under Clause 49 of the Listing Agreement, the Board Members and the Key and Senior Management Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2015.

Bhubaneswar
10 April, 2015

Jagi Mangat Panda
Managing Director

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years NIL

All mandatory requirements are complied with. Non mandatory requirements to extent possible have been complied with and will be reviewed from time to time for due implementation of same.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the provisions of clause 49 of the Listing Agreement.

To the Board of Directors of Ortel Communications Ltd.

Dear Sirs,

Sub : CEO & CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Ortel Communications Ltd for the year ended 31st March, 2015 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current 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 in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. 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 steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

Place: Bhubaneswar Manoj Kumar Patra Jagi Mangat Panda
Date: 13 April, 2015 Chief Financial officer Managing Director

Means of communication:

The Company shall publish first time after listing of its shares on 19 March, 2015, the audited results in both national English and Hindi daily newspapers as per listing agreement and same shall also be posted on the Company's website.ortelcom.com after approval of the Board including Press releases, presentation and analyst meet if any made after the declaration results by the Company from time to time. Same practice of communications shall be followed by company in future in compliance with the listing agreement.

General Shareholder Information:

Annual General Meeting Date & time : 27 July, 2015, 10.00 AM

Venue : LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016

Financial Year: 1st April, 2014 to 31st March, 2015

Dates of Book closure 21 July, 2015 to 27 July, 2015 (both days inclusive)

Dividend Payment Date: NIL

Listing in Stock Exchanges: The equity shares are listed at National Stock Exchange of India Ltd and BSE Ltd since 19 March, 2015

Listing fee for the year 2014-15 has been paid to the above said Stock Exchanges.

Stock Code: NSE : ORTEL, BSE : 539015

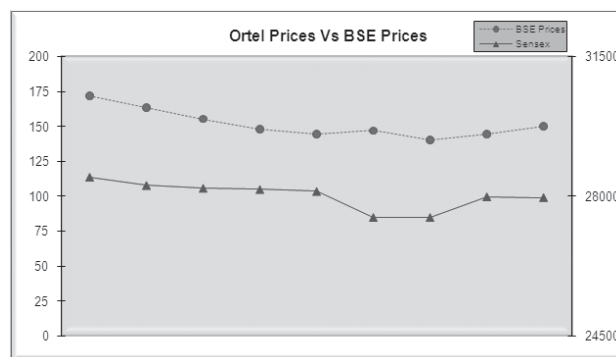
Market price data: The high/low market price shown during the period 19.03.2014 (date of listing) to 31.03.2015 at the Bombay Stock Exchange and National Stock Exchange are as under.

Stock Exchange	Month	High	Low
NSE:	March, 2015	169.85	135.65
BSE:	March, 2015	181.00	136.00

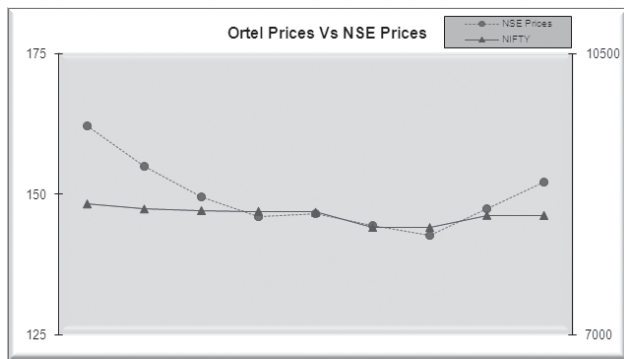
Performance in comparison to Broad-based indices

As the equity shares of the company got listed first time on 19 March, 2015, the comparison has been disclosed for the period 19 March, 2015 to 31 March, 2015.

Ortel Vs. BSE graph (19-03-2015 to 31-03-2015):



Ortel Vs. NSE graph (19-03-2015 to 31-03-2015)



Registrar and transfer agents (RTA) :

Karvy Computershare Private Ltd,

Vittalrao Nagar, Madhapur, Hyderabad – 500081, India.

Members may contact RTA for any share related matters like transfer, transmission, dematerialization, rematerialisation and other share related matter.

Distribution of shareholding as on 31st March, 2015:

Category (Amount)	No. of Shareholders	% to total
Upto 5000	2594	93.242271
5001- 10000	109	3.918045
10001- 20000	15	0.53918
20001- 30000	9	0.323508
30001- 40000	3	0.107836
40001- 50000	3	0.107836
50001- 100000	7	0.251618
100001& Above	42	1.509705
TOTAL	2782	100.00 %

Categories of shareholders as on 31st March, 2015

Category	No. of Holders	No. Shares	% to total Shares
PROMOTERS BODIES CORPORATE	7	14360701	47.29
BODIES CORPORATES	48	6718369	22.13
FOREIGN CORPORATE BODIES	1	4588748	15.11
MUTUAL FUNDS	7	1783350	5.87
PROMOTER INDIVIDUALS	8	1240648	4.09
FOREIGN PORTFOLIO INVESTORS	2	690787	2.27
RESIDENT INDIVIDUALS	2503	705787	2.32
OVERSEAS CORPORATE BODIES	1	275067	0.91
GOVERNMENT	1	50000	0.16
CLEARING MEMBERS	28	17769	0.06
H U F	157	15071	0.05
NON RESIDENT INDIANS	19	9909	0.03
TOTAL	2782	30365464	100

Dematerialization of shares & liquidity:

The Company's shares are connected under both the Depository Systems in India viz. NSDL & CDSL and are compulsorily traded in dematerialization form on both NSE and BSE. The equity shares of the Company representing 98.31% of the Company's equity share capital are dematerialized as on 31 March, 2015. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE849L01019.

Share Transfer System:

98.31% of the equity shares of the Company are in electronic form. Transfer of these shares are done through depositories by the shareholders themselves. As regards transfer of physical shares, the transfer documents can be lodged with RTA at their address. Transfer of shares are processed within statutory time period with the approval of Board or Stakeholders relationship committee of the Board.

Outstanding GDRs/ADRs/Warrants or any convertible instruments: NIL

State wise Operational locations:

Odisha, Chhattisgarh, West Bengal, Andhra Pradesh

Address for correspondence:

Ortel Communications Limited

Registered & Head Office:

B-7/122A, Safdarjng Enclave, , New Delhi – 110 029, India;

Telephone: +91 11 4686 8800; **Facsimile:** +91 11 4686 8801

Corporate Office: C-1, Chandrasekharapur, Near BDA Colony,

Behind RMRC, Bhubaneswar - 751 016, Odisha, India,

Telephone: +91 674 3983 200; **Facsimile:** +91 674 2303 448,

Email: ipo@ortelgroup.com; **Website:** www.ortelcom.com;

Corporate Identity Number: U74899DL1995PLC069353

Annexure-1 to the Directors Report on Remuneration policy of Directors, Key Managerial Personnel and other employees

1. Preamble:

Companies Act, 2013 read with applicable rules made thereunder and listing agreement applicable to Company on listing requires the Nomination and Remuneration Committee to formulate a policy relating to appointment, remuneration, retirement and removal of Director (s)/ Key Managerial Personnel (KMPs) and Senior Management Personnel. This policy has been formulated in compliance with above regulation.

2. Definitions:

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

"Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors and Key Managerial Personnel of the level GM and above.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors including one Woman Director from different areas/fields like production, Technology management, Finance, Sales & marketing, Human Resources, Administration etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs:

4. 1. Appointment Criteria and Qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70

(seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (seventy) years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years.

4.2. Term / Tenure:

- a) Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

4.3. Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP subject to the provisions and compliance of the said Act, rules and regulations.

4.4. Retirement:

The KMPs who are not Directors shall retire as per prevailing policy of the Company. The Board will have the discretion to retain KMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company on the recommendation of President & CEO.

4.5. Remuneration:

1. Remuneration to Managing/Whole-time / Executive -Director
The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and on the recommendation of Committee to the Board for its approval.
2. Remuneration to Non- Executive / Independent Director:
The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to

ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force and on the recommendation of Committee to the Board for its approval.

3. Remuneration to KMP:

The Committee will recommend the remuneration to be paid to the KMP to the Board for their approval as per the provisions of the Act/ Policy of the Company. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors or KMPS of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and variable pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.

5. POLICY FOR APPOINTMENT, REMUNEARTION, RETIREMENT AND REMOVAL OF SENIOR MANAGEMENT PERSONNEL:

5.1. Appointment criteria and qualification

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment at Senior Management level and recommended to the Board his / her appointment.
- b) A person should possess adequate qualification, functional expertise and experience for the position he/ she is considered for appointment. Te Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

5.2. Retirement & Removal

The Senior Management Personnel shall retire as per the prevailing policy of the Company. The Committee will have the discretion to retain the Senior Manager Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company based on the recommendation of President & CEO.

The Senior management personnel shall be removed after taking appropriate disciplinary action due to any breach of code of conduct/ ethics and / or any misconduct during the service.

5.3. Remuneration

The Committee will recommend the remuneration to be paid to the Senior management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the Company successfully. The same should be reviewed periodically to make any adjustment based on the market.

The remuneration of such persons shall be in accordance with performance criteria defined for the role thorough performance management system to achieve the company's goal. The remuneration should be a balance of fixed and incentive pay which will be determined by fixed pay components and executive incentives scheme applicable to their level as and when in place.

REVIEW AND AMENDMENT:

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the President & CEO / Compliance Officer where there is any statutory changes necessitating the change in the policy.

Annexure 2 to Directors' Report on compliance of Corporate Governance

Corporate Governance Compliance Certificate

To

The Members of Ortel Communications Limited,

I have examined the compliance of conditions of Corporate Governance by Ortel Communications Limited for the financial year ended March 31, 2015, as stipulated in Clause 49 of Listing Agreement of the said company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is a responsibility of the Management. My 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 statement of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that the 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 **Kumar Suresh & Associates**

Company Secretaries

Suresh. Kumar Yadav

Proprietor

C.P. No. - 6711

FCS No. - 6452

Place: Gurgaon

Date: 20th April, 2015

Annexure 3 to Directors' Report on Secretarial Audit Report for the Financial Year ended 31 March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members
ORTEL COMMUNICATIONS LIMITED
 B7/122A,SAFDARJUNG ENCLAVE
 NEW DELHI-110029

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ORTEL COMMUNICATIONS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015 ('Audit Period') 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:

I 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 March 2015 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, Overseas Direct Investment and External Commercial Borrowings;
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee

Stock Purchase Scheme) Guidelines, 1999 ; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014.

Note: As explained and confirmed by the Company, The SEBI (Share Based Employee Benefits) Regulations, 2014 shall be complied in the ensuing Annual general Meeting within one year of notification dated 28 October, 2014 ;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (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, 1998 (Not applicable to the Company during the Audit Period).
- (vi) and other applicable laws like Factories Act, 1948, the payments of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- 1) Consumer Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012;
- 2) Quality of Service of Broadband Service Regulations, 2006
- 3) The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007
- 4) The Indian Telegraph Act, 1885 ("Telegraph Act")
- 5) The Indian Wireless Telegraphy Act, 1933 ("Wireless Telegraphy Act")
- 6) The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007("Mandatory Signal Sharing Act")
- 7) The Telecom Regulatory Authority of India Act, 1997 ("TRAI Act")
- 8) The Policy Guidelines for Uplinking of Television Channels from India, 2011 ("Uplinking Guidelines")
- 9) Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("ISP License Guidelines")
- 10) Broadband Policy, 2004 ("Broadband Policy")
- 11) Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002 ("Internet Telephony Guidelines")
- 12) Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004 ("VPN Guidelines")

- 13) National Tariff Policy, 2012 (“NTP 2012”)
- 14) The Telecommunication Tariff Order, 1999 (“Tariff Order 1999”)
- 15) The Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004
- 16) The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 (“Tariff Order 2010”)
- 17) The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012 (“Tariff Order 2012”)
- 18) The Telecommunication (Broadcasting And Cable) Services (Fifth) (Digital Addressable Cable Tv Systems) Tariff Order, 2013
- 19) The Telecommunication (Broadcasting and Cable) Services (Sixth)(The Direct To Home Services) Tariff Order, 2013
- 20) The Telecommunication (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff (Second Amendment) Order, 2013
- 21) The Telecommunication (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff (Third Amendment) Order, 2014
- 22) The Telecommunication (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff (Fourth Amendment) Order, 2014
- 23) Information Technology Act, 2000
- 24) The Cable Television Networks (Regulation) Act, 1995 and The Cable Television Network Rules, 1994
- 25) Regulations governing digital addressable systems (“**DAS Regulations**”)

I 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.

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 decisions at Board Meetings and Committee Meetings are carried out by Majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

For Kumar Suresh & Associates
Company Secretaries
Place: Gurgaon
Date: 20 April, 2015

Suresh Kumar Yadav
FCS No. 6452
C P No.: 6711

Annexure-4 to Directors' Report on Disclosure relating to Employee Stock Option Scheme of the Company:

a)	Total nos of options outstanding at the beginning of the year	1,63,100
b)	Total nos. of options granted during the year 2014-15	48,150
c)	Pricing formula	Exercise Price will be INR 70.00 per share
d)	Option Vested during the year	Nil
e)	Options exercised during the year	Nil
f)	Total number of shares arising as a result of exercise of option	Nil
g)	Options lapsed during the year	800
h)	Variation of terms of options during the year	There is no variation in the terms of options
i)	Money realised by exercise of options during the year	Nil
j)	Total No of Options in force	210,450
k)	Employee wise details of options granted during FY 2014-15:	
i)	Senior managerial personnel	36,150
ii)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
l)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share	Please refer note no 31 of Notes to the financial statement.
m)	Computation of employee compensation cost and effect on profit and EPS:	
i)	Method of calculation of employee compensation cost	Intrinsic value as per ESOS guidelines
ii)	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost to P&L account if the Company has used the fair value of the option	Please refer note no 39 of Notes to the financial statement.
n)	Weighted-average exercise prices and weighted-average fair values of options granted at a price either equals or exceeds or below market price of the stock	Being the stock was unlisted at the time of grant of options, so market price was not applicable. Please refer note no 39 of Notes to the financial statement.
o)	Method and significant assumptions used during the year to estimate the fair values of options	Please refer note no 39 of Notes to the financial statement.

