



Ortel Communications Ltd.

www.ortelcom.com

Bringing Convergence to India

Corporate office :
C-1, Chandrasekharpur
Behind R.M.R.C., Near BDA Colony
BBSR- 751016, Odisha, India
Ph.: (0674) 3983200
Fax: (0674) 2303448
email - nodal@ortelgroup.com
CIN: L74899DL1995PLC069353

Company under Corporate Insolvency Resolution
Process by NCLT Order, dated November 27, 2018

September 30, 2019

To,

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
BandraKurla Complex
Bandra (E), Mumbai-400051
Scrip code-ORTEL

The Deputy General Manager
(Corporate Services)
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001
Scrip code-539015

SUBJECT:-SUBMISSION OF ANNUAL REPORT OF THE COMPANY APPROVED AND ADOPTED BY THE MEMBERS IN THE ANNUAL GENERAL MEETING HELD ON SATURDAY, 28TH SEPTEMBER, 2019 IN COMPLIANCE WITH REGULATION 34(1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Dear Sir/Madam,

We are enclosing herewith the Annual Report of the Company approved and adopted by the Members in the 24th Annual General Meeting held on Saturday, 28th September, 2019 at Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 in compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report made available on the Company's website at www.ortelcom.com.

This is for your information and record.

Thanking you,
Yours faithfully,
For Ortel Communications Limited (Under CIRP)

Bidu Bhusan Dash
Company Secretary & Compliance Officer



Issued with the approval of Mr. Srigopal Choudhary ("RP"), Registration No. IBBI/IPA-001/IP-P01238/2018-2019/11893.

(Ortel Communications Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Srigopal Choudhary, appointed by the National Company Law Tribunal by order dated 01st February, 2019 under the provisions of the Code)

ORTEL COMMUNICATIONS LIMITED (UNDER CIRP)

(CIN:L74899DL1995PLC069353)

Regd. Office: B7/122A, Safdarjung Enclave, New Delhi-110029

Website : www.ortelcom.com, Email: bidu.dash@ortelgroup.com

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting (AGM) of the members of Ortel Communications Limited shall be held on Saturday, September 28, 2019 at Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August KrantiMarg, New Delhi-110016 at 10:30 A.M. to transact the following business:

BACKGROUND

This is to apprise the members that pursuant to an application made by Sony Pictures Networks India (P) Limited, the Hon'ble National Company Law Tribunal, New Delhi Bench ("Adjudicating Authority"), vide its order dated 27 November 2018, had ordered the commencement of the Corporate Insolvency Resolution Process ("CIRP") in respect of your company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code"). Thereafter, in accordance with Section 17 of the Code, the powers of the Board of Directors stood suspended and Mr. Anil Bhatia was appointed as Interim Resolution Professional of the Company and subsequently on 07.01.2019, the Meeting of Committee of Creditors was convened and in the said meeting the Committee of Creditors proposed to replace the Interim Resolution Professional and the same was approved through e-voting. That the Hon'ble Adjudicating Authority vide its order dated 01.02.2019 (received on 07.02.2019) approved the appointment of Mr. Srigopal Choudhary as "Resolution Professional" for the management of the affairs of the Company ("RP"/ "Resolution Professional").

ORDINARY BUSINESS

- 1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY (INCLUDING CONSOLIDATED FINANCIAL STATEMENTS) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019, TOGETHER WITH THE REPORTS OF BOARD OF DIRECTORS AND AUDITORS THEREON**
- 2. TO APPOINT DIRECTOR IN PLACE OF MS. JAGI MANGAT PANDA, MANAGING DIRECTOR (DIN-00304690), WHO RETIRES BY ROTATION AND, BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT**

EXPLANATION

Pursuant to Section 149(13) of the Companies Act 2013, the independent directors are not liable to retire by rotation. Further

Section 152 (6) of the Companies Act, 2013 stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the company.

To meet the requirement of provisions of Section 152 (6) of the Companies Act, 2013 and in line with the Article 149, 150, 151, 152 and 160 of the Article of Association, the Managing Director or the whole time Director shall not, while he/she continues to hold that office, be subject to retirement by rotation under Article 151 but he/she shall be subject to the provision of any contract between him/her and the Company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he/she shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he/she ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total) number of the Directors for the time being then such of the Managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 151 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. However, he/she shall be counted in determining the number of Directors to retire (save as otherwise provided in a contract in terms of provisions of the Act or Rules made hereunder or in a resolution passed by Board or Shareholders of the Company).

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the applicable Rules thereon and other applicable provisions of law, if any, Ms. JagiMangat Panda, Managing Director (DIN-00304690) of the Company, who retires by rotation as Director in the Annual General Meeting, be and is hereby re-appointed as a Director of the Company at the same meeting and she shall not, by reason of such retire by rotation cease to be a Managing Director of the Company."

- 3. TO APPOINT AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION**

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 139 and 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), pursuant to the proposals and recommendation of the Resolution Professional of the Company, M/s K. Prasad & Co., Chartered Accountants (Firm Registration No. 303062E), be and is hereby appointed as Statutory Auditors of the Company, to hold office for a term of 5 (five) consecutive years commencing from the conclusion of 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2024 with a remuneration as mutually discussed and decided by the Resolution Professional and the proposed auditor plus out of pocket expenses & tax as applicable for conducting the statutory audit of the Company."

SPECIAL BUSINESS

4. TO RATIFY THE QUANTUM OF REMUNERATION PAYABLE TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2019-20

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") and any amendments thereof, 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 2019-20 as recommended by the Resolution Professional of the Company."

REMUNERATION

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

Srigopal Choudhary

Resolution Professional

For Ortel Communications Limited (under CIRP)

Address - Flat 7J, Tower -3, South City

375 P.A.S. Road, Kolkata - 700068

Registration No- IBBI/IPA-001/IPP-01238/2018-19/11893

Date: August 16, 2019

Place: Kolkata

Registered Office:

B-7/122A, Safdarjung Enclave

New Delhi-110029

CIN:L74899DL1995PLC069353

Phone: 011-46868800; 011-46868803

E-mail: bidu.dash@ortelgroup.com

Website: www.ortelcom.com

Notes:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item No.4 setout above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder. The holder of proxy shall prove his/her identity at the time of attending the Meeting.
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. Attendance slip, proxy form and route map of the venue of the Meeting are annexed hereto.
5. All documents referred to in the accompanying Notice are open for **inspection** at the Registered Office of the Company on all working days, except Saturdays, Sundays and Bank holidays, **between 10:00 A.M. and 05:00 P.M.** upto the date of the Annual General Meeting.
6. The members/Proxies are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting.
7. Proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.
8. Proxy in prescribed **Form No. MGT-11** is enclosed herewith.
9. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant board resolution together with the specimen signatures of their representative(s) authorised under the said board resolution to attend and vote on their behalf at the meeting.
10. 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.
11. In terms of the provisions of Section 152 of the Act, **Ms. Jagi Mangat Panda, Managing Director, retire by rotation at the Meeting.** Save and except the above, none of the other Directors/KeyManagerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the **Ordinary Business** set out under **Item No.2** of the Notice.
12. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings, particulars of the Directors seeking re-appointment at the Annual General Meeting are provided in the "Annexure" to the Notice.
13. The Attendance at the meeting will be regulated through the Attendance Slip and the same will be verified with the records maintained with the Company. Members who hold shares in dematerialized form are requested to quote their DP ID and Client ID number(s) and those who hold shares in physical form are requested to quote their folio number(s) in the Attendance Slip to facilitate their identification at the Meeting.
14. 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.
15. Pursuant to the provisions of Section 91 of the Companies Act, 2013, **the Register of Members and the Share Transfer Books of the Company will remain close** for a period of seven days from **21st September, 2019 to 28th September, 2019 (both days inclusive)** for the purpose of Annual General Meeting.
16. Members holding shares in physical form are requested to notify any change in their address, if any, to the Registrar and Share Transfer Agent, M/s Karvy Fintech Private Limited, Hyderabad (Karvy) at their address mentioned below or to the Registered Office of the Company, quoting their Folio number (s).
17. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their email addresses, nominations, power of attorney, change of address/name etc to their Depository Participant (DP). Any changes effected by the DP will be automatically reflected in the record maintained by the Depositories.
18. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization 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.
19. 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/d-mat form, the nomination form may be filed with the respective Depository Participant.
20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Agreements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
 21. The Notice of the AGM and instructions for e-voting and the Annual Report of the Company for the year ended March 31, 2019 is uploaded on the Company's website www.ortelcom.com and may be access 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.
 22. SEBI vide its circular dated 20th April, 2018 has made it mandatory for 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 D-Mat accounts and members holding shares in physical form to the Company or to RTA, the said documents duly attested.
 23. 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 24th Annual General Meeting by electronic means and all the items of the business may be transacted through e-voting services provided by M/s Karvy Fintech 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>.