Annexure- 5 to the Directors' report on Extracts of Annual Return

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U74899DL1995PLC069353
2.	Registration Date	02/06/1995
3.	Name of the Company	ORTEL COMMUNICATIONS LIMITED
4.	Category/Sub-category of the Company	Public company Limited by Share
5.	Address of the Registered office & contact details	B7/122A,SAFDARJUNG ENCLAVE, NEW DELHI, 110029. Tel: 011-46868800, Fax:011-46868801 Corporate Office: C-1, Chandrasekharpur, Behind RMRC, Near BDA Colony, Bhubaneswar- 751016, Odisha Tel: 0674-398200, Fax: 0674-2303448
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARES PRIVATE LIMITED PLOT NO17-24, VITTALRAO NAGAR, MADHAPUR , HYDERABAD - 500081, INDIA., PH: +91 40 44655300

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CABLE	61103-Activities of the cable operators	67%
2	INTERNET	61104-Activities of providing internet access by the operator of the wired infrastructure	18%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held in the Company	Applicable section*
1	Odisha Television Limited	U74899DL1998PLC097081	Associate	6.61	2(6)
2	Odisha Infra-Tech Private Limited	U70101OR2008PTC010334	Associate	0	2(6)
3	B. Panda & Company Private Limited	U74210OR1965PTC000478	Associate	0.35	2(6)
4	Barabati Investment & Trading Co. Pvt. Ltd	U67120OR1984PTC001364	Associate	0.24	2(6)
5	Panda Investments Pvt. Ltd	U65993DL1999PTC100092	Associate	15.27	2(6)
6	Indian Metals & Ferro Alloys Ltd	L27101OR1961PLC000428	Associate	0	2(6)

* Enterprises in which Key Managerial Personnel (KMP) and relatives of KMP is able to exercise significant influence.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	1024243	1024243	4.40	1240648	0	1240648	4.09	-0.31
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	13780568	13780568	59.16	14360701	0	14360701	47.29	-11.87
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	0	14804811	14804811	63.56	15601349	0	15601349	51.38	-12.18
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	1783350	0	1783350	5.87	5.87
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	50000	50000	0.21	0	50000	50000	0.16	-0.05
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	690787	0	690787	2.27	2.27
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	50000	50000	0.21	2474137	50000	2524137	8.31	8.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	6718369	0	6718369	22.13	22.13
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	74400	74400	0.32	351732	55900	407632	1.34	1.02
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	182600	182600	0.78	89884	132600	222484	0.73	-0.05
c) Others (specify)									
Non Resident Indians	0	0	0	0	9909	0	9909	0.03	0.03
Overseas Corporate Bodies	0	8182598	8182598	35.13	0	275067	275067	0.91	-34.22
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	17769	0	17769	0.06	0.06
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	4588748	0	4588748	15.11	15.11
Sub-total (B)(2):-	0	8439598	8439598	36.23	11776411	463567	12239978	40.31	4.08
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	8489598	8489598	36.44	14250548	513567	14764115	48.62	12.18
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	23294409	23294409	100	29851897	513567	30365464	100	0

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	METRO SKYNET LTD	4859512	20.86	0	4859512	16	0	4.86
2	PANDA INVESTMENTS PVT LTD	4636510	19.90	0	4636510	15.27	0	4.63
3	UMSL Ltd	2580441	11.07	0	2580441	8.50	0	2.57
4	ODISHA TELEVISION LTD	1605730	6.89	0	2007290	6.61	0	0.28
5	BAIJAYANT PANDA	365005	1.56	0	537282	1.77	0	-0.21

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
6	JAGI MANGAT PANDA	239520	1.02	0	270448	0.89	0	-1.91
7	NIVEDITA PANDA	161335	0.69	0	164935	0.54	0	0.15
8	SUBHRAKANT PANDA	115875	0.49	0	121875	0.40	0	0.09
9	B PANDA AND COMPANY PVT.LTD	0	0	0	107142	0.35	0	0.1
10	PARAMITA REALTOR PVT LTD	98375	0.42	0	98375	0.32	0	0.1
11	BARABATI INVESTMENT AND TRADING CO PVT.LTD	0	0	0	71428	0.24	0	0.06
12	SUBHRAKANT PANDA(TRUSTEE SHAISAH FOUNDATION)	56818	0.24	0	56818	0.19	0	0.05
13	PARAMITA MOHAPATRA	40230	0.17	0	40230	0.13	0	0.04
14	PARAMITA MOHAPATRA TRUSTEE REVA FOUNDATION	22730	0.09	0	24530	0.08	0	0.01
15	PARAMITA TRUSTEE REVA FOUNDATION MOHAPATRA	22730	0.09		24530	0.08	0	0.01
	Total							

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14804811	63.56		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	# details of change in shareholding given separately below the table			
	At the end of the year	15601349	51.38*		

* The decrease in shareholding is due to fresh issue of shares under IPO of the Company.

Details of Change in shareholding:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the Beginning (01-04- 14)/ end of the year (31-03- 2015)	% of total ashares of the company				No. of Shares	% of total shares of the company
1	BAIJAYANT PANDA	365005	1.57	01-04-2014	13350	Acquired by transfer Allotment	378355	1.55
		537282	1.77	21-07-2014 31-03-2015	158927		537282	2.21
2	JAGI MANGAT PANDA	239520	1.03	01-04-2014	9500	Acquired by transfer Allotment	249020	1.02
		270448	0.89	21-07-2014 31-03-2015	21428		270448	1.11
3	NIVEDITA PANDA	161335	0.69	01-04-2014	3600	Acquired by transfer	164935	0.68
		164935	0.54	21-07-2014 31-03-2015				
4	SUBHRAKANT PANDA	115875	0.50	01-04-2014	6000	Acquired by transfer	121875	0.50
		121875	0.40	21-07-2014 31-05-2015				
5	SUBHRAKANT PANDA (TRUSTEE SHAISAH FOUNDATION)	56818	0.24	01-04-2014				
		56818	0.19	31-03-2015				
6	PARAMITA MAHAPATRA TRUSTEE REVA FOUNDATION	22730	0.10	01-04-2014	1800	Acquired by transfer	24530	0.10
		24530	0.08	21-07-2014 31-03-2015				
7	PARAMITA MAHAPATRA TRUSTEE ROUMAYNE FOUNDATION	22730	0.10	01-04-2014	1800	Acquired by transfer	24530	0.10
		24530	0.08	21-07-2014 31-03-2015				
8	PARAMITA MAHAPATRA	40230	0.17	01-04-2015				
		40230	0.13	31-03-2015				
9	METRO SKYNET LTD	1605730	6.89	01-04-2014				
		1605730	5.29	31-03-2015				
10	PANDA INVESTMENTS PVT LTD	4636510	19.90	01-04-2014				
		4636510	15.27	31-03-2015				
11	UMSL LTD	2580441	11.08	01-04-2014				
		2580441	8.50	31-03-2015				
12	ODISHA TELEVISION LIMITED	1605730	6.89	01-04-2014	401563	Allotment	2007293	8.24
		2007293	6.61	21-07-2014 31-03-2015				
13	B PANDA AND COMPANY PVT LTD	0	0.00	01-04-2014				
		107142	0.35	31-03-2015				

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the Beginning (01-04- 14)/ end of the year (31-03- 2015)	% of total ashares of the company				No. of Shares	% of total shares of the company
14	BARABATI INVESTMENT AND TRADING CO PVT LTD	0	0.00	01-04-2014	71428	Allotment	71428	0.24
		71428	0.24	21-07-2014				
		71428	0.24	31-03-2015				
15	PARAMITA REALTOR PRIVATE LIMITED	98375	0.42	01-04-2014	98375	Allotment	98375	0.32
		98375	0.32	21-07-2014				
		98375	0.32	31-03-2015				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative	
		No. of Shares at the Beginning (01-04-14)/ end of the year (31-03- 2015)	% of total shares of the company				No. of Shares	% of total shares of the company
* #1	NSR-PE Mauritius LLC	8182598	35.13	01/04/2014 12/03/2015	3593850	Transfer in IPO	4588748	15.11
*2	OSEDC	50000	0.21	01/04/2014	0			
*3	BIBHU PRASAD RATH	44850	0.19	01/04/2014 21/07/2014	20000	Allotment	64850	0.27
*4	Manmohan Pattnaik	40100	0.17	01/04/2014	0			
*5	Goutam sehgal	52750	0.23	01/04/2014	0			
*6	Jyoti Bhusan Pany	15500	0.07	01/04/2014	0			
*7	Ashok Kumar Behera	18000	0.08	01/04/2014 21/07/2014		TRANSFER	18000	0.07
*8	Chitta Ranjan Nayak	12000	0.05	01/04/2014	0			
*9	Mihir kant Samal	5500	0.02	01/04/2014 21/07/2014		Allotment	4000	0.02
*10	Deepak Singh	5250	0.02	01/04/2014 21/07/2014		transfer	5250	0.02
#2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	0	0	31/03/2015		Allotement in IPO	2759925	9.09
#3	KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED	0	0	31/03/2015		Allotement in IPO	607500	2.00
#4	KOTAK MAHINDRA BANK LTD	0	0	31/03/2015		Allotement in IPO	2673750	8.81
#5	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL F	0	0	31/03/2015		Allotement in IPO	600000	1.98
#6	HDFC TRUSTEE COMPANY LTD HDFC MF MONTHLY INCOME PL	0	0	31/03/2015	in IPO	Allotement	552000	1.82
#7	SCHRODER INTERNATIONAL SELECTION FUND INDIAN OPPOR	0	0	31/03/2015		Allotement in IPO	500025	1.65
#8	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0	0	31/03/2015		Allotement in IPO	499950	1.65
#9	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	0	0	31/03/2015		Allotement in IPO	300000	0.99
#10	HERMANUS FZE	275067	0.91	31/03/2015				

Note : All refers to the share holders as on 01.04.2014 and

refers to the top 10 share holds as on 31.03.2015

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative	
		No. of Shares at the Beginning (01-04-14)/ end of the year (31-03- 2015)	% of total shares of the company				No. of Shares	% of total shares of the company
Directors:								
1	BAIJAYANT PANDA	365005	1.57	01/04/2014				
				21/07/2014	13350	Aquired by transfer	378355	1.55
				21/07/2014	158927	Allotment	537282	2.21
		537282	1.77	31/03/2015				
2	JAGI MANGAT PANDA	239520	1.03	01/04/2014				
				21/07/2014	9500	Aquired by transfer	249020	1.02
				21/07/2014	21428	Allotment	270448	1.11
		270448	0.89	31/03/2015				
3	DR.GAUTAM SEHGAL	52750	0.23	01/04/2014				
		52750	0.17	31/03/2015				
4	JYOTI BHUSAN PANY	15500	0.07	01/04/2014				
		15500	0.05	31/03/2015				
Key Managerial Mersonnel:								
5	BIBHU PRASAD RATH	44850	0.19	01/04/2014				
				21/07/2014	20000	Allotment	64850	0.27
				31/03/2015				
		64850	0.21					
6	MANOJ KUMAR PATRA	2000	0.01	01/04/2014				
		2000	0.01	31/03/2015				
7	LALIT KUMAR MOHANTY	0	0.00	01/04/2014				
				21/07/2014	500	Allotment	500	0
				31/03/2015				
		500	0.00					

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment at 31st March 2015.

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount 12967.44	435.42	13402.86	
ii) Interest due but not paid	14.93		14.93
iii) Interest accrued but not due	140.57		140.57
Total (i+ii+iii) 13122.94	435.42	13558.37	
Change in Indebtedness during the financial year			
* Addition	823.82	662.49	1486.31
* Reduction	903.28	164.73	1068.01
Net Change	-79.46	497.76	418.29
Indebtedness at the end of the financial year			
i) Principal Amount	12796.74	933.18	13729.92
ii) Interest due but not paid	14.78		14.78
iii) Interest accrued but not due	231.96		231.96
Total (i+ii+iii)	13043.47	933.18	13976.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Ms. Jagi Mangat Panda (Managing Director)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Jagi Mangat Panda	
1	Gross salary	Amount in Lakhs	
	(a) Salary as per provisions contained in section 17(1) 1961 of the Income-tax Act,	33.20	33.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	- as % of profit	0.00	0.00
	- others, specify..	0.00	0.00
5	Others, please specify	8.91	8.91
	Total (A)	42.11	42.11
	Ceiling as per the Act	48.00*	48.00*

* The amount was approved by share holders based on effective capital of the Company at the time of approval

B. Remuneration to other directors:

SL. No.	Particulars of	NAME OF DIRECTORS									Total Amount (₹)
		BAIJAYANT PANDA	SUBHRA KANT PANDA	GAUTAM SEHGAL	JYOTI BHUSAN PANY	K.V SESHAS AYEE	MAJOR (RETD.) R.N. MISHRA	DR. P.T JOSEPH	DEBRAJ BISWAL	GAUTAM BUDDHA MUKHERJ	
1	Independent Directors										
	Fee for attending board /committee meetings	0	0	0	75000	50000	30000	15000	80000	35000	285000
	Commission	0	0	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0	0	0
	Total (1)				75000	50000	30000	15000	80000	35000	285000
2	Other Non-Executive Directors										
	Fee for attending board/ committee meetings	0	20000	15000	0	0	0	0	0	0	35000
	Commission	0	0	0	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	0	0	0	
	Total (2)	0	20000	15000	0	0	0	0	0	0	35000
	Total (B)=(1+2)	0	20000	15000	75000	50000	30000	15000	80000	35000	320000
	Total Managerial										
	Remuneration (In lakhs)										45.31
	Overall Ceiling as per the Act#										

No remuneration is paid to nonexecutive & Independent Director expect sitting fees for attending meeting.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SL.NO.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4258016	958279	1677850	6894145
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	4258016	958279	1677850	6894145

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Ortel Communications Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Ortel Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act 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 31st March, 2015, its profit and its cash flows for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended 31st March, 2014 were audited by M/s Lovelock & Lewes who expressed an unmodified opinion on those statements on 30th June, 2014. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 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 appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid 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, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 and 41 to 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Anand Kumar Jhunjunwala
Partner

Membership No.056613

Bhubaneswar

20th April, 2015

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of Ortel Communications Limited on the financial statements for the year ended 31st March, 2015)

- (i)
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the management of the Company physically verifies its fixed assets annually (except a significant portion of cables and network equipment for which, as explained to us, physical verification is not practicable), which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification of fixed assets during the year.
- (ii)
- (a) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, including the management's explanation that there are certain items of inventory/fixed assets which are of special/proprietary nature for which suitable alternative sources do not exist, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues as at 31st March, 2015 of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹. in lakhs)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Income Tax Act, 1961	Tax and Interest for non deduction of tax deducted at source	25.11*	2005-06	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax and Interest for non deduction of tax deducted at source	27.73**	2006-07	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax and Interest for non deduction of tax deducted at source	30.78	2008-09	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax and Interest for non deduction of tax deducted at source	91.52	2010-11	Commissioner of Income Tax, (Appeal), Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	103.56	2006-07	Commissioner of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	108.05	2007-08	Commissioner of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	71.97	2008-09	Commissioner of Central Excise, Customs & Service Tax, Bhubaneswar

* An amount of Rs.16.28 lakhs has been deposited in this regard.

** An amount of Rs.16.93 lakhs has been deposited in this regard.

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company are not less than fifty percent of its net worth as at 31st March, 2015 and it has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures as at the balance sheet date.
- (x) According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, term loans have been prima facie applied for the purposes for which they were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For Haribhakti & Co.LLP
 Chartered Accountants
 ICAI Firm Registration No.103523W

Anand Kumar Jhunjhunwala
 Partner
 Membership No. 056613
Bhubaneswar
 20th April, 2015

Balance Sheet as at 31 March 2015

₹ In Lakh

EQUITY & LIABILITIES	Note No.	As at 31 March 2015	As at 31 March 2014
Shareholder's Funds			
(a) Share Capital	2	3,036.54	3,726.72
(b) Reserves and Surplus	3	9,672.53	(1,671.89)
		12,709.07	2,054.83
Non-Current Liabilities			
(a) Long-Term Borrowings	4	10,311.12	12,548.65
(b) Other Long Term Liabilities	5	458.61	689.91
(c) Long-Term Provisions	6	33.07	26.57
		10,802.80	13,265.13
Current Liabilities			
(a) Short-Term Borrowings	7	746.48	966.22
(b) Trade Payables	8	2,081.71	1,960.12
(c) Other Current Liabilities	9	11,066.31	5,732.49
(d) Short-Term Provisions	10	1.61	0.49
		13,896.11	8,659.32
Total		37,407.98	23,979.28
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	11	19,912.56	18,603.20
(ii) Intangible Assets	12	553.33	1,062.44
(iii) Capital Work-In-Progress (Refer note 44)		1,227.62	501.72
(b) Non-Current Investments	13	32.55	32.55
(c) Long-Term Loans and Advances	14	206.45	272.19
(d) Other Non-Current Assets	15	278.98	383.03
		22,211.49	20,855.13
Current Assets			
(a) Inventories	16	49.16	11.78
(b) Trade Receivables	17	1,813.79	1,779.55
(c) Cash and Cash Equivalents	18	11,842.97	546.88
(d) Short-Term Loans and Advances	19	1,366.86	705.99
(e) Other Current Assets	20	123.71	79.95
		15,196.49	3,124.15
Total		37,407.98	23,979.28

Significant Accounting Policies and Notes to Financial Statements 1 to 51

The Notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Sd/-

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Date : 20 April, 2015

Place : Bhubaneswar

For and on behalf of Board of Directors

Sd/-

Jagi Mangat Panda

Managing Director

Sd/-

Lalit Kumar Mohanty

Company Secretary

Sd/-

Jyoti Bhusan Pany

Director

Sd/-

Manoj Kumar Patra

Chief Financial Officer

Statement of Profit & Loss for the year ended 31 March 2015

₹ In Lakh

	Note No.	Year ended 31 March 2015	Year ended 31 March 2014
REVENUE			
(a) Revenue from Operations	21	15,478.91	12,850.04
(b) Other Income	22	633.21	412.61
Total Revenue		16,112.12	13,262.65
EXPENSES			
(a) Programming Cost		3,422.71	3,169.11
(b) Bandwidth Cost	23	668.86	613.30
(c) Employee Benefits Expense	24	1,666.89	1,420.09
(d) Finance Costs	25	2,259.21	2,341.61
(e) Depreciation and Amortisation Expense	26	1,886.04	1,988.40
(f) Fixed Assets written off		1,054.54	715.26
(g) Non Compete Fee pay outs		61.81	67.71
(h) Other Expenses	27	4,386.39	3,908.31
Total Expenses		15,406.45	14,223.79
Profit / (Loss) before exceptional & extraordinary items & tax		705.67	(961.14)
Exceptional Items		-	166.37
Profit / (Loss) before extraordinary items & tax		705.67	(1127.51)
Extraordinary Items		-	251.00
Profit / (Loss) before tax		705.67	(1378.51)
Tax Expense			
- Current Tax		145.76	-
- Deferred Tax		-	-
Profit / (Loss) for the year		559.91	(1378.51)
Earnings per Equity Share (in ₹.)	31		
(Par Value of Rs.10/- per Equity Share)			
Basic & Diluted including extraordinary items		2.30	(6.15)
Basic & Diluted excluding extraordinary items		2.30	(5.07)

Significant Accounting Policies and Notes to Financial Statements 1 to 51

The Notes referred to above form an integral part of the Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our report of even date

For Haribhakti & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No.103523W

Sd/-

Anand Kumar Jhunjhunwala
 Partner
 Membership No.056613

Date : 20 April, 2015
 Place : Bhubaneswar

For and on behalf of Board of Directors

Sd/-

Jagi Mangat Panda
 Managing Director

Sd/-

Lalit Kumar Mohanty
 Company Secretary

Sd/-

Jyoti Bhusan Pany
 Director

Sd/-

Manoj Kumar Patra
 Chief Financial Officer

Cash Flow Statement for the year ended 31 March, 2015

₹ In Lakh

	Year ended 31 March 2015	Year ended 31 March 2014
A. Cash flow from operating activities:		
Net profit/(loss) before Tax & extraordinary items but after exceptional items	705.67	(1,127.52)
Adjusted for:		
Depreciation and Amortisation Expense	1,886.04	1,988.40
Finance Costs	2,259.21	2,341.61
Interest Income	(100.53)	(48.76)
Fixed Assets written off	1,054.54	715.26
Non Compete Fee pay outs	61.81	67.71
Liability no Longer required written back	(85.46)	(179.76)
Provision for doubtful receivables	707.37	684.50
Provision for doubtful receivables written back	(684.50)	(519.56)
Bad Debts / Advances written off	1,440.78	694.94
Employee Stock Option Expenses	45.24	4.06
Unrealised Foreign Exchange (Gain) / Loss [net]	37.16	81.16
Operating profit before working capital changes	7,327.33	4,702.04
Increase / (Decrease) in Trade Payables	121.59	1,074.57
Increase / (Decrease) in Provisions	7.62	(90.03)
Increase / (Decrease) in Other Liabilities	1,822.32	519.94
Decrease / (Increase) in Trade Receivables	(1,454.53)	(1,282.38)
Decrease / (Increase) in Inventories	(37.38)	1.37
Decrease / (Increase) in Loans and Advances	(664.18)	34.34
Decrease / (Increase) in Other Assets	(293.56)	(201.23)
Cash generated from operations	6,829.21	4,758.62
Payment of Taxes (Net)	(198.30)	(120.36)
Net cash from / (used in) operating activities before exceptional items	6,630.91	4,638.26
Exceptional items	-	166.38
Net cash from / (used in) operating activities	6,630.91	4,804.64
B. Cash flow from Investing activities:		
Purchase of Fixed Assets	(3,287.26)	(1,385.68)
Payment for Non Compete Fee to LCOs	(591.49)	(673.03)
Interest Received	30.35	64.54
Net cash from investing activities	(3,848.40)	(1,994.17)
C. Cash flow from financing activities:		
Proceeds from Long-Term Borrowings	1,239.57	705.97
Repayment of Long-Term Borrowings	(912.51)	(672.20)
Proceeds from Short-Term Borrowings	-	-
Repayment of Short-Term Borrowings	(219.73)	(33.78)
Issue of Share Capital	10,930.77	892.30
Share issue expenses	(780.58)	(18.99)
Interest and Other Borrowing Cost paid	(2,167.97)	(2,529.16)
Net cash from financing activities	8,089.55	(1,655.86)
Net Increase / (Decrease) in Cash & Cash Equivalents	10,872.06	1,154.61
Opening Cash and Cash Equivalents	465.31	(689.30)
Closing Cash and Cash Equivalents	11,337.37	465.31

Cash Flow Statement for the year ended 31 March, 2015

₹ In Lakh

Notes :	Year ended 31 March 2015	Year ended 31 March 2014
1 Closing Cash and cash equivalents comprises:		
Cash	-	2.61
Cheques on hand	-	0.20
Balance with Banks:		
- On Current Accounts	821.71	407.50
- On Deposit Accounts	10,515.66	55.00
Total	11,337.37	465.31

2 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006.

3 Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Sd/-

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Date : 20 April, 2015

Place : Bhubaneswar

For and on behalf of Board of Directors

Sd/-

Jagi Mangat Panda

Managing Director

Sd/-

Lalit Kumar Mohanty

Company Secretary

Sd/-

Jyoti Bhusan Pany

Director

Sd/-

Manoj Kumar Patra

Chief Financial Officer

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis. As per Rule 7 of The Companies(Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act,1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under Section 133 of the Companies Act,2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act,1956 [Companies (Accounting Standards) Rules,2006] and the relevant provisions of the Companies Act,2013.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions, which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Any revision to the accounting estimates is recognized prospectively in the current and future years.

1.3 Fixed Assets, Depreciation / Amortisation and Impairment

i) Fixed Assets

Tangible Assets are carried at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Own developed assets are capitalized at cost including an appropriate share of directly attributable overheads. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable

value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets comprises of amounts relating to Computer Software, Goodwill and Non Compete Fee, are recognised only if they are separately identifiable and the company expects to receive future economic benefits arising out of them. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortisation period is changed accordingly.

(ii) Depreciation and Amortisation

a) Depreciation on tangible assets other than Freehold and Leasehold Land, including assets acquired under finance lease, is provided over the estimated useful life of assets, in accordance with Schedule II to the Companies Act, 2013. The residual value of assets is considered at 5%. For the year ended 31 March 2014, depreciation was provided in accordance with Schedule XIV to the Companies Act, 1956.

For the purpose of estimating the useful life of tangible assets as required under Schedule II , the Company has broadly divided the tangible assets in two categories viz., (a) assets which are specific to its industry and (b) assets which are general in nature.

For the assets which are specific to its industry, the Company has estimated the useful life of such assets based on it's past experience in this regard, which has been duly supported by independent technical advice. For assets which are general in nature, the Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Accordingly, the useful lives of tangible assets of the Company which are different from the useful lives as specified by Schedule II are as given below :

Asset Description(as per Note No.11)	Estimated useful life duly supported by Technical Advice(Years)	Estimated useful Life as per Schedule II(Years)
Cable Backbone Network	21	13,18
Cable Network- Drop	12,21	13,18
Cable Network- ILL & IFL	21	13,18
Maintenance Equipments	21	15
Head End Equipments	21	13
Broadband NOC Equipments	21	13

Notes to the Financial Statements

Depreciation / Amortisation on assets purchased / sold during the reporting year is recognised on a pro-rata basis.

Leasehold Land is amortised over the period of lease.

- b) Intangible assets are amortised on a straight line basis over their expected useful life as follows:

a) Non compete fees is amortised over the period of agreement with the Local Cable Operators ("LCOs"), in equal installments.

b) Computer software and Goodwill are amortised over a period of five years.

iii) **Impairment**

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.4 Inventories

Inventories comprising of Stores and Spares are stated at lower of cost and net realisable value. The Company follows first-in, first-out (FIFO) basis for valuation of inventory.

Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.5 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other costs related to borrowings are recognised as expense in the year in which they are incurred.

1.6 Leases

Where the Company is lessee :

Finance Lease

(i) Assets acquired under leases where all the risks and rewards of ownership have been substantially transferred in favour of

the Company are classified as finance leases. Such Leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Operating lease

(ii) Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Statement of Profit and Loss on accrual basis.

Where the Company is lessor:

Operating lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Fixed Assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on accrual basis. Costs, including depreciation are recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc are recognised immediately in the Statement of Profit and Loss.

1.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with Accounting Standard 13 on 'Accounting for Investments'. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value.

Non-current investments are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, for each investment individually.

1.8 Foreign Currency Transactions and Translations

The reporting currency of the Company is the Indian Rupee (₹).

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

ii) Conversion

As at the reporting date, foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign

Notes to the Financial Statements

currency are reported using the exchange rates prevailing at the date when the values were determined.

iii) Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise.

1.9 Revenue Recognition

a) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

b) Service revenue comprises subscription fees, channel carriage fees, use of infrastructure facilities and other services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised prorata over the contractual period.

c) Connection fees is recognised as revenue in the month of activation of service.

1.10 Other Income

Income is recognised in the Statement of Profit and Loss on an accrual basis.

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Insurance Claims: It is not practicable to estimate the amount at which an Insurance Claim will be settled. Hence, Insurance Claims are recognised as income on settlement with the insurers.

1.11 Provision for Doubtful Receivables

In case of retail trade receivables, the entire amount which is outstanding for more than six months is provided for in the Statement of Profit & Loss.

For other receivables, provision is made based on management's assessment of each receivable separately.

1.12 Bad Debts

In case of retail customers, the entire outstanding dues as on the date of disconnection of service for any reason is written off as Bad Debts.

For other receivables, amount is written off based on management's assessment of each receivable separately.

1.13 Employee Benefits

Post Employment Benefits:

(i) Provident Fund

This is a defined contribution plan. Contributions to the recognised Provident Fund maintained by the Regional

Provident Fund Commissioner are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future provident fund benefits other than its contributions.

(ii) Gratuity

This is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on year end actuarial valuation using projected unit credit method. Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss as income or expense. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on net basis. Past Service Costs, to the extent its benefits already vested, is recognised immediately in the Statement of Profit and Loss.

(iii) Leave Encashment

Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) Superannuation fund

The Company operates a superannuation scheme for its eligible employees with LIC towards which the Company contributes upto a maximum of 15% of the employees' current salary, which is charged to the Statement of Profit and Loss. The above benefit is in the nature of a defined contribution plan.

1.14 Employee Stock Option Expenses

Measurement and disclosure is done in accordance with the relevant guidelines and regulations issued by Securities and Exchange Board of India in this respect and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. The deferred employee stock compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option.

1.15 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year, determined in accordance with the provisions of the Income Tax Act, 1961.

Notes to the Financial Statements

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current reporting year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.16 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. There is no inter-segment revenue. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocated expenses net of income'.

1.17 Programming Cost

Programming Cost represents amount paid / payable to Broadcasters to telecast their respective channels.

1.18 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.19 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.20 Prior Period, Exceptional and Extra Ordinary Items

Prior Period, Exceptional and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015	As at 31 March 2014
2 Share Capital		
Authorised		
35,000,000 (31 March 2014: 30,000,000) Equity Shares, Rs.10/- par value per share	3,500.00	3,000.00
66,000,000 Preference Shares Rs.10/- par value per share	<u>6,600.00</u>	<u>6,600.00</u>
	10,100.00	9,600.00
Issued, Subscribed and Paid-Up		
Equity Shares	3,036.54	2,329.44
30,365,464 (31 March 2014: 23,294,409) Equity Shares, Rs.10/- par value per share fully paid		
Cumulative Non Convertible Redeemable Preference Shares Nil (31 March, 2014: 5,121,897), 10.5% Cumulative Non Convertible Redeemable Preference Shares, Rs.10/- par value per share fully paid	-	512.19
Non Cumulative Compulsorily Convertible Preference Shares Nil (31 March, 2014: 8,850,940), 0.001% Non Cumulative Compulsorily Convertible Preference shares, Rs.10/- par value per share fully paid	-	885.09
	<u>3,036.54</u>	<u>3,726.72</u>

- a) The Company had allotted 10.50% Non Convertible Redeemable Preference Shares as fully paid up which were due for redemption at par at any time before 28 December 2015. However, the Shareholders approved conversion of the said 10.50% Non Convertible Redeemable Preference Shares into 0.001% Non Cumulative Compulsorily Convertible Preference Share of Rs.10/- each in their meeting held on 10 February 2014 and the same have been converted into fully paid-up equity shares of Rs.10/- each at a conversion price of Rs. 140/- per equity share in the Board Meeting held on 21 July, 2014.
- b) 0.001% Non cumulative Compulsorily convertible Preference shares were allotted as fully paid up and have been converted into fully paid-up equity shares of Rs. 10/- each of the Company at a conversion price of Rs. 140/- per Share in the Board Meeting held on 21 July, 2014.

2.1 Rights, preferences and restrictions in respect of each class of shares

The Company has two classes of shares referred to as Equity Shares and Preference Shares having par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote, when present in person on a show of hands. In case of poll, each holder of Equity Shares shall be entitled to vote in proportion to his paid up Equity Share capital. Preference Shareholder is eligible to vote only on the resolutions directly affecting the rights attached to his Preference shares.

In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their paid up value of Capital.

2.2 Reconciliation of the Number of Shares outstanding :

	31 March 2015		31 March 2014	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	23,294,409	2,329.44	23,280,409	2,328.04
Add: Shares issued				
- On exercise of Employee Stock Options	35,500	3.55	14,000	1.40
- On conversion of 0.001% Non Cumulative Compulsorily Convertible Preference Shares	999,841	99.98	-	-
- On Preferential allotment	35,714	3.57	-	-
- On Initial Public Offer (Refer Note No.46)	6,000,000	600.00	-	-
Balance as at the end of the year	30,365,464	3,036.54	23,294,409	2,329.44

Notes to the Financial Statements

	31 March 2015		31 March 2014	
	Number of Shares	Amount	Number of Shares	Amount
10.5% Cumulative Non Convertible Redeemable Preference Shares				
Balance as at the beginning of the year	5,121,897	512.19	5,121,897	512.19
Less : Conversion into 0.001% Non Cumulative Compulsorily Convertible Preference Shares (Refer Note No. 2 a)	5,121,897	512.19	-	-
Balance as at the end of the year	-	-	5,121,897	512.19
0.001% Non Cumulative Compulsorily Convertible Preference Shares				
Balance as at the beginning of the year	8,850,940	885.09	-	-
Add : Fresh issue of shares	25,000	2.50	8,850,940	885.09
Add: On Conversion of 10.5% Cumulative Non Convertible Redeemable Preference Shares (Refer Note No. 2 a)	5,121,897	512.19	-	-
Less: Conversion into Equity Shares (Refer Note No. 2 b)	13,997,837	1,399.78	-	-
Balance as at the end of the year	-	-	8,850,940	885.09

2.3 Details of shares held by each shareholder holding more than 5% shares in the company :

Name of the shareholders	31 March 2015		31 March 2014	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Equity Shares				
Metro Skynet Limited	4,859,512	16.00%	4,859,512	20.86%
Panda Investments Private Limited	4,636,510	15.27%	4,636,510	19.90%
NSR-PE Mauritius LLC	4,588,748	15.11%	8,182,598	35.13%
ICICI Prudential Life Insurance Company Ltd	2,759,925	9.09%	-	-
Kotak Mahindra Bank Ltd	2,673,750	8.81%	-	-
Utkal Manufacturing and Services Limited	2,580,441	8.50%	2,580,441	11.08%
Odisha Television Limited	2,007,293	6.61%	1,605,730	6.89%
10.5% Cumulative Non Convertible Redeemable Preference Shares				
Odisha Television Limited	-	-	5,121,897	100.00%
0.001% Non Cumulative Compulsorily Convertible Preference Shares				
Hermanus FZE	-	-	3,850,940	43.51%
Baijayant Panda	-	-	2,200,000	24.86%
B. Panda & Co Private Ltd	-	-	1,500,000	16.95%
Barabati Trading & Investment Pvt Ltd	-	-	1,000,000	11.30%

2.4 Shares reserved for issue under options:

Refer note no. 39 for details of shares to be issued under Employee Stock Option Scheme.

Notes to the Financial Statements

₹ In Lakh

3. Reserves & Surplus	As at 31 March 2015	As at 31 March 2014
Securities Premium Account		
Balance as at the beginning of the year	7,083.21	7,071.15
Add:		
- Transfer from allotment of Employee Stock Options	33.01	13.02
- Transfer from conversion of Preference Shares	1,299.80	-
- On Preferential Allotment	46.43	-
- On Issue of Equity Shares in IPO (Refer Note No.46)	10,260.00	-
Less:		
- Share issue expenses adjusted	780.58	0.96
Balance as at the end of the year (A)	<u>17,941.87</u>	<u>7,083.21</u>
Employee Stock Options Outstanding		
Balance as at the beginning of the year	38.52	41.67
Add: Compensation for options during the year	45.24	4.06
Less: Exercise of Stock Options during the year	18.28	7.21
Balance as at the end of the year (B)	<u>65.48</u>	<u>38.52</u>
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	(8793.62)	(7415.11)
Add: Carrying value of assets after retaining the residual value where the remaining useful life of an asset is nil as at 01 April 2014 (Refer Note No.43)	(101.11)	-
Add : Net Profit / (Loss) for the year	559.91	(1378.51)
Balance as at the end of the year (C)	<u>(8334.82)</u>	<u>(8793.62)</u>
Total (A+B+C)	<u>9672.53</u>	<u>(1671.89)</u>

4. Long-Term Borrowings

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Non-current Maturities	Current Maturities	Total	Non-current Maturities	Current Maturities	Total
Secured Term Loans :						
From Banks	1,317.05	1,043.35	2,360.40	2,353.88	247.82	2,601.70
From Others	7,852.77	1,853.99	9,706.76	9,690.10	315.12	10,005.22
Finance Lease Obligations	415.68	313.90	729.58	233.98	126.54	360.52
(A)	9,585.50	3,211.24	12,796.74	12,277.96	689.48	12,967.44
Unsecured Term Loans:						
From Others	725.62	207.56	933.18	270.69	164.73	435.42
(B)	725.62	207.56	933.18	270.69	164.73	435.42
Total (A+B)	10,311.12	3,418.80	13,729.92	12,548.65	854.21	13,402.86

Notes to the Financial Statements

4.1 Security Description:

Term Loans of ₹.1261.79 lakhs (31 March 2014: ₹.1401.70 lakhs) from banks are secured by way of hypothecation of Fixed assets. The following have been provided as collateral: Already hypothecated fixed assets purchased out of term loan availed from Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) and SREI Equipment Finance Private Limited (SREI) charged on pari passu basis, equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits of Rs.109.01 lakhs (31 March 2014: ₹.109.01 lakhs) and personal guarantee of one of the Directors.

Term Loans of Rs.1098.60 lakhs (31 March 2014: ₹.1200.00 lakhs) from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan and ranking pari passu with other Banks. Second charge on fixed assets already hypothecated to other banks and institutions. The following have been provided as collateral:

Equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of Immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits of ₹.177.78 lakhs (31 March 2014: ₹. 177.78 lakhs) and personal guarantee of one of the Directors.

Term Loans of ₹.9706.76 lakhs (31 March 2014: ₹.9989.35 lakhs) from Others are secured by way of First/exclusive charge created by way of hypothecation of assets including various networking equipment and personal guarantee of one of the Directors. The following have been provided as collateral :

Against Term Loan of ₹.8292.82 lakhs (31 March 2014: ₹.8534.25 lakhs), equitable mortgage of immovable property at Raipur together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future.

Term Loans of Rs.Nil (31 March 2014: ₹.15.87 lakhs) from Others are secured by way of hypothecation of different types of plant and machineries and personal guarantee of one of the Directors.

Finance Lease Obligations of ₹.729.57 lakhs (31 March 2014: ₹.360.52 lakhs) from Others are secured on equipment together with all parts, accessories and substitutions taken on lease.

4.2 Long Term Borrowings

Terms of repayment:

	As at 31 March 2015		Repayment Terms of residual amount	As at 31 March 2014		Repayment Terms of residual amount
	Amount ₹ In Lakh	Interest		Amount ₹ In Lakh	Interest	

Residual Maturity

Term Loans from Banks:

1-3 Years	1,261.79	KBL Base Rate + 3.5%	Repayable in 22 equated monthly installments and last installment due on 29th January 2017. Installments are inclusive of interest.	1,401.70	KBL Base Rate + 3.5%	Repayable in 25 equated monthly installments commencing from 29th January 2015 and last installment due on 29th January 2017. Interest to be served monthly during the holiday period upto 29th December 2014.
1-3 Years	1,098.60	UCO Base rate + 4.05%	11 quarterly installments of Rs.100.00 lakh. Interest to be served on monthly basis as and when charged.	-	-	-
3-5 Years	-	-	-	1,200.00	UCO Base rate + 4.05%	12 quarterly installments of Rs.100.00 lakhs commencing from January 2015. Interest to be served on monthly basis as and when charged.