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 e-voting 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.
 - 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.
 - iii. Please contact **Karvy's toll free No.18003454001** for any support or clarification in relation to the e-voting.
 - iv. Members can cast their **vote** online from **Tuesday, September 24, 2019 @ 10:00 A.M. to Friday, September 27, 2019 @ 5:00 P.M.**
 - v. After entering these details appropriately, click on "LOGIN".
 - vi. 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 (az), 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 Fintech Private Limited under 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.
 - vii. You need to login again with the new credentials.
 - viii. On successful login, system will prompt to select the 'Event' i.e. 'Company Name'.
 - ix. 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.
 - x. 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 want to cast, select 'ABSTAIN'
 - xi. 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.
 - xii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. Corporate / Institutional Members (Corporate / FIs / FII's / 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."
24. 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 05:00 P.M.**) on all working days, up to and including the date of the Annual General Meeting of the Company.
25. The Notice of the AGM is being sent by electronic mode to all the Members, whose e-mail addresses are registered with the Depositories. For Members who have not registered their e-mail addresses with the Depositories, physical copies are being sent by the permitted modes.
26. The holders of Cumulative Redeemable Preference Shares are not entitled to vote on any item set out in the Notice.
27. Process and manner for Members opting for voting through Electronic means:
- In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting.
 - Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **Cut Off Date of September 20, 2019**, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off Date, shall treat this Notice as intimation only.
- A person who has acquired the shares and has become a Member of the Company after the despatch of the Notice of the AGM and prior to the **Cut Off Date i.e. September 20, 2019**, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through Poll at the AGM by following the procedure mentioned in this part.
 - The **remote e-voting** will commence on **Tuesday, September 24, 2019 @ 10:00 A.M.** and will end on **Friday, September 27, 2019 @ 5:00 P.M.** During this period, the Members of the Company holding shares either in physical form or in Demat form as on the **Cut-off Date i.e. September 20, 2019**, may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL/CDSL thereafter.
 - Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - The facility for voting through Poll would be made available at the AGM and the Members attending the Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting through Poll. The Members who have already cast their vote by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their vote again.
 - The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off Date of September 20, 2019**.
 - The Company has appointed Mr. Suresh Kumar Yadav, Kumar Suresh & Associates, Practicing Company Secretary (FCS No. 6452, COP No. 6711), to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll at the AGM, in a fair and transparent manner.

Srigopal Choudhary

Resolution Professional

For Ortel Communications Limited (under CIRP)

Address - Flat 7J, Tower -3, South City

375 P.A.S. Road, Kolkata - 700068

Registration No- IBBI/IPA-001/IPP-01238/2018-19/11893

Date: August 16, 2019

Place: Kolkata

Registered Office:

B-7/122A, Safdarjung Enclave

New Delhi-110029

E-mail: bidu.dash@ortelgroup.com

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:

The Resolution Professional of the Company has approved the reappointment of M/s Niran & Co., Cost Accountants, Bhubaneswar, Odisha as the Cost Auditor of the Company for the Financial Year 2019-20 with same remuneration of Rs.70,000/-per annum plus

out of pocket expenses if any and applicable 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.

The Resolution Professional recommends the Ordinary Resolution for your approval.

None of the Directors/Key Managerial Personnel and Resolution Professional of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the above resolution.

Srigopal Choudhary

Resolution Professional

For Ortel Communications Limited (under CIRP)

Address - Flat 7J, Tower -3, South City

375 P.A.S. Road, Kolkata - 700068

Registration No- IBBI/IPA-001/IPP-01238/2018-19/11893

Date: August 16, 2018

Place: Kolkata

Registered Office:

B-7/122A, Safdarjung Enclave

New Delhi-110029

E-mail: bidu.dash@ortelgroup.com

**Details of director proposed for re-appointment at the Annual General Meeting
(Pursuant to Regulation 36 (3) of Listing Regulation)**

Name of the Director	Ms. Jagi Mangat Panda
Date of Birth	06.11.1966
Date of Appointment	05.10.1995
Nature of his expertise in specific functional area	She is the founder and Managing Director of the Company. She is also the founder and Director of Odisha Television Limited. She has been awarded and recognized as the "Young Global Leader at the World Economic Forum in 2008". She is the Vice-Chairperson of CII's eastern region council for 2017-18 and she was also the Chairperson of CII Odisha State Council for 2 years (2001-02, 2002-03). She holds a Bachelors' degree in Biology and Chemistry from Osmania University and also has participated in the middle management programme of the three-tire programme for management development at the Indian Institute of Management, Ahmedabad. She has more than 23 years in the media and broadcasting industry.
Qualification	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-tire programme for management development at the Indian Institute of Management, Ahmedabad.
Disclosure of relationships between Directors inter-se	There is no inter-se relationship between Directors.
Directorship in other Listed Companies	JM Financial Limited
Member/Chairman of Committee of the Board of the Listed Companies	<ol style="list-style-type: none"> 1. Member of Audit Committee of Ortel Communications Limited 2. Member of CSR Committee of Ortel Communications Limited 3. Chairperson of Finance Committee of Ortel Communications Limited 4. Chairperson of Risk Management Committee of Ortel Communications Limited 5. Member of Corporate Restructuring Committee of Ortel Communications Limited 6. Member of Share Allotment Committee of Ortel Communications Limited
Number of shares held in the Company	310448 (0.94%) no. of equity shares

Ortel Communications Limited (under CIRP)
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110 029
CIN: L74899DL1995PLC069353, Web:www.ortelcom.com,
Email: bidu.dash@ortelgroup.com, Phone: 011-46868800

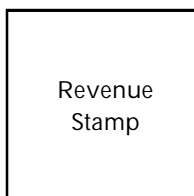
ATTENDANCE SLIP

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 24th Annual General Meeting of the Members of the Company on Saturday, 28th September, 2019 at 10:30 A.M. at Modi Hall, 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

Ortel Communications Limited (under CIRP)
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110 029
CIN: L74899DL1995PLC069353, Web:www.ortelcom.com
Email: bidu.dash@ortelgroup.com, Phone: 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]

24th Annual General Meeting-Saturday, 28th September, 2019 at 10:30 A.M.

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;

- Name:
 Of Email Id:.....
 Address:
 Signature:or failing him / her
- Name:
 Of 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 24th Annual General Meeting of the company shall be held on the Saturday, 28th September, 2019 at 10:30 A.M. at Modi Hall, 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	Optional*	
		For	Against
Ordinary Business			
1	To Adopt Annual Accounts of the Company along with the Reports of Auditors and Board thereon for the FY 2018-19.		
2	To appoint Director in place of Mrs. Jagi Mangat Panda, Managing Director (DIN-00304690), who retires by rotation and, being eligible, offers herself for re-appointment.		
3	To appoint auditors of the company and fix their remuneration.		
Special Business			
4	To ratify remuneration of Cost Auditors of the Company for FY 2019-20		

Signed this day of2019

Signature of shareholder:

Signature of Proxy holder(s):

Notes:

- 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.
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the Proxy Form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 24th Annual General Meeting.
- *It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Revenue
Stamp

Ortel Communications Limited (under CIRP)
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110029
CIN: L74899DL1995PLC069353, Web:www.ortelcom.com
Email: bidu.dash@ortelgroup.com, Phone: 011-46868800

E-COMMUNICATION

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 all types of 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.

We therefore invite all our members to contribute to such a noble cause of greener initiative 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;

Sd/-

Srigopal Choudhary

Resolution Professional

For Ortel Communications Limited (under CIRP)

Address - Flat 7J, Tower -3, South City

375 P.A.S. Road, Kolkata - 700068

Registration No- IBBI/IPA-001/IPP-01238/2018-19/11893

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 id in your records for sending all communications in electronic form.

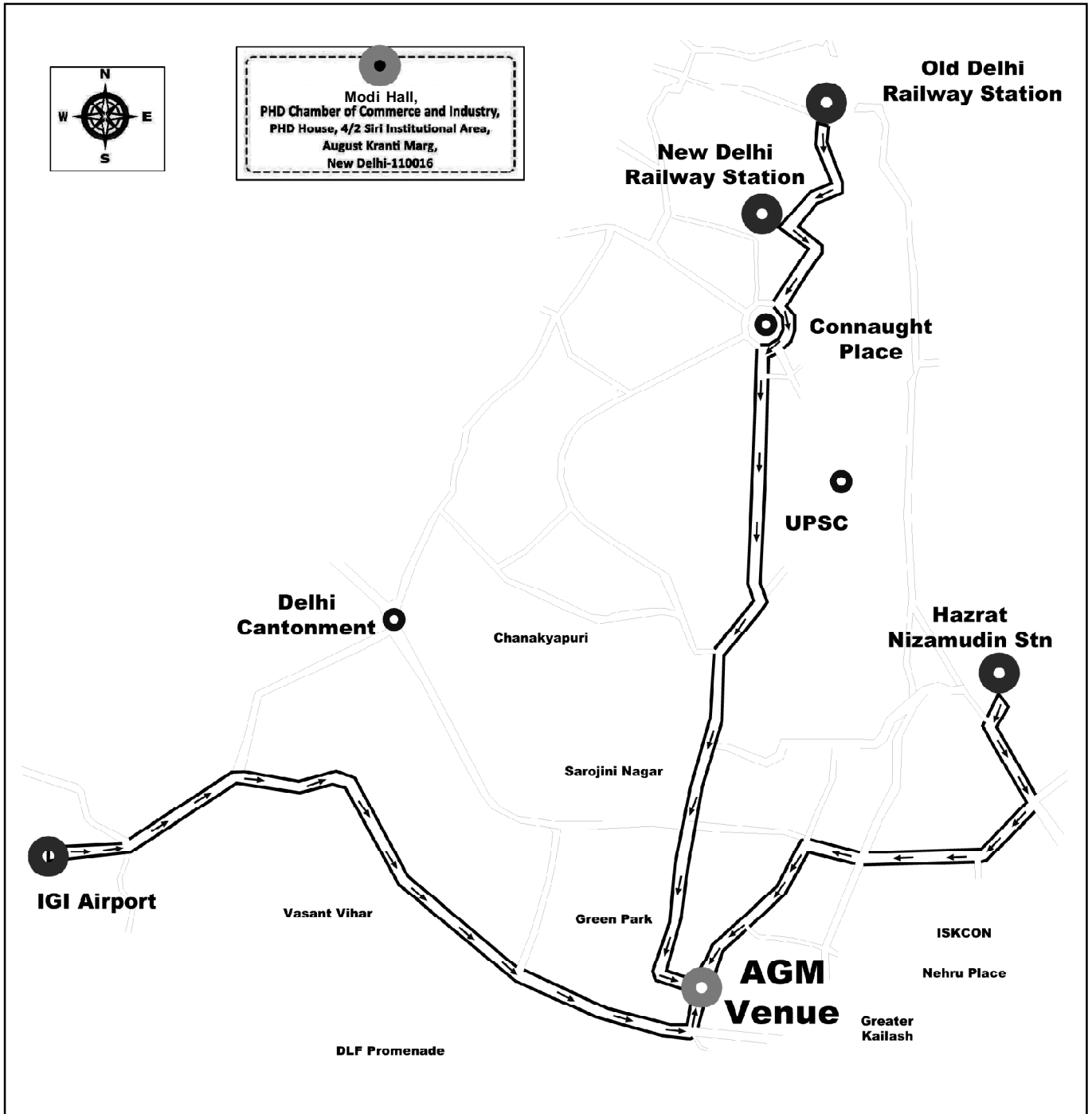
Date:

Signature

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



Guide Map for AGM



Notes

24th Annual Report FY 2018-19

Ortel Communications Limited

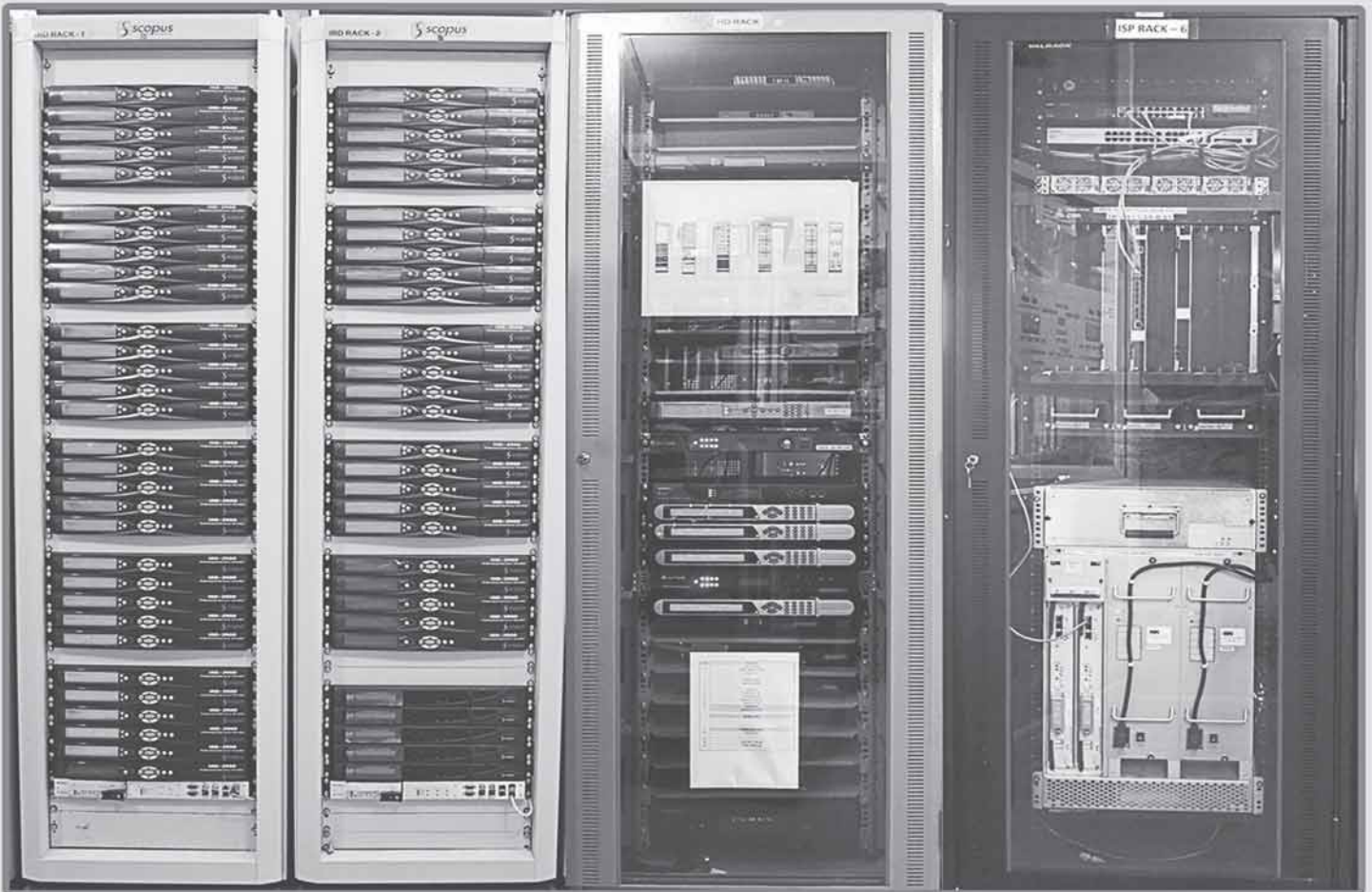


Ortel
communications
AN ISO 9001: 2008 COMPANY

BUREAU VERITAS
Certification



008



State of the Art Network Operating Centre at Bhubaneswar

CORPORATE INFORMATION

Board of Directors

Ms. Jagi Mangat Panda

DIN: 00304690

Managing Director

Dr. Gautam Sehgal

DIN: 00034243

Non Executive and Independent Director

Mr. Kadambi Seshasayee

DIN: 00659784

Non Executive and Independent Director

Mr. Jyoti Bhusan Pany

DIN: 00020453

Non Executive and Independent Director

Ceased w.e.f. 12.09.2018

Dr. Joseph Puliparambil

DIN: 03396028

Non Executive and Independent Director

Ceased w.e.f. 12.09.2018

Mr. Debaraj Biswal

DIN: 01318134

Non Executive and Independent Director

Ceased w.e.f. 26.09.2018

Mr. Bidu Bhusan Dash

Chief Financial Officer,

Company Secretary

& Compliance Officer

Management Team

Mr. Bibhu Prasad Rath

President & CEO

Mr. Bibhu Prasad Mohapatra

Sr VP Corporate Affairs

Audit Committee

Mr. Jyoti Bhusan Pany (Ceased w.e.f. 12.09.2018)	-	Chairperson
Ms. Jagi Mangat Panda	-	Member
Mr. Debaraj Biswal (Ceased w.e.f. 26.09.2018)	-	Member
Mr. Kadambi Seshasayee	-	Member

Nomination & Remuneration Committee

Dr. Joseph Puliparambil (Ceased w.e.f. 12.09.2018)	-	Chairperson
Dr. Gautam Sehgal	-	Member
Mr. Jyoti Bhusan Pany (Ceased w.e.f. 12.09.2018)	-	Member

Stakeholders' Relationship Committee

Mr. Jyoti Bhusan Pany (Ceased w.e.f. 12.09.2018)	-	Chairperson
Mr. Debaraj Biswal (Ceased w.e.f. 26.09.2018)	-	Member
Dr. Gautam Sehgal	-	Member