Notes to the Financial Statements

Term Loans from Others (Secured):

	As at 31 March 2015		Repayment Terms of residual amount	As at 31 March 2014		Repayment Terms of residual amount
	Amount ₹ In Lakh	Interest		Amount ₹ In Lakh	Interest	

Term Loans from Others (Secured):

0-1 Years	-	-		15.87	13%	6 monthly installments of Rs.2.75 lakh. Installments are inclusive of interest.
3-5 Years	1,413.94	16% (Floating)*	49 monthly installment of Rs.39.55 lakh. Installments are inclusive of interest.	1,455.10	16% (Floating)*	9 monthly installment of Rs.19.40 lakh and 51 monthly installment of Rs.39.55 lakh. Installments are inclusive of interest.
3-5 Years	8,292.82	16% (Floating)*	49 monthly installment of Rs.232.00 lakh. Installments are inclusive of interest.	-	-	-
5-10 Years	-	-	-	8,534.25	16% (Floating)*	10 monthly installment of Rs.113.79 lakh and 51 monthly installment of Rs.232.00 lakh. Installments are inclusive of interest.

Term Loans from Others (Unsecured):

1-3 Years	270.69	18%	16 monthly installments of Rs.19.16 lakh. Installments are inclusive of interest.	435.42	18%	28 monthly installments of Rs.19.16 lakh. Installments are inclusive of interest.
3-5 Years	662.49	14.25%	11 monthly installments of Rs.7.87 lakh and 47 monthly installments of Rs.18.47 lakh. Installments are inclusive of interest.	-	-	-

Finance Lease Obligations

0-1 Years	2.56	12% **	Repayable in 15 equal quarterly installments which vary for each phase. 24 phases have been disbursed till 31 March, 2015. Repayment for Phase 1 started on June 2008. Repayment upto 24th Schedule will end on July 2017.	126.54	12%**	Repayable in 15 equal quarterly installments which vary for each phase. 21 phases have been disbursed till 31 March, 2014. Repayment for Phase 1 started on June 2008. Repayment upto 21st Schedule will end on June 2017.
1-3 Years	727.01	12% **		217.45	12%**	
3-5 Years	-	-		16.57	12%**	

*Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variations.

** Interest rate is different for different phases, average interest rate being approx 12% (12% for the year ending 31 March, 2014)

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015	As at 31 March 2014
5 Other Long-term Liabilities		
Long-Term LCO* Liability	123.81	480.27
Advance from Customers	174.10	146.00
Security Deposit	37.97	41.67
Creditors for Capital Goods	122.74	21.97
Total	458.61	689.91
* LCO: Local Cable Operators		
6 Long-term Provisions		
Provision for Employee Benefits: (Non Current Portion) (Refer Note No.38)		
Leave Entitlement	33.07	26.57
Total	33.07	26.57
7 Short-term Borrowings		
Loans repayable on demand (Secured)		
Working Capital facilities from bank*	746.48	966.22
Total	746.48	966.22
*[Secured by way of hypothecation of stock, assignment of book debts of the Company. The following assets are kept as collateral: Already hypothecated fixed assets purchased out of term loan availed from IPICOL and SREI charged on pari passu basis, equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits amounting to ₹. 65.90 lakhs (31 March 2014: ₹. 65.90 lakhs) and personal guarantee of one of the Directors.]		
8 Trade Payables		
For services	2,081.71	1,960.12
Total	2,081.71	1,960.12
Refer Note No. 48 for dues to Micro, Small and Medium Enterprises		
9 Other Current Liabilities		
Current Maturities of Long-term borrowings (Refer Note No.4)	3,104.90	727.67
Current Maturities of Finance Lease Obligations (Refer Note No.4)	313.90	126.54
Interest accrued but not due on Borrowings	231.96	140.57
Interest accrued and due on Borrowings	14.78	14.93
Temporary book overdraft (Unsecured)	463.75	275.05
Share Application Money Refundable	0.30	-
Other Payables:		
Statutory Liabilities	313.79	222.77
Payable to Employees	309.15	447.26
Advance from Customers (Refer Note No.41)	2,079.06	819.55
LCO Liability	390.52	519.53
Creditors for Capital Goods	2,737.24	1,390.59
Earnest Money Deposits	172.12	360.60
Liability for Operating Expenses	934.84	687.43
Total	11,066.31	5,732.49
10 Short-term Provisions		
Provision for Employee Benefits (Current portion) (Refer Note No.38)		
Leave Entitlement	1.61	0.49
Total	1.61	0.49

Notes to the Financial Statements
11. Tangible Assets

₹ In Lakh



Ortel
Communications
AN IRCTC VENTURE COMPANY

PARTICULARS	Gross Block / Original Cost				Depreciation / Amortisation				Net Block	
	As at 1 April 2014 (a)	Addition / Adjustments (b)	Deletion / Adjustments (c)	As at 31 March 2015 (d) = (a) + (b) - (c)	As at 1 April 2014 (e)	Addition / Adjustments (f)	Deletion / Adjustments (g)	As at 31 March 2015 (h) = (e) + (f) - (g)	As at 31 March 2015 (i) = (d) - (h)	As at 31 March 2014 (j) = (e) - (a)
Land (Leasehold) - A	59.24	-	-	59.24	3.37	0.60	-	3.97	55.27	55.87
Own Assets										
Land	37.95	-	-	37.95	-	-	-	-	37.95	37.95
Buildings	218.70	16.30	0.51	234.49	31.06	3.53	0.51	34.08	200.41	187.64
Cable Backbone Network	20,188.30	392.86	7,516.02	13,065.14	6,094.66	540.63	2,868.12	3,767.17	9,297.97	14,093.64
Cable Network- Drop	-	6,820.27	963.88	5,856.39	-	1,822.48	412.92	1,409.56	4,446.83	-
Cable Network- ILL & IFL	-	1,698.28	1.70	1,696.58	-	67.33	0.38	66.95	1,629.63	-
Head End Equipments	3,496.99	60.79	374.58	3,183.20	1,488.53	108.11	254.12	1,342.52	1,840.68	2,008.46
Maintenance Equipments	509.12	29.91	96.13	442.90	220.66	17.51	84.41	153.76	289.14	288.46
Broadband NOC Equipments	434.83	8.62	11.06	432.39	305.36	6.15	10.80	300.71	131.68	129.47
Furniture and Fixtures	320.17	5.85	17.48	308.54	165.19	30.43	12.79	182.83	125.71	154.98
Computers	607.36	23.48	176.52	454.32	452.22	95.67	171.72	376.17	78.15	155.14
Office Equipments	301.51	3.38	41.55	263.34	145.67	107.69	37.78	215.58	47.76	155.84
Vehicles	72.85	2.81	3.87	71.79	46.87	6.32	2.61	50.58	21.21	25.98
Electrical Installations	757.67	26.59	20.51	763.75	200.50	87.61	11.66	276.45	487.30	557.17
Total - B	26,945.45	9,089.14	9,223.81	26,810.78	9,150.72	2,893.46	3,867.82	8,176.36	18,634.42	17,794.73
Assets taken on Finance Lease										
Cable Backbone Network	582.26	177.16	530.14	229.28	58.48	7.19	55.81	9.86	219.42	523.78
Cable Network- Drop	-	1,010.85	148.53	862.32	-	91.00	39.28	51.72	810.60	-
Broadband NOC Equipments	5.68	-	-	5.68	1.32	0.21	-	1.53	4.15	4.36
Computers	23.32	-	-	23.32	5.56	11.13	-	16.69	6.63	17.76
Total - C	611.26	1,188.01	678.67	1,120.60	65.36	109.53	95.09	79.80	1,040.80	545.90
Assets given on Operating Lease										
Signal uplinking equipments-D	281.95	-	0.03	281.92	75.25	24.63	0.04	99.84	182.08	206.70
Total Tangible Assets	27,897.90	10,277.15	9,902.51	28,272.54	9,294.70	3,028.22	3,962.95	8,359.97	19,912.56	18,603.20
A+B+C+D	27,872.21	2,496.49	2,470.80	27,897.90	8,390.86	1,579.97	676.13	9,294.70	18,603.20	

Note:

- (i) Addition to own assets includes Rs.148.53 Lakhs (31 March 2014: Rs.445.43 Lakhs) [accumulated depreciation: Rs.39.28 Lakhs (31 March 2014: Rs.96.75 Lakhs)] on closure of Finance Leases of a lessor and accordingly the above amount has been deducted from the leased assets.
- (ii) This year, certain category of assets have been reclassified based on their remaining useful life (in terms of Schedule II to the Companies Act,2013). Accordingly, Rs.6365.30 Lakhs (31 March 2014: Rs.568.63 Lakhs) [accumulated depreciation: Rs.1557.52 Lakhs (31 March 2014: Rs.132.81 Lakhs)] has been added to both addition and deletion amount of the Fixed Assets.
- (iii) Refer Note No.43 for amount of depreciation adjusted with retained earnings.
- (iv) Refer Note No.36 for capitalisation of expenses.

12. Intangible Assets

₹ In Lakh

PARTICULARS	Gross Block / Original Cost			Amortisation				Net Block	
	As at 1 April 2014	Addition / Adjustments	Deletion / Adjustments	As at 31 March 2015	As at 1 April 2014	Addition / Adjustments	Deletion / Adjustments	As at 31 March 2015	As at 31 March 2014
	(a)	(b)	(c)	(d) = (a) + (b) - (c)	(e)	(f)	(g)	(h) = (e) + (f) - (g)	(j) = (e) - (a)
Own Assets									
Computer Software	95.49	1.68	54.94	42.23	73.93	13.02	55.02	31.93	21.56
Goodwill	64.93	0.66	-	65.59	23.86	13.04	-	36.90	41.07
Non Compete Fee	3,113.33	44.21	697.36	2,460.18	2,113.52	529.67	697.35	1,945.84	999.81
Total Intangible Assets	3,273.75	46.55	752.30	2,568.00	2,211.31	555.73	752.37	2,014.67	1,062.44
Previous year	3,483.07	215.78	425.10	3,273.75	1,969.83	631.57	390.09	2,211.31	1,062.44

Notes to the Financial Statements

	As at 31 March 2015	₹ In Lakh As at 31 March 2014
13 Non-current Investments		
Trade Investment, at Cost		
Investment in Equity Instruments (Unquoted)		
Odisha Television Limited (325,500 Equity Shares of Rs. 10/- each, fully paid)	32.55	32.55
Total	<u>32.55</u>	<u>32.55</u>
14 Long-term Loans and Advances		
(Unsecured)		
Capital Advances (Considered good)	-	78.23
Employee Advances (Considered good)	6.60	0.63
Security Deposits:		
Considered good*	199.85	193.33
Considered doubtful	-	0.60
	<u>199.85</u>	<u>193.93</u>
Less: Allowances for doubtful Security deposits	-	0.60
	<u>199.85</u>	<u>193.33</u>
Total	<u>206.45</u>	<u>272.19</u>
* Includes deposit with Hon'ble High Court of Orissa ₹. 29.00 lakh (31 March 2014: ₹. 29.00 lakh). Refer Note No.41.		
15 Other Non-current Assets		
Unsecured, Considered good		
Non Current portion of Other Bank Balances:		
-Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien)*	259.72	361.69
Interest accrued but not due on Fixed Deposits with Banks	19.26	21.34
Total	<u>278.98</u>	<u>383.03</u>
* Includes:		
-Margin Money Deposits	199.41	9.00
-Deposits pledged with banks against borrowings	60.31	352.69
16 Inventories		
Stores and Spares [Refer Note No.1.4]	49.16	11.78
Total	<u>49.16</u>	<u>11.78</u>
17 Trade receivables		
(Unsecured)		
a) Outstanding for more than six months		
Considered good	127.75	125.07
Considered doubtful	622.00	607.55
	<u>749.75</u>	<u>732.62</u>
Less : Allowances for doubtful receivables	622.00	607.55
	<u>127.75</u>	<u>125.07</u>
b) Others		
Considered good	1,686.04	1,654.48
Considered doubtful	85.37	76.95
	<u>1,771.41</u>	<u>1,731.43</u>
Less : Provision for doubtful receivables	85.37	76.95
	<u>1,686.04</u>	<u>1,654.48</u>
Total	<u>1,813.79</u>	<u>1,779.55</u>