Corporate Social Responsibility Committee

Mr. Kadambi Seshasayee	-	Chairperson
Ms. Jagi Mangat Panda	-	Member
Mr. Jyoti Bhusan Pany (Ceased w.e.f. 12.09.2018)	-	Member

Risk Management Committee

Ms. Jagi Mangat Panda	-	Chairperson
Mr. Kadambi Seshasayee	-	Member
Mr. Debaraj Biswal (Ceased w.e.f. 26.09.2018)	-	Member

Finance Committee

Ms. Jagi Mangat Panda	-	Chairperson
Mr. Jyoti Bhusan Pany (Ceased w.e.f. 12.09.2018)	-	Member
Mr. Debaraj Biswal (Ceased w.e.f. 26.09.2018)	-	Member

Corporate Restructuring Committee

Mr. Debaraj Biswal (Ceased w.e.f. 26.09.2018)	-	Chairperson
Ms. Jagi Mangat Panda	-	Member
Mr. K V Seshasayee	-	Member
Mr. Bibhu Prasad Rath	-	Member

Share Allotment Committee

Mr. Debaraj Biswal (Ceased w.e.f. 26.09.2018)	-	Chairperson
Ms. Jagi Mangat Panda	-	Member
Mr. Jyoti Bhusan Pany (Ceased w.e.f. 12.09.2018)	-	Member

Statutory Auditors

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

Secretarial Auditor

M/s Kumar Suresh & Associates
Gurugram

Bankers

Karnataka Bank Limited
UCO Bank Limited
Union Bank of India

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

Karvy Fintech Private Limited (Karvy)

Internal Auditors

M/s SCM & Associates
Chartered Accountants
Bhubaneswar

Cost Auditor

M/s NIRAN & CO.
Cost Accountants, Bhubaneswar

State Bank of India
Axis Bank Limited

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24th Annual General Meeting

Day	: Saturday
Date	: 28 th September, 2019
Time	: 10:30 A.M.
Venue	: Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016

Important Communications to Members

1. 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 Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 or to the company at B-7/122A, Safdarjung Enclave, New Delhi-110029.
2. 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 id 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.

Note:- As a measure of economy, copies of the Annual Report including Notice of AGM will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Registered Office

B7/122A, Safdarjung Enclave, New Delhi-110029
Telephone: +91 11 4686 8800, Facsimile: +91 11 4686 8801
Corporate Identity Number: L74899DL1995PLC069353

Corporate Office

C-1, Chandrasekharpur, Bhubaneswar-751016, Odisha
Telephone: +91 674 7107200; Facsimile: +91 674 2303 448,
Email: bidu.dash@ortelgroup.com

Directors' Report

Dear Members,

Your Directors are hereby pleased to present the 24th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

Pursuant to the orders of Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Ortel Communications Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 27th November, 2018.

In this connection, Mr. Anil Bhatia was appointed as Interim Resolution Professional of the Company and subsequently on 07.01.2019, the Meeting of Committee of Creditors was convened and in the said meeting the Committee of Creditors proposed to replace the Interim Resolution Professional and the same was approved through e-voting. That the Hon'ble Adjudicating Authority vide its order dated 01.02.2019 (received on 07.02.2019) approved the appointment of Mr. Srigopal Choudhary as Resolution Professional to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code for the management of the affairs of the Company since the company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional since the company is under Corporate Insolvency Resolution Process (CIRP), as per

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

Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional.

- The management of the affairs of the company shall vest in the Resolution Professional.
- The powers of the Board of Directors company shall stand suspended and be exercised by the Resolution Professional.
- The officers and managers of the company shall report to the Resolution Professional and provide access to such documents and records of the company as may be required by the Resolution Professional.
- The financial institutions maintaining accounts of the company shall act on the instructions of the Resolution Professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

FINANCIAL HIGHLIGHTS

Pursuant to notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") with effect from April 01, 2017. Accordingly, financial statements for the year ended March 31, 2019 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting standards generally accepted in India.

Rs. In Crores

Particulars	Standalone		Consolidated	
	For the year ended March 31		For the year ended March 31	
	2019	2018	2019	2018
Total Revenue	114.76	186.19	114.76	186.19
Operating Expenses	113.47	142.23	113.47	142.23
Earnings Before Interest, Depreciation, Tax & Amortization (EBIDTA)	1.29	43.96	1.29	43.96
Interest and Financial Charges	21.04	29.20	21.04	29.20
Earnings before Depreciation, Tax & Amortization (EBDTA)	-19.75	14.76	-19.75	14.76
Depreciation, Amortization & other exceptional expenses	31.48	31.20	31.48	31.20
Earning Before Tax (EBT)	-51.23	-95.26	-51.23	-95.26
Tax	0	0	0	0
Earning After Tax (EAT)	-51.23	-95.26	-51.23	-95.26

STATE OF COMPANY'S AFFAIRS AND OPERATIONAL RESULTS

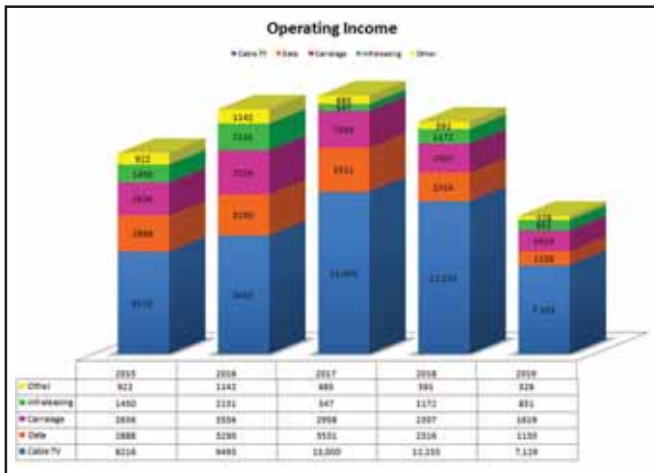
The highlights of the Company's performance are as under:

- Total revenue was Rs.114.76 Cr compared to the previous year's total revenue of Rs.186.19 Cr
- EBITDA stood at Rs.1.29 Cr compared to Rs. 43.97 Cr of corresponding previous financial year.
- Earning Before Tax (EBT) for the period is Rs.(51.23) Cr as compared to Rs.(95.26) Cr of last fiscal.
- Earning After Tax (EAT) stood at Rs.(51.23) Cr as compared to Rs.(95.26) Cr of last fiscal.

- EPS stood at Rs.(15.70) as compared to Rs.(31.28) of last financial year.

BUSINESS/OPERATIONAL REVIEW

The Year 2018-19 has been a challenging year for the Company due to delay in collections, higher competitive intensity in the market as well as issues pertaining to debt payment and company gone into CIRP Process. Notwithstanding this, your company has demonstrated healthy growth in revenues from cable TV business on a year-on-year basis (Y-o-Y) during the year under review.



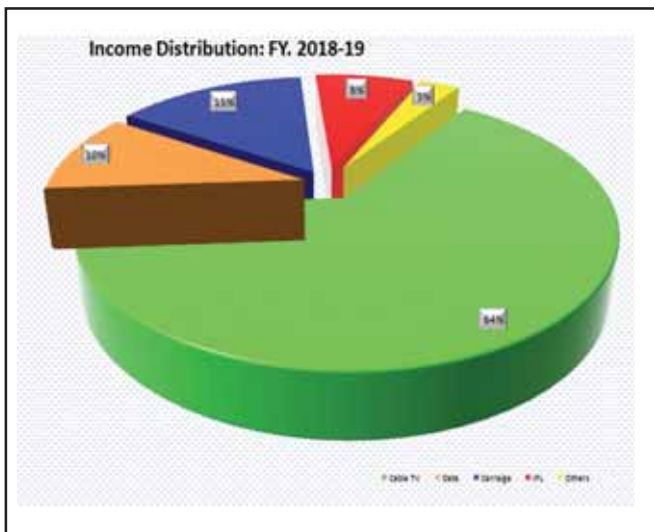
Members will be happy to know that in spite of all the difficult situations, EBITDA have been positive during the year under review.

The Management reviewed the details of receivables and took a firm step by creating provision of Rs.41.41 million against doubtful receivables, declaring bad debts of Rs. 78.65 million and Company has not issued Any credit notes during the year under review. This amount is primarily on account of disruption of services during the process of digitization and acquisition of local operators.

SEGMENT REVENUE CONTRIBUTION

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

- Cable TV services : 64%
- Data Services : 10%
- Infra-structure leasing : 8%
- Carriage fees : 15%
- Others : 3%



SEGMENT WISE ANALYSIS

i) CABLE TV SERVICE

During the year, TRAI implemented the New Tariff Order (NTO) from 1st February, 2019. The NTO is set to dramatically change the distribution landscape in India. It will bring in far greater transparency and overall it will be good for all stakeholders, leading to fair share allocation of subscription revenues within the stakeholders.

Some of the key features for the NTO are as below:

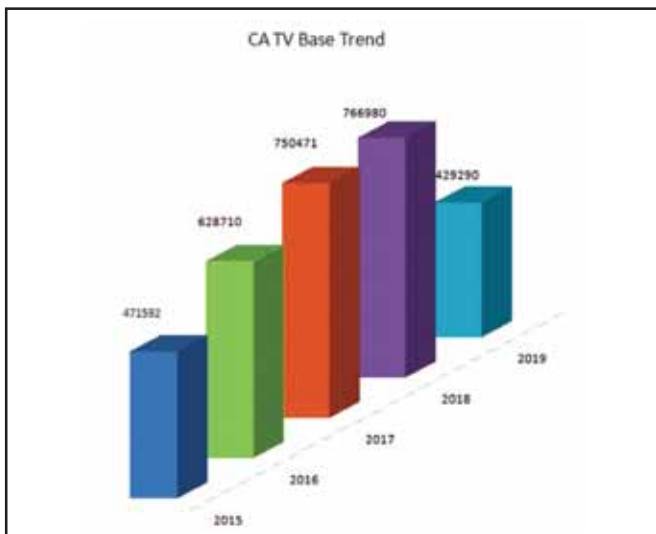
- Every broadcaster is required to declare the maximum retail price (MRP) of its pay channels on a-la-carte basis. However, such MRP shall be uniform for all types of addressable systems.
- Every Broadcaster must declare a distribution fee at a minimum of 20% of the MRP of pay channel or bouquet of pay channels which can be upto 35%. In addition to the distribution fee, Broadcasters may offer discounts to distributors which cannot exceed 15% of the MRP of pay channels or bouquet of pay channels. However, in no
- case, the sum of distribution fee declared by a broadcaster and discounts offered can exceed 35% of the MRP of pay channel or bouquet of pay channels, as the case may be.
- Every broadcaster should publish, on its website, the Reference Interconnection Offer (RIO) containing the information such as MRP of its pay channels and bouquet of pay channels, distribution fee, discounts etc.
- Every broadcaster is required to enter into written interconnection agreements on the basis of the RIO published by it for providing signals of pay channels to a distributor of television channels.
- Similarly, every distributor of television channels is required to publish RIO on its website for carrying a channel on its distribution network. Such RIO must necessarily contain the information such as target market, rate of
- Carriage fee, manner of calculation of carriage fee etc.
- The rate of carriage fee has been capped at Re.0.20 per Standard Definition channel and Re. 0.40 per High Definition Channel. The manner of carriage calculation is as prescribed in the regulations. The distributor can offer a discount on the carriage fee. However, such discount cannot be more than 35%.
- Every distributor is required to enter into written agreement, on the basis of its published RIO, with the broadcaster for carrying television channels in respect of which the request has been received from such broadcasters.

- Any other kind of fee for a channel such as marketing fee, placement fee etc. between two service providers should be made part of interconnection agreement and reported to the Authority.
- It is mandatory for MSOs to enter into a written agreement with LCOs before providing the signals. Such interconnection agreement must comply with the standard provisions as per the Model Interconnection Agreement (MIA)/ Standard Interconnection Agreement (SIA) as prescribed by the Authority.

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 states of Chhattisgarh, Andhra Pradesh and Telangana.

As on 31.03.2019, the total Cable TV customer base is 4,29,290 (Previous Year: 7,66,980) which is a de-growth of 44% growth over previous year.

With internationally used "Last Mile" model implemented by your Company, digitization of entire CATV subscribers and completion of integration process in the newly acquired locations, the Company is hopeful of continuing growth in the customer base in the future.

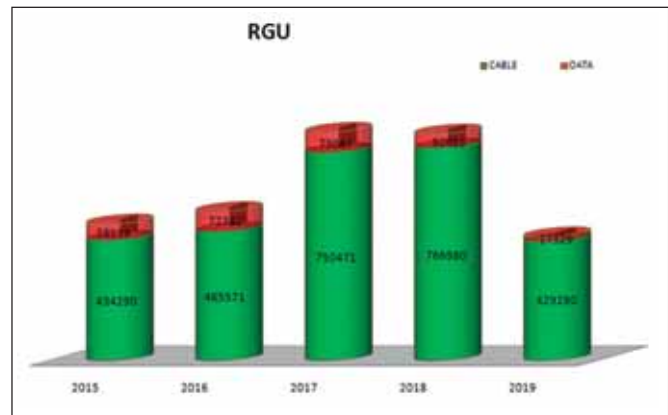


ii) BROADBAND SERVICES OPERATION

The total Broadband subscriber base as on 31.03.2019 is 17,329 (Previous Year: 50,086). With competition across the Industry, the broadband growth significantly reduced during the year. However, your Company is hopeful of increasing the growth trend of customer base in the coming years with the launch of new competitive plans, higher data speed and better technology including service.

Your Company has successfully launched broadband plans starting from Rs.99 per month which will counter the plans launched by the Telecom players in the 4G and LTE space. In addition to this, the DOCSIS 3.0 plans will have speeds up

to 100 Mbps with One Terabyte of usage option. To offer better experience broadband speed to the customers, your Company has withdrawn all the schemes where the download speed was below 2 Mbps. With aggressive ATL and BTL marketing, your company expects to grow the Broadband numbers in the coming financial year. Your company is using HFC network architecture, which can easily be upgraded to FTTH topology in future. Your company is currently providing FTTH for pure data usage. With the implementation of new technology, high speed data service and aggressive marketing strategy, the Company is well placed to cater to the growing demand. Considering both cable TV and broadband together, your company has achieved total RGU base of by the end of the current year 4,46,619 (previous year 8,17,066), a de-growth of 45%. It is important to note here that in line with your company's philosophy of operating on "Last Mile" Model, 90% company's RGUs are on its own 'last mile' network.



iii) INFRASTRUCTURE LEASING

Over the last few years, your Company is pursuing infrastructure segment 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 1,374 kms (Previous Year: 1,556 kms) as on 31 March, 2019, a reduction of 12% over the previous year.

HOLDING, SUBSIDIARIES & ASSOCIATES

The Company has one subsidiary as on March 31, 2019 incorporated during the year 2018 to provide internet services. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial Statements of the Company's subsidiary in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated

financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, is available on the website of the Company <http://www.ortelcom.com/investor-relations.html>.

In accordance with the provision of Section 129(3) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Company has prepared its consolidated financial statements including its subsidiary company, which forms part of this report. The financial position and performance of the subsidiary company of the Company, is annexed to this report.

Any shareholder interested in obtaining a physical copy of the aforesaid financial statements may write to the Company Secretary at the Registered Office of the Company.

Further, please note that the said financial statements will also be available for inspection by the Members of the Company at the Registered Office of the Company during

business hours from 10:00 A.M. to 6:00 P.M. on all working days except Sundays and National Holidays.

DIVIDEND

Your company is under Corporate Insolvency Resolution Process (CIRP) since 27th November, 2018 and has reported losses for the year under review; hence no dividend has been recommended by the Resolution Professional for the financial year 2018-19.

TRANSFER TO RESERVES

As no dividend is proposed due to losses, so no amount is recommended to be transferred to General Reserve.

SHARE CAPITAL

The movement of the share capital during the year under review is as follows:

Particulars	Equity Share Capital (in Rs.)
At the beginning of the year i.e. as on April 01, 2018	30,47,69,000
Equity shares allotted during the year on 22nd May, 2018	2,50,00,000
At the end of the year i.e. as on March 31, 2019	32,97,69,000

Particulars	Preference Share Capital (in Rs.)
At the beginning of the year i.e. as on April 01, 2018	0
Preference shares allotted during the year on 12th April, 2018	10,00,00,000
At the end of the year i.e. as on March 31, 2019	10,00,00,000

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there were no material changes in the nature of the business of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements prepared and annexed in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India (SEBI) also forms Companies part of this Annual Report.

REVISION OF FINANCIAL STATEMENT

There was no revision of the financial statements for the year under review.

EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31st March 2019 in Form MGT-9 pursuant to section 92(3) of

the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-1** forming part of this Report.

STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s Haribhakti & Co., LLP, Chartered Accountants, Kolkata has completed its first term of 5 years as permitted under the said section. The Resolution Professional of the Company has proposed not to appoint M/s Haribhakti & Co., LLP, Chartered Accountants, Kolkata for a 2nd term of 5 years but recommended for the appointment of M/s K. Prasad & Co., Chartered Accountants (Firm Registration No. 303062E) as Statutory Auditors of the Company. M/s K. Prasad & Co., Chartered Accountants, Kolkata will hold office for a period of five consecutive years from the conclusion of the 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting to be held in 2024. The first year of audit will be of the financial statements for the year ending 31st March, 2020.