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015	As at 31 March 2014
18 Cash and Cash Equivalents		
Balance with banks- On current accounts	821.71	407.50
Cheques on hand *	-	0.20
Cash on hand	-	2.61
	821.71	410.31
Other Bank Balances :		
Fixed Deposits with Banks having balance maturity of twelve months or less :		
- Not under lien	5,768.00	25.00
- Under lien**	505.60	81.57
Fixed Deposits with Banks having balance maturity of more than twelve months		
- Not under lien	4,747.66	30.00
- Under lien	259.72	361.69
Less: Non-Current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (Refer Note No.15)	(259.72)	(361.69)
	<u>11,021.26</u>	<u>136.57</u>
Total	<u>11,842.97</u>	<u>546.88</u>
* Cheques on hand have been since realised.		
** includes		
-Margin Money Deposits	213.22	81.57
-Deposits pledged with banks against borrowings	292.38	-
19 Short-term Loans and Advances		
(Unsecured, Considered good)		
Advances		
Advance for Capital Goods	221.63	-
Advance for Supplies / Services	19.61	5.37
Employee Advances	11.80	8.60
Advance to Related Party	-	10.80
Security Deposits- Others	10.75	18.89
Advance Income Tax [Net of provision for tax ₹.145.76 lakhs (31 March 2014: ₹. Nil)]	457.62	405.09
Prepaid Expenses	176.64	167.24
Balances with Statutory/Government Authorities	468.81	90.00
Total	<u>1,366.86</u>	<u>705.99</u>
20 Other Current Assets		
(Unsecured, Considered good)		
Interest accrued but not due on Fixed Deposits with Banks	79.24	6.97
Income accrued but not due	6.42	4.84
Receivable on account of Gratuity	38.05	68.14
Total	<u>123.71</u>	<u>79.95</u>
21 Revenue from operations		
Cable Subscription Fees	7,901.51	7,566.80
Internet Subscription Fees	2,696.86	2,578.15
Channel Carriage Fees	2,636.12	2,046.26
Connection Fees- Cable TV	314.20	120.27
Connection Fees- Internet	192.03	171.10
Income from Infrastructure Leasing	1,449.81	78.04
Signal Uplinking Income	288.38	289.42
Total	<u>15,478.91</u>	<u>12,850.04</u>

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015	As at 31 March 2014
22 Other Income		
Interest		
- Fixed deposits with banks	86.20	36.77
- Others	14.33	12.00
Insurance Claims	331.36	75.68
Liability no longer required written back	85.46	179.76
Rental Income	24.17	19.10
Miscellaneous Income	91.69	89.30
Total	633.21	412.61
23 Bandwidth Cost		
International Lease Line charges	349.96	305.89
Intercity link charges	135.22	123.73
Uplinking Charges	183.68	183.68
Total	668.86	613.30
24 Employee Benefits Expense		
Salary, Wages and Bonus	1,456.16	1,274.30
Contribution to Provident and Other Funds	128.54	93.38
Employee Stock Option Expenses	45.24	4.06
Staff Welfare Expenses	36.95	48.35
Total	1,666.89	1,420.09
25 Finance Costs		
Interest Expense	2,227.80	2,301.49
Other Borrowing costs	31.41	40.12
Total	2,259.21	2,341.61
26 Depreciation and Amortisation Expense		
Depreciation/ Amortisation of tangible assets	3,028.22	1,579.97
Less: On account of closure of Finance Lease	39.28	96.74
Less: On account of asset reclassification	1,557.52	132.48
Less: Carrying value of assets after retaining the residual value where the remaining useful life of an asset is nil as at 01 April, 2014 (Refer Note No.43)	101.11	-
CWIP written down due to efflux of time	-	6.41
Amortization of intangible assets	555.73	631.24
Total	1,886.04	1,988.40

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015	As at 31 March 2014
27 Other Expenses		
Power and Fuel	508.56	511.63
Rent	313.23	249.70
Commission and Incentive	332.32	394.35
Collection Charges	522.71	415.96
Consumption of Stores & Spare Parts (Refer Note No.35)	89.69	97.86
Repairs to Machinery	49.37	84.50
Repairs to Buildings	5.57	5.96
Repairs - Others	70.72	38.40
Insurance	143.28	114.85
Travelling & Lodging	375.33	343.41
Rates and Taxes	82.67	105.36
Professional Charges	126.49	124.57
Postage and Telephone	45.64	48.34
Printing and Stationery	29.83	27.44
Closing Provision for doubtful receivables	707.37	684.50
Less: Opening Provision written back	<u>684.50</u>	<u>519.56</u>
Bad Debts written off	1,397.43	694.94
Advances written off	43.35	244.73
Marketing Expenses	22.43	2.51
Foreign Exchange Loss (net)	53.29	118.12
Miscellaneous Expenses	151.61	120.74
Total	<u>4,386.39</u>	<u>3,908.31</u>

28 Deferred Tax Liabilities/Assets

Deferred tax asset is recognised only to the extent of deferred tax liability and accordingly, no amount has been provided for on account of deferred tax.

The major components of deferred tax liabilities/assets on the tax effects on the timing difference as at 31 March, 2015 are:

Deferred Tax Liabilities

Depreciation	1,230.59	1,244.56
Finance Lease	105.79	63.01
Total	<u>1,336.38</u>	<u>1,307.56</u>

Deferred Tax Assets

Leave Entitlement	11.79	9.20
Allowances for Doubtful Receivables	240.44	232.66
Unabsorbed Depreciation Carried Forward	1,084.15	1,065.70
Total	<u>1,336.38</u>	<u>1,307.56</u>

Deferred Tax Liabilities/Assets (Net)	<u>-</u>	<u>-</u>
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Notes to the Financial Statements

₹ In Lakh
As at

	As at 31 March 2015	As at 31 March 2014
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29 Contingent Liabilities and Commitments (To the extent not provided for)

A. Contingent Liabilities

(Claims against the Company not acknowledged as debts:

Entry Tax demand under Appeal	1.00	1.00
Entertainment Tax demand under Appeal	69.75	69.75
Income Tax and Interest for non-deduction of tax at source - 2005-06, 2006-07, 2008-09 and 2010-11	175.15	175.15
Service Tax and Interest for 2006-07, 2007-08 and 2008-09	283.58	283.58
Penalty u/s 271 (1) (c) for furnishing of inaccurate particulars in the Return of Income for 1996-97	-	1.72
Paradip Port Trust (Refer Note Below)*	52.69	52.69

The Company has received legal notices of claims / lawsuits filed against it in relation to miscellaneous damages. In the opinion of the management supported by legal advise, no material liability is likely to arise on account of such claims / lawsuits.

Total	582.17	583.89
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B. Commitments

Estimated amount of Contracts remaining to be executed on Capital Account and not provided for
[Net of advance Rs.59.56 Lakhs (31 March 2014: Rs.38.58 Lakhs)]

	1,462.83	628.72
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*The Company had been providing services in Paradeep Port Trust (PPT) area as per contracts. In an earlier year, the Company had committed to cover programmes/news of PPT in its news channel as "PARADIP PARIKRAMA". As per terms of the contract, the contents of the programmes were to be provided by PPT for coverage and transmission of the programmes by the Company. Subsequently, PPT had claimed that it incurred Rs. 52.69 Lakhs for shooting and covering the same. However, the said claim has not been accepted by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they would adjust the said amount with subscription money payable by PPT to the Company. Accordingly, the Company had filed a writ petition dated 10 July 2006 against the demand of PPT before Hon'ble High Court, Orissa. The demand has been stayed by the Hon'ble High Court vide its interim Order dated 20 July 2006. The matter is still pending for final hearing. As on date, all earlier contracts with PPT have expired.

30 Leases

Finance Leases

The Company has acquired certain Cable Network, Broadband NOC equipment and Computers on finance lease for a period maximum up to forty eight months. The assets will be transferred to the Company at a nominal value at the end of the lease period. The lease Agreements are noncancel lable as envisaged in the Accounting Standard 19 on Leases.

The minimum lease payments and their present value, for each of the following year are as follows:

Total Minimum Lease Payments Outstanding	844.62	431.14
Less: Interest not due	115.03	70.61
Total	729.59	360.53
Future minimum lease payments payable:		
Not later than one year	389.40	164.28
Later than one year and not later than five years	455.21	266.86
Later than five years	-	-
Total	844.61	431.14

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015	As at 31 March 2014
Present Value of minimum lease payments:		
Not later than one year	366.33	152.11
Later than one year and not later than five years	373.00	208.59
Later than five years	-	-
Total	739.33	360.70
Operating Leases		
Rent [Minimum lease payment ₹. Nil (31 March 2014: ₹. Nil)]	313.23	249.70
[Operating leases for office premises and pole rents are entered into for a period of one to ten years and thereafter renewable by mutual consent of both parties. The operating leases are cancellable by either party giving one to six months notice.]		
31 Earnings Per Share		
(A) Profit / (Loss) after Tax and including extraordinary items	559.91	(1378.51)
Less : Preference Dividend - 2013-14	-	53.78
	<u>559.91</u>	<u>(1432.29)</u>
B) Weighted average number of equity shares	24,368,513	23,283,286
Basic/Diluted Earnings per Share including extraordinary items (A/B)	2.30	(6.15)
(A) Profit / (Loss) after Tax and excluding extraordinary items	559.91	(1127.51)
Less : Preference Dividend - 2013-14	-	53.78
	<u>559.91</u>	<u>(1181.29)</u>
(B) Weighted average number of equity shares	24,368,513	23,283,286.00
Basic/Diluted Earnings per Share excluding extraordinary items (A/B)	2.30	(5.07)
32 Payments to the Auditor :		
As Auditor - Audit Fees	15.00	32.00
For Other Services	38.50	2.00
For reimbursement of expenses	0.85	0.18
Total	54.35	34.18
Note:		
1. The above amounts are exclusive of Service Tax.		
2. ₹.38.50 lakhs "For Other Services" as aforesaid is pertaining to IPO related services and has been written off against Securities Premium Reserve.		
33 Value of imports calculated on CIF basis		
C.I.F. Value of Imports		
Capital Goods	1,469.93	568.09
Stores and Spare Parts	115.38	39.67
Total	1,585.31	607.76
34 Expenditure in Foreign Currency		
Professional & Consultation Fees	8.07	-
Other Matters:		
Annual Membership Fees	2.17	8.69
Repairs to Plant and Machinery	1.82	2.11
License fees	0.28	14.10
Total	12.34	24.90

Notes to the Financial Statements

₹ In Lakh

	As at 31 March 2015		As at 31 March 2014	
35 Directly Imported and indigenously available stores and spare parts consumed and the percentage of each to the total consumption :				
Directly Imported	11%	10.01	21%	21.00
Indigenously Available	89%	79.68	79%	76.86
Total		89.69		97.86

36 Capitalisation of Expenses

During the year, the Company has capitalised the following expenses to the cost of Fixed Assets under the head 'Cable Backbone Network'. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Employee Benefits Expense	183.26	162.06
Other Expenses	54.27	61.22
Total	237.53	223.28

37 Unhedged Foreign Currency Exposure

Foreign currency exposure as on Balance Sheet date which is not hedged by derivative instruments or otherwise is as follows :

	As at 31 March 2015			As at 31 March 2014		
	Currency	Amount	₹	Currency	Amount	₹
Payable in Foreign Currency	USD	20.06	1,255.28	USD	17.89	1,075.28

38 Disclosure pursuant to Accounting Standard (AS) 15 (Revised)- Employee Benefits

The Company maintains a provident fund with Regional Provident Fund Commissioner. Contributions are made by the Company to the funds, based on the current salaries. In the provident fund schemes, contributions are also made by the employees. An amount of ₹. 76.54 Lakhs (31 March 2014 : ₹.71.70 Lakhs) has been charged to the Statement of Profit and Loss on account of the above defined contribution schemes.

The Company operates a superannuation scheme for its eligible employees with Life Insurance Corporation of India (LIC) towards which the Company contributes upto a maximum of 15% of the employees' current salary amounting to ₹. 1.26 Lakhs (31 March 2014 : ₹.1.26 Lakhs) which is charged to the Statement of Profit and Loss.

The Company has taken a policy with Life Insurance Corporation of India (LIC) for future payment of gratuity liability to its employees, which is a defined benefit scheme. Actuarial valuations are carried out by an independent actuary based on the methods prescribed in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Contributions are also made by the Company. Employees are not required to make any contribution.

The Company also provides for leave encashment benefit to the employees. Actuarial valuations for the year are carried out by an independent actuary based on the methods prescribed in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006.

Gratuity (Funded)

Amount recognised in the Balance Sheet are as follows

	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
Present value of funded obligation	128.35	94.91	99.92	92.56	71.00
Fair Value of Plan Assets	166.40	163.05	158.52	87.84	53.79
Net (Asset)/Liability	(38.05)	(68.14)	(58.60)	4.72	17.21

Recognised under:

Other current assets

	38.05	68.14
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Leave Entitlement (Unfunded)

Amount recognised in the Balance Sheet are as follows:

Present value of un-funded obligation	34.68	27.06	117.09	110.76	72.13
Fair Value of Plan Assets	-	-	-	-	-
Net (Asset)/Liability	34.68	27.06	117.09	110.76	72.13

Recognised under:

Long-term Provision

	33.07	26.57
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Short-term Provision

	1.61	0.49
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Total

	34.68	27.06
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Notes to the Financial Statements

Amount recognised in the Statement of Profit and Loss and charged to Salaries and Wages and Contribution to Provident and Other Funds as follows:

	Gratuity		Leave Encashment	
	Year ended	Year ended	Year ended	Year ended
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Current Service cost	17.14	13.43	10.23	(16.68)
Interest cost	7.17	8.00	1.86	9.76
Expected Return on Plan Assets	(13.04)	(13.87)	-	-
Net actuarial loss/(gain) recognised during the year	20.17	(9.38)	3.18	(71.94)
Total	31.44	(1.82)	15.27	(78.86)
Reconciliation of opening and closing balances of the present value of the obligations:				
Opening defined benefit obligation	94.91	99.92	27.06	117.09
Current Service cost	17.14	13.43	10.23	(16.68)
Interest cost	7.17	8.00	1.86	9.76
Actuarial loss/(gain)	19.61	(9.57)	3.18	(71.94)
Benefits paid	(10.48)	(16.88)	(7.65)	(11.16)
Closing Defined Benefit Obligation	128.35	94.91	34.68	27.06

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

	Gratuity		Leave Encashment	
	Year ended	Year ended	Year ended	Year ended
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Opening fair value of Plan Assets	163.05	158.52	-	-
Expected Return on Plan Assets	13.04	13.87	-	-
Contributions by employer	1.35	7.72	-	-
Actuarial (loss)/gain	(0.56)	(0.18)	-	-
Benefits paid	(10.48)	(16.88)	-	-
Closing Fair Value on Plan Assets	166.40	163.05	-	-

Actual Return on Plan Assets* 12.49 13.69 - -

*Plan Assets consist of funds maintained with LIC for gratuity scheme

Principal Actuarial Assumption Used:

Discount Rates	8.00%	8.75%	8.00%	8.75%
Expected Return on Plan Assets	8.00%	8.75%	-	-
Expected Salary increase rates	6.00%	6.00%	6.00%	6.00%
Mortality Rates	IALM (2006-2008) ultimate mortality table	LIC (1994-96) mortality table	IALM (2006-2008) ultimate	IALM (2006-2008) ultimate

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

Gratuity expenses and Leave Encashment expenses charged to the Statement of Profit and Loss for the year ended 31 March, 2015 are ₹ 30.55 lakh and ₹ 14.34 lakh respectively.