M/s K. Prasad & Co., Chartered Accountants (Firm Registration No. 303062E) have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 of the Companies Act, 2013. Accordingly, An ordinary resolution seeking members approval on appointment of M/s K. Prasad & Co., Chartered Accountants (Firm Registration No. 303062E), as the Statutory Auditors of the Company for a period of five consecutive years is included at Item No.3 of the Notice convening the Annual General Meeting.

OBSERVATIONS OF THE AUDITORS

Observations of the Auditors on the Annual Accounts of the Company forms part of the Auditors Report. The observations made in their report when read together with the relevant notes to the accounts are self-explanatory.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 179 and 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Kumar Suresh & Associates, Gurugram, a firm of Practicing Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2018-19.

CS Suresh Kumar Yadav, Secretarial Auditor has given the Secretarial Audit Report in **Form No. MR-3** and the same has been annexed to the Board's Report and marked as **Annexure-2**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and is self-explanatory.

The Resolution Professional has also reappointed M/s Kumar Suresh & Associates, Gurugram, as Secretarial Auditor for FY 2019-20 who is eligible for such reappointment to conduct Secretarial Audit of your Company.

COST AUDITOR

Terms of M/s NIRAN & CO., Cost Accountants, Bhubaneswar, Odisha who were reappointed as Cost Auditor of the Company for Financial Year 2018-19 expired on 31st March, 2019.

The Resolution Professional has approved their reappointment for FY 2019-20 and their remuneration shall be ratified by the members in the ensuing Annual General meeting.

INTERNAL AUDITOR

Terms of M/s SCM & Associates, Chartered Accountants, Bhubaneswar, Odisha who were reappointed as Internal Auditor of the Company for Financial Year 2018-19 expired on 31st March, 2019.

The Resolution Professional has not approved their reappointment for financial year 2019-20 but appointed **M/s SBN & Associates**, Chartered Accountants, Cuttack as internal auditors of the Company for financial year 2019-20.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to meetings of the Board of Directors' and General Meetings respectively, have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Resolution Professional hereby state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) the directors have 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 as at March 31, 2019 and of the profit or loss of the company for the year ended on that date;
- c) the Directors have 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) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your Company has not given any loans or guarantee or made any investments under Section 186 of the Companies Act, 2013.

PARTICULARS OF LOANS/ ADVANCES OR INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR

Disclosure on particulars relating to loans advances and investments outstanding during the financial year is disclosed

in note no 5, 6, 7 & 14 under Notes to Financial Statement forming part of the financial statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions pertaining to the pre CIRP period entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis and were reviewed and approved by the Audit Committee and Board and contracts/arrangements/transactions pertaining to the post CIRP period were reviewed and approved by the Committee of Creditors ("COC"). During the year, the Company has not entered into any contracts/arrangements/transactions with related parties which could be considered material in accordance with the Company's Policy on Materiality of Related Party Transactions. All the transactions made on arm's length basis are being reported in **Form No. AOC-2** in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as **Annexure-3**.

The policy on dealing with Related Party Transactions can be viewed at <http://www.ortelcom.com>

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS INCLUDING MANAGING DIRECTOR

In compliance with the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the performance evaluation of the Board, its Committees and individual Directors including Managing Director were carried out during the year under review.

Independent Directors in their separate meeting evaluated performance of Board as a whole, non-independent Directors and Chairperson of the Board.

Further, based on the appraisal report of the individual Directors both for self and other Directors, Board carried out evaluation of Independent Directors, Managing Director and all its committees.

The evaluation framework for assessing the performance of Directors comprises of the following parameters:

- Attendance of Board Meetings and Board Committee Meetings
- Contribution at meetings
- Guidance/support to Management
- Relationship with Board and Committees
- Degree of participation etc.

Since the powers of the Board of Directors has been suspended w.e.f. 27.11.2018 pursuant to the orders of Hon'ble National Company Law Tribunal (NCLT) dated 27.11.2018, evaluation of Board has not taken place post to that period.

RISK MANAGEMENT

Risk management has always been an integral part of the corporate strategy which complements the organizational capabilities with business opportunities, robust planning and execution. The Company through a process of management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation practice, manages the potential risks. A detailed regular exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risks. A Risk Management Committee of the Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same.

More details on Risk Management indicating development and implementation of Risk Management policy including identification of elements of risk and their mitigation are covered in Management's Discussion and Analysis section, which forms part of this Report.

DEPOSITS

During year under review, your company has neither invited nor accepted any Fixed Deposits from the public.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have given declaration of their independence in terms of Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

MEETINGS OF BOARD OF DIRECTORS

Three meetings of the Board of Directors were held on May 22, 2018, August 10, 2018 and September 12, 2018 during the year under review. Since the powers of the Board of Directors have been suspended w.e.f. 27.11.2018 pursuant to the orders dated 27.11.2018 of Hon'ble National Company Law Tribunal (NCLT), thereafter, no meetings were conducted by the Board of Directors. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

BOARD COMMITTEES

The Board has constituted various committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Allotment committee, Finance Committee, Corporate Social Responsibility Committee and Risk Management Committee etc., to enable better management of the affairs of the Company, with terms of reference in line with provisions of Companies Act, 2013 and SEBI LODR Regulations.

Since the powers of the Board of Directors has been suspended w.e.f. 27.11.2018 pursuant to the orders dated 27.11.2018 of Hon'ble National Company Law Tribunal (NCLT), the powers of the various committees have also been

suspended w.e.f. the same date and no meetings have since been conducted.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Preferential Allotments

- a. During the year, the Company made Preferential allotment of 25,00,000 Equity Shares at Rs.35/- per share amounting to Rs.8,75,00,000/- to Odisha Television Limited and BP Developers Private Limited- both entities belonging to Existing Promoter Group.
- b. During the year, the Company made Preferential allotment of 1,00,00,000 Non-Convertible, Cumulative & Redeemable Preference Shares at Rs.10/- per share amounting to Rs.10,00,00,000/- to Indian Metals & Ferro Alloys Limited.

There were no significant material changes and commitments, affecting the financial position of the Company which has occurred between the end of the Financial Year of the Company to which the Financial Statement relate and the date of its report.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, the Company has not allotted Equity Shares to any employees of the Company under Ortel Employee Stock Option Scheme, 2015 (“ESOS 2015”) and As per ESOS 2015, an Ortel Employee Welfare Trust was executed by the Company to acquire shares of the Company from secondary market for offering them to the eligible employees in future as per the direction of Nomination & Remuneration Committee of the Board. During the year under review, the Trust has not acquired any equity shares of the Company from the secondary market. The details of disclosure form part of the Corporate Governance.

DIRECTORS

During the year under review, Mr. Jyoti Bhusan Pany and Mr. Joseph Puliparambil have been resigned from the Board as Non-Executive-Independent Director with effect from 12.09.2018 and Mr. Debaraj Biswal has been resigned from the Board as Non-Executive-Independent Director with effect from 26.09.2018. The Board acknowledges the valuable contributions rendered by them during their tenure as Non-Executive-Independent Director of the Company and places on record their deep appreciation for the insightful perspectives and suggestions provided by them at the meetings of the Board/Committees.

Pursuant to Section 149(13) of the Companies Act, 2013, the independent directors are not liable to retire by rotation. Further Section 152 (6) of the Companies Act, 2013 stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the company.

To meet the requirement of provisions of Section 152 (6) of the Companies Act, 2013 and Article 149, 150, 151 and 152 of the Article of Association, the Managing Director or the whole time Director shall not, while he/she continues to hold that office, be subject to retirement by rotation under Article 151 but he/she shall be subject to the provision of any contract between him/her and the Company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he/she shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he/she ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors (including the managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total) number of the Directors for the time being then such of the Managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 151 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. However, he/she shall be counted in determining the number of Directors to retire (save as otherwise provided in a contract in terms of provisions of the Act or Rules made hereunder or in a resolution passed by Board or Shareholders of the Company).

In view of the above Ms. Jagi Mangat Panda, Managing Director of the Company is retiring at the ensuing Annual General Meeting. Your Directors and the Resolution Professional have recommended her reappointment in the ensuing AGM.

During the year under review, no other changes took place in the composition of the Board of Directors of the Company.

The composition of the Board of Directors of the Company is in compliance with the applicable norms

DECLARATION OF INDEPENDENCE

All the Independent Directors of the Company have given their respective declarations stating that they meet the criteria prescribed for independence under the applicable laws and in the opinion of the Board, all the independent Directors of the Company meet the said criteria.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Satynarayan Jena, CFO of the Company has resigned from the post as CFO w.e.f. 28th February, 2019 and no other changes took place in the composition of the Key Managerial Personnel of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

Pursuant to the orders of Hon’ble National Company Law Tribunal (NCLT), New Delhi Bench, Corporate Insolvency

Resolution Process (CIRP) has been initiated in respect of Ortel Communications Limited (“the Company”) under the provisions of the Insolvency and Bankruptcy Code, 2016 (“the Code”) with effect from 27th November, 2018. Accordingly the company is under moratorium period as per the IBC.