Notes to the Financial Statements

The table below illustrates experience adjustment disclosure as per para 120 (n) of Accounting Standard 15 - Employee Benefits.

Gratuity

Particulars	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Present value of obligation at the end of the year	128.35	94.91	99.92	92.56	71.00
Fair value of plan assets at the end of the year	166.40	163.05	158.52	87.84	53.79
Surplus/(Deficit) at the end of the year	38.05	68.14	58.60	(4.72)	(17.21)
Experience adjustments on plan liabilities [(Gain)/Loss]	7.88	1.09	(2.40)	2.67	(27.58)
Experience adjustments on plan assets [Gain/(Loss)]	0.67	(1.37)	14.65	3.94	1.14

Leave Salary

Particulars	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Present value of obligation at the end of the year	34.68	27.06	117.09	110.76	72.13
Fair value of plan assets at the end of the year	-	-	-	-	-
Deficit at the end of the year	-	-	-	-	-
Experience adjustments on plan liabilities [(Gain)/Loss]	(0.17)	(41.51)	4.12	65.04	10.26
Experience adjustments on plan assets [Gain/(Loss)]	-	-	-	-	-

39 Employee Stock Option Scheme :

Brief descriptions about the plans:

Employee Stock Option Scheme, 2010 (ESOS 2010): The Board, vide its resolution dated 19 December 2010, approved (i) ESOS 2010 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment and (ii) Employee Performance Linked Stock Option to be issued at par in lieu of loyalty bonus linked to specified performance target to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof from time to time [since repealed on October 28, 2014 pursuant to the coming into force of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with effect from the said date.] An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the scheme. The eligible employees for the purpose of ESOS 2010 will be determined by the Compensation Committee from time to time. The Employee Performance Linked Stock Option shall be subject to 18 months lock in after the date of allotment whereas the Employee Stock Option is free from lock in. The vesting period of Employee Performance Linked Stock Option and Employee Stock Option are 18 and 36 months respectively with 3 months exercise period for exercising the option to subscriber.

The Company had granted (net of options lapsed) 35500 stock options in 2010-11 under the ESOS 2010 Scheme (Option XI), which had vested in earlier years and were allotted during the year. All the exercised options were allotted in the form of Equity Shares.

Details of options granted under ESOS 2010 existing during the year :

	Option XII	Option XIII
Date of grant	13-Sep-13	21-Jul-14
Numbers originally granted	179,600	48150
Exercise price	70	70
Vesting Period (Including 3 months Exercise Period)	3.25 Years	3.25 Years
Weighted Average Remaining Contractual Life of options (in years)	1.45	2.31
Method of Settlement	Equity	Equity

Notes to the Financial Statements

All the above valid options would be allotted in the form of Equity Shares on the basis of 1:1.

	Year ended 31 March 2015		Year ended 31 March 2014	
	Numbers	Weighted Average Price (₹)	Numbers	Weighted Average Price (₹)
Outstanding at the beginning of the year	163,100	70.00	78,000	51.50
Granted during the year	48,150	70.00	179,600	70.00
Forfeited/Expired during the year	800	70.00	59,000	56.67
Exercised during the year	-	-	35,500	51.50
Outstanding at the end of the year	210,450	70.00	163,100	70.00
Exercisable at the end of the year	-	-	-	-

The Company has adopted the intrinsic value method as permitted by the aforesaid SEBI guidelines/regulations and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

The Company's net profit / (loss) and earnings per share would have been as under, had the compensation cost for employees' stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes model.

The following assumptions were used for the calculation of fair value of the options / grants :

Risk Free Interest Rate (%)	8.52	8.47
Expected life of Options (years)	3.25	3.25
Expected Annual Volatility	61.43%	61.00%
Dividend Yield	0%	0%
Weighted average exercise price	70.00	70.00
Weighted average fair value	83.51	89.50

Since the Company was unlisted at the time of grant of Options ,the Expected Annual Volatility of the options was taken based on one year historical volatility index of Peer Listed Company as per clause 27 of Appendix 1 of the Guidance Note issued by ICAI.

	Year ended 31 March 2015	Year ended 31 March 2014
Profit / (Loss) for the year as reported	559.91	(1,378.52)
Add: ESOP Cost using intrinsic value method	45.24	4.06
Less: ESOP Cost using fair value method	54.60	0.03
Proforma Profit / (Loss) for the year	550.55	(1,374.44)
Earnings Per share:		
Basic and Diluted		
- As reported	2.30	(6.15)
- Proforma	2.26	(6.13)

Notes to the Financial Statements

40 Disclosure pursuant to Accounting Standard 18- Related Party Disclosures

(a) Name of the Related Parties and their relationship

- | | |
|--|---|
| i) Key Managerial Personnel (KMP) : | Mrs. Jagi Mangat Panda - Managing Director |
| ii) Relative of Key Managerial Personnel : | Mr. Bajjayant Panda - Husband of Mrs. Jagi Mangat Panda |
| iii) Enterprises over which KMP and/or relative of such KMP is able to exercise significant influence (with whom transactions have taken place during the year): | Indian Metals & Ferro Alloys Ltd.
Odisha Television Ltd.
Orissa Infratech Pvt. Ltd.
B.Panda & Company Pvt. Ltd.
Barabati Investment & Trading Co. Pvt. Ltd.
Panda Investment Pvt. Ltd. |

(b) Summary of Transactions with Related Parties:

₹ In Lakh

Si. No.	Nature of Transaction	31 March 2015			31 March 2014		
		KMP	Relative of KMP	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	KMP	Relative of KMP	Enterprises over which KMP/Relative of KMP is able to exercise significant influence
1	Managerial Remuneration	42.11	-	-	43.32	-	-
2	Sitting fees paid	-	-	0.05	-	-	0.15
3	Sitting fees refunded to the Company	-	-	0.05	-	-	-
4	Signal Uplinking Income	-	-	288.38	-	-	288.65
5	Rent Received	-	-	7.20	-	-	7.20
6	Leaseline Bandwidth Income	-	-	16.36	-	-	16.01
7	Reimbursement of expenses (Paid)	-	-	18.76	-	-	29.14
8	Reimbursement of expenses (Received)	-	-	115.57	-	-	103.84
9	Subscription Income	-	-	0.34	-	-	0.47
10	Material Issued	-	-	0.44	-	-	0.04
11	Advertisement Expenses	-	-	18.00	-	-	-
12	Channel Carriage Income	-	-	174.39	-	-	150.00
13	Programming Costs	-	-	179.70	-	-	154.00
14	Share application money received	-	2.50	-	-	220.00	250.00
15	Advance Received	-	-	-	-	-	9.60
16	Unsecured Loan Received	-	-	662.49	-	-	500.00
17	Unsecured Loan Repaid	-	-	164.73	-	-	64.58
18	Interest and Processing Fees on Unsecured Loan	-	-	65.22	-	2.00	61.70
19	Outstanding Balances :	As at 31 March 2015			As at 31 March 2014		
	Debit Balance outstanding at closing	-	-	-	-	-	-
	Credit Balance outstanding at closing	5.11	-	952.43	3.61	-	431.36

Notes to the Financial Statements

(c) Material Related Party Transactions during the year (excluding reimbursements):

- 1 Managerial Remuneration paid to Mrs. Jagi Mangat Panda ₹42.11 lakhs (Previous Year: ₹.43.32 lakhs)
- 2 Sitting fees as nominee paid to Panda Investment Pvt. Ltd ₹. 0.05 lakhs (Previous Year: Rs.0.15 lakhs)
- 3 Sitting fees as nominee refunded back from Panda Investment Pvt. Ltd ₹. 0.05 lakhs (Previous Year: ₹.Nil)
- 4 Signal Uplinking Income received from Odisha Television Ltd. ₹.288.38 lakhs (Previous Year: ₹.288.65 lakhs)
- 5 Rent Received from Odisha Television Ltd. ₹.7.20 lakhs (Previous Year: ₹.7.20 lakhs)
- 6 Leaseline Bandwidth income received from Odisha Television Ltd. ₹.10.13 lakhs (Previous Year: ₹.10.13 lakhs) and Indian Metals & Ferro Alloys Ltd. ₹.6.23 lakhs (Previous Year: ₹.5.88 lakhs)
- 7 Subscription Income received from Indian Metals & Ferro Alloys Ltd. ₹.0.34 lakhs (Previous Year: ₹.0.47 lakhs)
- 8 Material Issued to Odisha Television Ltd. ₹.0.44 lakhs (Previous Year: ₹.0.04 lakhs)
- 9 Advertisement Expenses paid to Odisha Television Ltd. ₹.18.00 lakhs (Previous Year: Rs.Nil)
- 10 Channel Carriage Income received from Odisha Television Ltd. ₹.174.39 lakhs (Previous Year: ₹.150.00 lakhs)
- 11 Programming Costs paid to Odisha Television Ltd. ₹.179.70 lakhs (Previous Year: ₹.154.00 lakhs)
- 12 Share application money received from Mr.Baijayant Panda ₹.2.50 lakhs (Previous Year: ₹.220.00 lakhs), B Panda & Company Pvt. Ltd. ₹.Nil (Previous Year: ₹.150.00 lakhs) and Barabati Investments and Trading Co. Pvt. Ltd. Rs.Nil (Previous Year: ₹.100.00 lakhs)
- 13 Advance Received from Odisha Television Ltd. ₹.Nil (Previous year: ₹.9.60 lakhs)
- 14 Unsecured Loan received from Orissa Infratech Pvt. Ltd. ₹. 662.49 lakhs(Previous Year: Rs.500.00 lakhs)
- 15 Unsecured Loan repaid to Orissa Infratech Pvt. Ltd. ₹.164.73 lakhs (Previous Year: ₹.64.58 lakhs)
- 16 Interest and Processing Fees on Unsecured Loan paid to Orissa Infratech Pvt. Ltd. ₹.65.22 lakhs (Previous Year: ₹.58.82 lakhs), Mr.Baijayant Panda ₹.Nil (Previous Year: ₹.2.00 lakhs) and B Panda & Company Pvt. Ltd. Rs.Nil (Previous Year: ₹.2.88 lakhs)
- 41 Advance from customers include ₹. 74.46 Lakhs, being Electricity Inspection Duty collected from the customers (levied by the Department of Energy, Government of Orissa vide its notification dated 29 March 2002 under Indian Electricity Rules, 1956) but not deposited with the appropriate authorities on the ground that neither the rules nor the notification is applicable to the Company and the charging chapter of the Notification does not authorise the electrical Inspector to levy fees on any person other than the owner of the television connection. The Company has filed a writ petition before Hon'ble High Court of Orissa against the said Notification and obtained an order to the effect that no coercive action can be taken against the Company until the

disposal of the case. However, as per the direction of Hon'ble High Court of Orissa vide its order dated 09 February 2007, Rs. 29.00 Lakhs was deposited with the said Court.

Subsequently, Hon'ble High Court of Orissa vide its order dated 5 November 2007 directed the Government of Orissa to take a decision as to whether the inspection charges so far as consumer of television connections are concerned can be waived and/or imposed and also directed the Company not to collect any amount from any individual customer until a decision is taken by the Government of Orissa.

- 42 The Company acquires the "Cable Network Business" of various Local Cable Operators ('LCOs') which, inter alia, consists of equipments, infrastructure and cable television subscribers and enters into agreements with the LCOs in this regard, whereby the LCOs agree to sell their "Cable Network Business" . The LCOs also agree not to compete with the Company for a specified period in the areas where the LCOs have transferred their cable television subscribers to the Company. The amount payable for acquisition of equipments & infrastructure has been capitalised under relevant categories of tangible assets and the amount payable as non-compete fee has been treated as an Intangible asset.
 - 43 In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company reassessed the remaining useful life of tangible fixed assets with effect from 01 April 2014. Accordingly, the carrying values as on that date(net of residual values) are depreciated over their assessed remaining useful lives. As a result of this change, the depreciation charge for the year ended 31 March, 2015 is higher by ₹.35.70 lakhs.
- Further, the carrying amount of assets (after retaining the residual value) amounting to ₹.101.11 lakhs, where remaining useful lives have been reassessed to be nil as at 01 April 2014, has been recognised in the opening balance of retained earnings as on 01 April 2014.
- 44 Capital Work-in-Progress includes capital inventory of ₹.1115.97 Lakhs (31 March, 2014: ₹.495.33 Lakhs).