Besides the above, to the best of our knowledge, there seems to have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company’s operations. However, members’ attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statements.

PARTICULARS OF EMPLOYEES

Information as per section 197 and Rule 5(1) & 5(2) of the

Sl. No.	Description	No of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2018	1	75
(ii)	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2018-19	0	0
(iii)	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2018-19	0	0
(iv)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 31st March 2019	1	75

CORPORATE GOVERNANCE

The Company is committed to maintain the highest Standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the Listing Regulations, Management Discussion and Analysis, Certificate regarding Compliance of conditions of Corporate Governance and Certificate by CEO & CFO forms an integral part of this Report as Annexures.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the Report on Management Discussion and Analysis is annexed to this report and forms part of the Annual Report.

POLICY ON CODE OF CONDUCT

The Company has laid down a “Code of Conduct” for all Board members and Senior Management Personnel. Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Declaration by the Resolution

Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided as **Annexure-4**.

DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Listing Regulations details in respect of the shares lying in the Ortel Communications Limited-Unclaimed Suspense Account till 31st March 2019 are as under:

Professional affirming the compliance with the Code of Conduct is attached to the Report on Corporate Governance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company is a Multi System Operator (MSO) and is carrying on business of, inter alia, providing Cable TV and Broadband services along with other value added services. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are nil / not applicable.

Further, your Company, being a service provider, requires minimal energy consumption and Company takes all possible measures to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. Following are the energy conservation measures being taken by Company over a period of time to ensure minimum energy consumption and technology absorption:

Conservation of Energy:

<ol style="list-style-type: none"> 1. The steps taken or impact or conservation of energy 2. The steps taken by the company for utilizing alternate sources of energy. 3. The capital investment on energy conservation equipment. 	<ul style="list-style-type: none"> • 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. • Increasing deeper fiber by using Broadband HFC network in star structure has resulted less power consumption. • Applying the strongest feasible energy efficiency standards to network upto electronics, RF products and signal quality.
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Technology Absorption:

<ol style="list-style-type: none"> 1. The efforts made towards technology absorption. 2. The benefits derived like product improvement, cost reduction, product development or import substitution. 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):- <ol style="list-style-type: none"> a. the details of technology imported; b. the year of import; c. whether the technology been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; e. The expenditure incurred on Research and Development 	<ul style="list-style-type: none"> • Your company is one of the MSOs in India which has started Triple Play services over Broadband HFC network. It has chosen best, economical and state of art technologies. • Your company uses 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 also 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. • Your Company has also introduced high speed broadband technologies such as DOCSIS 3.0 to cater to subscribers who have increased Video led Internet Consumption. HD video content viewings as well as increased download speeds are the main benefits of DOCSIS 3.0 technology. DOCSIS 3.0 allows for a much higher through put compared to the earlier versions by using multi-channel bonding simultaneously for download/upload. This technology has been widely used in Europe and USA by leading ISPs. • Your company is also using HFC architecture, which can easily be converted or upgraded to FTTH. Your company is currently undertaking trial with FTTH for pure data usage.
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FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars of expenditure and earnings in foreign currency are provided in notes to financial statements.

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, Rourkela and Sambalpur operational sites.

Your company has also received certification from BECIL (TRAI appointed 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.

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Companies Act, 2013 the Company has constituted the CSR committee to formulate, implement and monitor the CSR Policy of the Company. However as the Company does not have average net profits for the three years immediately preceding financial years, the Company was not required to make any expenditure on CSR activities during financial year 2018-19 as specified under Section 135(5) of the Act. Hence the information on CSR activities as required under Section 135(5) of the Act and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, has not been provided by the Company, for the financial year 2018-19.

INTERNAL FINANCIAL CONTROL

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The Company has a well laid down, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

The Board of Directors has appointed M/s SCM & Associates, Chartered Accountants as the Internal Auditor of the Company. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Internal Auditors findings are discussed on a quarterly basis and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

The Company has also its own Internal Audit Department. Internal Audit team under the guidance of head of Internal Audit conduct various checks, audit and submit their report to the management and is responsible for implementing adequacy of internal control both in terms of financial and operational control.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy that aims to provide

protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

PERSONNEL & INDUSTRIAL RELATIONS

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company, and expects continued support, higher level of productivity for achieving the targets set for the future.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor any Directors of the Company receive any remuneration or commission from its subsidiary.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

The Company is under CIRP and information pertaining to the process is available at the Company's website www.ortelcom.com

ACKNOWLEDGEMENTS AND APPRECIATIONS

The Resolution Professional wish to express appreciation of the support and co-operation of the Committee of Creditors (CoC), various departments of Central and the State Governments, Directors, Bankers, Financial Institutions, Suppliers, Employees, Associates, Contractors and Sub-contractors.

Srigopal Choudhary

Resolution Professional

For Ortel Communications Limited (under CIRP)

Address - Flat 7J Tower -3 South City

375 P.A.S. Road Kolkata - 700068

Registration No- IBBI/IPA-001/IPP-01238/2018-19/11893

Place: Kolkata

Date: August 16, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF ECONOMY

GLOBAL ECONOMY OVERVIEW

The global economy is projected to expand 2.9% in 2019, down 0.1 percentage points from last month's forecast. For 2020, the global economy is projected to grow 2.9% again. Global economic growth is expected to decelerate this year mostly due to softer dynamics among developed economies, which are approaching the tail-end of their current economic cycles. Nevertheless, the global economy is seen benefiting from tight labour markets, still accommodative monetary and policy stimulus in some countries like China.

The growth rate for emerging market and developing economies is estimated to rise to 5.0 percent in 2019-20. This Growth forecast primarily reflects stronger projected activity in emerging Europe and Asia economies for 2017 to 2019. With growth in advanced economies projected to gradually decline toward potential growth rates of about 1.7 percent once economic slack is eliminated, the further pickup in global activity is entirely driven by emerging markets and developing economies. In these countries, growth is projected to increase to 5 percent by the end of the forecast period, with their impact on global activity boosted by their rising world economic weight.

INDIAN ECONOMY OVERVIEW

The Indian economy started the fiscal year 2018-19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. Going ahead, the Indian economy is likely to sustain the rebound in FY 2018-19 growths is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development.

Among all large economies, India is likely to demonstrate a rapid and sustainable growth, at a CAGR of 9.46% from 2016 to 2021, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector. According to Frost & Sullivan's analysis based on data from 2017 IMF WEO Update, the country's GDP is well positioned to cross USD 3,000 Bn (Rs.200Tn) by 2020; in the event of accelerated manufacturing and investment, this figure could even potentially balloon to USD 3,600 Bn (Rs.240Tn). India is expected to be the third largest consumer economy as its consumption may triple to USD 4 Tn by 2025, owing to shift in consumer behaviour and expenditure pattern, according

to a Boston Consulting Group (BCG) report and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house Coopers.

The Interim Budget 2020 of the Government of India has given a consumption-based push to the economy. First, in the form of direct transfers to farmers, a budgetary commitment for 200 billion in FY19 and 750 billion in FY20 has been provided. Secondly, the standard deduction for salaried employees has been raised from 40,000 to 50,000, which would increase their disposable income. Third, a tax relief has been given to the low and middle income groups with a taxable income of less than 5,00,000 which may be claimed as a rebate.

These programs are likely to add to the private disposable incomes of low to middle income segments in 2019-2020. They have the potential of raising consumption demand in the economy and correspondingly advertising spends, since the relatively lower income groups tend to have a higher marginal propensity to consume. Further, this fiscal stimulus is likely to have a stronger positive effect on growth rather than inflation since food inflation in December 2018 was contracting at (-) 2.5% y-o-y and the overall CPI inflation was quite low at 2.2%.

Source: EY Analysis March 2018

MEDIA & ENTERTAINMENT INDUSTRY

According to FICCI-EY report, the Indian Media & Entertainment (M&E) sector in 2018 reached 1.67 Tn, a growth of 13.4% over 2017. With the current trajectory, it is expected to grow to 2.35 Tn by 2021.

Strong and consistent economic growth fueled by a rise in consumption and growth in digitization has boded well for the M&E industry which has grown at a CAGR of ~11 percent over 2014-18 to reach Rs.1,674 Bn in 2018. However, in recent years, the sector was affected by major regulatory interventions by the government around demonetisation and GST.

These initiatives had a temporary adverse impact on both consumption and advertising spends, resulting in a slower than expected growth rate in 2018. However, the industry is now well on the road to recovery and aided by a buoyant Indian economy, strong domestic demand and growing digital access and consumption, the sector is expected to grow at a CAGR of 12% to reach Rs.2,349 Bn by 2021.