Notes to the Financial Statements

45 Segment Information

Segment Information as required by the Accounting Standard 17 - "Segment Reporting" of the Companies (Accounting Standard) Rules, 2006.

₹ In Lakh

Business Segment	31 March 2015			31 March 2014		
	Cable TV	Broadband	Total	Cable TV	Broadband	Total
Segment Revenue	10,851.84	2,888.89	13,740.73	9,735.43	2,747.16	12,482.59
Others			1,738.18			367.46
Total Revenue from operations			15,478.91			12,850.05
Segment Results	4,932.48	2,088.98	7,021.46	4,398.21	1,764.88	6,163.09
Less: Unallocable expenses net of income			4,157.10			4,819.39
Less: Finance Costs (net)			2,158.69			2,304.84
Profit/(Loss) before exceptional and extraordinary items and Tax			705.67			(961.14)
Exceptional items			-			166.37
Profit/(Loss) before extraordinary items and Tax			705.67			(1,127.51)
Extraordinary items			-			251.00
Profit/(Loss) before Tax			705.67			(1,378.51)
Provision for Taxation			145.76			-
Profit/(Loss) after Tax			559.91			(1,378.51)
Segment Assets	6,254.72	1,553.79	7,808.51	3,885.24	347.19	4,232.43
Add: Unallocated Corporate Assets			29,599.47			19,746.87
Total Assets			37,407.98			23,979.30
Segment Liabilities	5,137.60	123.45	5,261.05	4,053.32	186.43	4,239.75
Add: Unallocated Liabilities			19,437.86			17,684.72
Total Liabilities			24,698.91			21,924.47
Capital Expenditure	959.13	291.33	1,250.46	305.73	20.89	326.62
Depreciation	806.63	62.70	869.33	816.83	7.77	824.60
Non Cash Expenses other than Depreciation	1,244.17	162.97	1,407.14	939.66	106.87	1,046.53

Notes:

(a) The Company is engaged in the business of Cable TV and Broadband service and operates in domestic market only.

(b) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income/expenditure relate to the Company as a whole and are earned/incurred at the Company level.

Notes to the Financial Statements

- 46 The Company completed its Initial Public Offering (IPO) during the year pursuant to which equity shares of Rs.10 each were allotted at a price of ₹ 181 per equity share. The issue comprised of a fresh issue to the public of 60,00,000 equity shares and an Offer For Sale of 35,93,850 equity shares by NSR - PE Mauritius LLC (the selling shareholder). The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Ltd. on 19 March, 2015.
- 47 Funds were raised through IPO for, inter alia, expansion of network/capital expenditure on development of digital cable services and broadband services/general corporate purposes. The amount remaining unutilised as at 31 March, 2015 is as follows:

Particulars	₹ In Lakh
Issue Proceeds	10,860.00
Less: Issue Expenses accounted upto 31 March, 2015 *	780.58
Net proceeds from IPO	10,079.42
Amount Utilised upto 31 March, 2015	-
Amount unutilised as at 31 March, 2015 #	10,079.42

* excluding the share of expenses pertaining to the selling shareholder

remains invested in Bank Current Account and Fixed Deposits

- 48 There are no Micro, Small and Medium Enterprises, as required to be disclosed under the 'Micro, Small and Medium Enterprise Development Act, 2006' identified by the Company on the basis of information available with the Company.

49. The Company has calculated Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) as follows :-

(₹ In Lakh)

Particulars	Year ended 31-Mar-15	Year ended 31-Mar-14
Profit / (Loss) for the year after tax	559.91	(1,378.51)
Add:		
(a) Finance Costs	2,259.21	2,341.61
(b) Tax Expense	145.76	-
(c) Depreciation and Amortisation Expense	1,886.04	1,988.40
(d) Fixed Assets written off	1,054.54	715.26
(e) Non Compete Fee pay outs	61.81	67.71
(f) Exceptional Items	-	166.37
(g) Extraordinary Items	-	251.00
EBITDA	5,967.27	4,151.84

- 50 Previous year's financial statements have been audited by M/s Lovelock & Lewes, Chartered Accountants.
- 51 Previous year's figures have been regrouped/rearranged, wherever necessary to make them comparable with those of current year.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Sd/-

Anand Kumar Jhunjhunwala

Partner

Membership No.056613

Date : 20 April, 2015

Place : Bhubaneswar

For and on behalf of Board of Directors

Sd/-

Jagi Mangat Panda

Managing Director

Sd/-

Lalit Kr. Mohanty

Company Secretary

Sd/-

Jyoti Bhusan Pany

Director

Sd/-

Manoj Kumar Patra

Chief Financial Officer

Ortel Communications Limited

Registered Office: B7/122A, Safdarjung Enclave, New Delhi – 110 029

CIN: U74899DL1995PLC069353, Web:www.ortelcom.com, Email: ipo@ortelgroup.com, Ph: 011-46868800

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHARE HOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Folio No/ *DP Id No and Client Id No	No. of shares held
Shareholder _____		
Proxy _____		

I hereby record my presence at the 20th Annual General Meeting of the members of the Company on Monday, 27 July, 2015 at 10.00 A.M. at LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016

* Applicable for members holding share in electronic form.



Signature of Shareholder(s)/ Proxy



-----TEAR HER-----



Ortel Communications Limited

Registered Office: B7/122A, Safdarjung Enclave, New Delhi – 110 029

CIN: U74899DL1995PLC069353, Web:www.ortelcom.com, Email: ipo@ortelgroup.com, Ph: 011-46868800

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): _____

Registered address: _____

E-mail Id: _____ Folio No/ DP Id and Client Id: _____

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: Email Id:.....

Address:..... Signature:....., or failing him

2. Name: Email Id:.....

Address:..... Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual general meeting of the company, to be held on the Monday, 27 July, 2015 at 10.00 A.M at LakshmiPat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Description
1	Adoption of Annual Accounts along with the Reports of the Auditors' and Directors' thereon.
2	Reappointment of Dr. Gautam Sehgal (DIN-0034243), who retires by rotation
3	Reappointment of M/s. Haribhakti & Co. Chartered Accountants, Kolkata, and fix their remuneration
4	Revision of remuneration of Ms. Jagi Managat Panda, Managing Director
5	Approval of remuneration to Non-Executive Directors
6	Reappointment of Dr. Gautam Sehgal as Independent Director
7	To keep and maintain Register of Members, Index and other books of accounts in places other than Registered office of the Company
8	To Ratify remuneration of Cost Auditor
9	To approve ESOS 2015

Signed this..... day of..... 2015



Signature of shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Ortel Communications Limited

Registered Office: B7/122A, Safdarjung Enclave, New Delhi – 110 029
CIN: U74899DL1995PLC069353, Web:www.ortelcom.com, Email: ipo@ortelgroup.com, Ph: 011-46868800

E-COMMUNICATION REGISTRATION FORM

Dear Members,

As you all are aware that, as per the section 101 and section 136 of the Companies Act, 2013 read with relevant rules issued thereunder, Companies can serve annual reports and other communications through electronic mode to those shareholders who have registered their email address either with the company or with the depositories or with Registrar and share transfer agent.

The objective of such initiative is to reduce paper consumption to a great extent by allowing shareholders to contribute towards a better and greener environment. So this is a golden opportunity for every member of Ortel Communications Limited to contribute to such a noble cause of green initiative.

We therefore invite all our members to contribute to the cause by filling up the below form to receive communication from the company in electronic mode.

Please note that, as a member of the Company, you will be entitled to receive all such communications in physical form upon request.

Sincerely yours;

Lalit Kr. Mohanty

Company Secretary & Compliance Officer

E-COMMUNICATION REGISTRATION FORM

Folio No/ DP Id No. and Client Id No. : _____

Name of the first registered holder : _____

Name of the Joint holder(s) : _____

Registered address : _____

Email id (To be registered) : _____

I/We Shareholder(s) of Ortel Communications Limited agree to receive communication from the Company in electronic mode. Please register my/ our above e-mail I'd in your records from sending communication in electronic form.

Date:

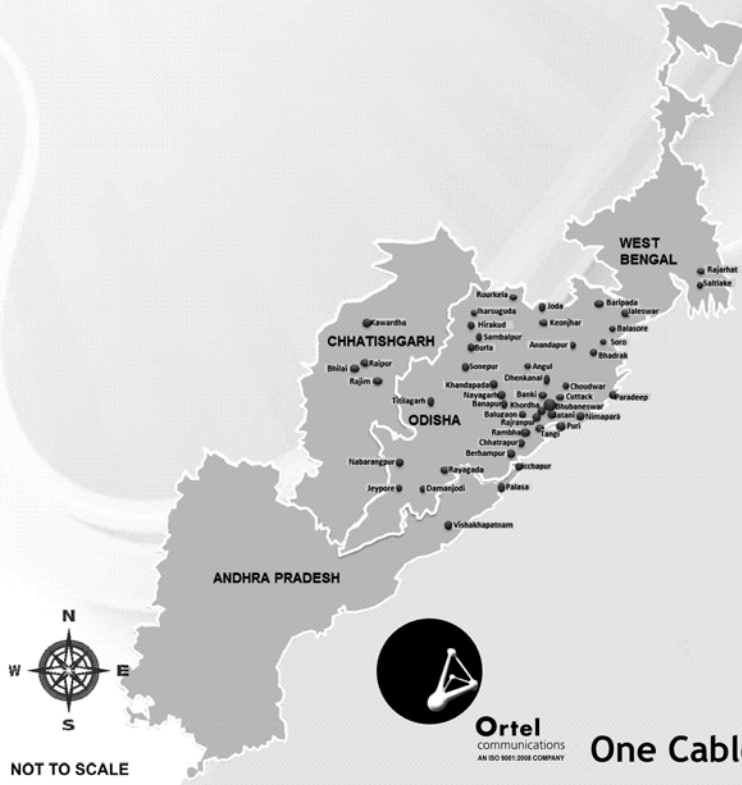
Signature

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.



A CSR Initiative of Ortel

ORTEL'S NETWORK



Sl. No.	Town	Analog	Digital	Data
1	Anandapur	✓		
2	Angul	✓		✓
3	Balasore	✓		✓
4	Balugaon	✓		
5	Banapur	✓		
6	Banki	✓		
7	Baripada	✓		
8	Berhampur	✓		✓
9	Bhadrak	✓		
10	Bhubaneswar	✓	✓	✓
11	Cuttack	✓	✓	✓
12	Khorda	✓		✓
13	Jatni	✓		✓
14	Choudwar	✓	✓	✓
15	Joda	✓		
16	Damanjodi	✓		
17	Dhenkanal	✓		
18	Icchapur	✓		
19	Jaleswar	✓		
20	Jepore	✓		
21	Kawardha	✓		
22	Keonjhar	✓		
23	Nabarangpur	✓		
24	Nayagarh	✓		
25	Khandaapada	✓		
26	Nimapara	✓		
27	Palasa	✓		
28	Paradeep	✓		✓
29	Puri	✓	✓	✓
30	Raipur	✓	✓	✓
31	Rajim	✓		
32	Rambha	✓		
33	Chhatrapur	✓		
34	Rayaqada	✓		
35	Rourkela	✓	✓	✓
36	Sambalpur	✓		✓
37	Hirakud	✓		
38	Burla	✓		✓
39	Sonepur	✓		
40	Soro	✓		
41	Tangi	✓		
42	Rajranpur	✓		
43	Titlagarh	✓		
44	Visakhapatnam		✓	✓
45	Jharsuguda		✓	✓
46	Saltlake		✓	✓
47	Rajarhat		✓	✓
48	Bhilai			✓

Ortel
communications
AN ISO 9001:2008 COMPANY

One Cable, Many Solutions

Registered Office

B7/122A, Safdarjung Enclave
New Delhi 110029
Tel.: 91-11-46868800
Fax : 91-11-46868801

Corporate Office

C-1 , Chandrasekharpur, Behind R.M.R.C.,
Near BDA Colony, Bhubaneswar-751016,
Odisha, India
Ph.: 91-674-3911100 / 3911200
Fax : 91-674-2303448

Website : www.ortelcom.com
CIN : U74899DL1995PLC069353



Ortel
communications
AN ISO 9001:2008 COMPANY
One Cable, Many Solutions



Ortel Communications Ltd.

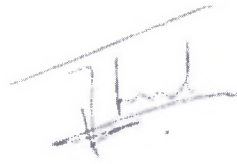



www.ortelcom.com

Bringing Convergence to India

Corporate office :
 C-1, Chananisekharpur
 Behind R.M.R.C., Near BDA Colony
 BBSR- 751016, Odisha, India
 Ph.: (0674) 3923200
 Fax: (0674) 2300449
 email- info@ortelgroup.com
 CIN: U74899OL1905PLC008053

FORM A

**Format of covering letter of the annual audit report to be filed with the Stock Exchange
 (Pursuant to Clause 31 of the Listing Agreement)**

1	Name of the company	Ortel Communications Limited
2	Annual financial statements for the year ended	31-Mar-2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by:	
	CEO/Managing Director:	 (Jagi Mangat Panda)
	CFO:	 (Manoj Kumar Patra)
	Audit Committee Chairman:	 (Jyoti Bhusan Pany)
	Auditor of the company:	 (Anand Kumar Jhunjhunwala)