Rural India and Tier II and Tier III cities are asserting their power over the M&E sector in recent years. While television broadcasters have launched a number of free-to-air (FTA) channels to tap rural and semi-urban markets, availability of data at affordable rates increased the reach of digital platforms into rural areas driving a significant growth in digital usage and changing the demographics of digital consumption from niche to mass. The Indian M&E industry has entered into a mature phase, and the growth is expected to come from untapped rural markets. The key growth will come in digital only, tactical digital and bundled digital customer segments.

	2018	2021
Digital only	1- 1.5 Mn	5 Mn
Tactical digital	6 Mn	25Mn
Bundled digital	155 Mn	376 Mn
Mass consumers	464 Mn	387 Mn
Free consumers	155 Mn	180 Mn

Source: EY Analysis March 2018

The impact of the TRAI Tariff Order can have implications on total viewership, free television uptake, channel MRP rates and advertising revenues. While its implementation could take up-to six months, we can expect a lot of changes. OTT platforms are sure to benefit due to increased parity between television and OTT content choice and costs. Since large broadcasters have removed their content from FreeDish, its attractiveness may be impacted.

INDIAN BROADBAND INDUSTRY

Despite of the data big-bang, which was triggered by incumbent players in to the market-place, 2018, has been among the lowest growth years for broadband subscribers in India. Interestingly, India witnessed the maximum addition in broadband subscribers in the year 2016.

Overall broadband subscribers have grown at a CAGR of 37% in the past 4 years taking the total number of subscribers to 540 Mn. This has created the demand for the fixed broadband continues by end of 2018, fixed broadband subscribers reached to 18.27 Mn as on January 2019. **(Source TRAI January 2019).**

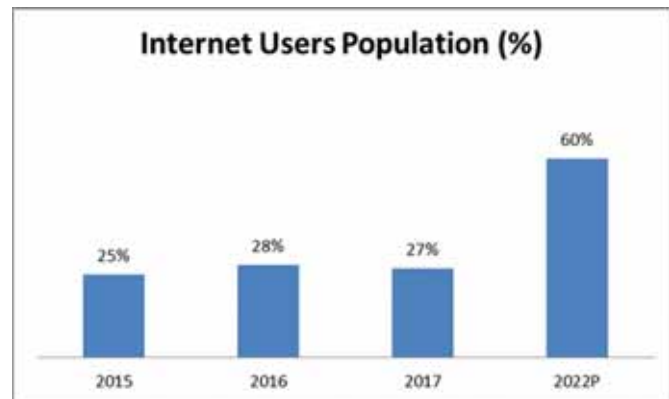
Consumers, who have at least one OTT subscription and Pay TV subscription and/or are driven by sachet pricing of content, would provide a high volume-lower value subscription base to content distributors. This segment could, on the back of digital and micro payment systems being rolled out in the country, reach as high as 20 Mn households from 6 Mn in 2017. We expect by 2021 this will reach to 30-35 mn. Digital subscription grew by over 250% with Indians opening their purse strings to pay for online content.

The next wave of this connectivity - high speed broadband has already set the wheel in motion to further transform India's economy. India is at the cusp of a digital revolution, with high speed broadband serving as a critical pillar. The Government's Digital India vision envisages quality broadband for the masses as a basic infrastructure for every citizen. High speed broadband has the potential to act as substitute infrastructure for other critical sectors.

The cost of high physical infrastructure in sectors such as banking, healthcare, education, governance and retail can be offset by using a digital platform for delivery of services. The ubiquity of the mobile handset and availability of high speed broadband have the ability to bring the benefits of these critical sectors to the masses.

DIGITAL INDIA: DATA TO UNLOCK NEW OPPORTUNITIES

The online population is expected to grow exponentially from 446 Mn in 2017 to 840 Mn by 2022; 60% increase out of which 135 Mn with fixed internet users by 2022. The average broadband speed was 9.5 Mbps in 2017 and expected to increase to 31.2 Mbps where 89% of fixed broadband connections will be faster than 10 Mbps by 2022 up by 28% today. Government is expected to lay the foundation for fiber to 2,50,000 Kms a step providing fixed broadband access to 50% households by 2022. 4G being a dominant technology, 5G roll outs expected by 2022 in tune with the global launches.



Source: Cisco VNI

WIRELINE BROADBAND INTERNET PENETRATION IN INDIA

The Telecom Regulatory Authority of India (TRAI) in its Telecom Subscription Data Report for the month of March 2018 has revealed that Wired Broadband subscriber base in India were 22.81 Mn at the end of March 2018.

According to ICRA, the wireline broadband subscriber base can increase to 100 Mn households by 2024 and the revenue generated from these segments could expand to Rs.80,000 crores as against Rs.14,500 crores in India. In order to monetize the wired broadband networks (copper or FTTH) better, players in many mature markets like USA, UK, Germany offer integrated services - television, wireline services, and home broadband through a single tariff plan, at a significant discount to the individual services. A similar trend is expected to play out in India as well.

India has only 0.5% penetration for FTTH compared to global countries such as Singapore with 95%, South Korea with 83% penetration, Hong Kong at 71% and Malaysia 16% which are way ahead. In India, FTTH model is currently expensive compared to other countries and its standalone viability remains uncertain. This is majorly due to lack of a financially viable business case for deployment of FTTH. The future fixed broadband deployments in India will be led by FTTx-based technologies such as GPON.

India has one of the lowest broadband ARPU's across Asia Pacific, but the scale of the market puts it in the top five in terms of broadband revenue. While the initial investments

are huge, rewards are considerable including new revenue streams such as residential broadband and enterprise services. For telcos to fully monetize the spectrum they have purchased over the past two years, they will have to add more fiber to their networks. With a promise of 10Gbps speed, less than 1 ms latency and 90% reduction in network energy utilisation, 5G will spur the next round of telecom infrastructure investments. The fact that 5G network will have to support very high data from emerging applications like Video on Demand (VoD), IoT, Smart Cities and the like also makes backhaul a critical concern. As demand for 4G and then 5G grows, networks will become denser and deeper.

INDIAN DIGITAL CABLE TELEVISION INDUSTRY

According to BARC, television owning households increased to 197 Mn, which is a 7.5% increase over the previous Broadcast India survey. During the same period, total Indian households increased 4.2% to reach 298 Mn. Correspondingly, TV penetration increased to 66% in 2018 from 64% in 2016. Television grew 12% in 2018 to reach Rs. 740 Bn. Growth was led by a 14% increase in advertising revenues and 11% increase in subscription revenues.

88% OF TELEVISION CONNECTIONS WERE DIGITAL

According to BARC, 31% of TV viewing households had paid DTH, 13% had free DTH and 44% had digital cable. This number indicates a 15% growth over 2016 and has contributed significantly to the growth in end-subscriber pricing. Digitization led to increased collections from end customers in DAS-III and DAS-IV markets, with many cities crossing the 200 per month number. DTH ARPU's have been affected by a change in the subscriber mix with incremental subscribers coming at a lower price point and the movement of subscribers to lower value regional packs.

RURAL TV PENETRATION CROSSES 50%.

HD channels grew from 78 in 2017 to 92 in 2018 (18% growth) HD viewership has grown at the rate of 57% in 2018 to reach 874,000 impressions.

TRAI'S NEW TARIFF ORDER (NTO)

The new tariff order is set to dramatically change the distribution landscape in India. It will bring in far greater transparency and overall it will be good for all stakeholders, this lead to fair share allocation of subscription revenues within the stake holders.

Some of the key features for the New Tariff Order are as below:

- Every broadcaster is required to declare the maximum retail price (MRP) of its pay channels on a-la-carte basis. However, such MRP shall be uniform for all types of addressable systems.
- Every Broadcaster must declare a distribution fee at a minimum of 20% of the MRP of pay channel or bouquet of pay channels which can be upto 35%.

- In addition to the distribution fee, Broadcasters may offer discounts to distributors which cannot exceed 15% of the MRP of pay channels or bouquet of pay channels. However, in no case, the sum of distribution fee declared by a broadcaster and discounts offered can exceed 35% of the MRP of pay channel or bouquet of pay channels, as the case may be.
- Every broadcaster should publish, on its website, the Reference Interconnection Offer (RIO) containing the information such as MRP of its pay channels and bouquet of pay channels, distribution fee, discounts etc.
- Every broadcaster is required to enter into written interconnection agreements on the basis of the RIO published by it for providing signals of pay channels to a distributor of television channels.
- Similarly, every distributor of television channels is required to publish RIO on its website for carrying a channel on its distribution network. Such RIO must necessarily contain the information such as target market, rate of carriage fee, manner of calculation of carriage fee etc.
- The rate of carriage fee has been capped at Re. 0.20 per Standard Definition channel and Re. 0.40 per High Definition Channel. The manner of carriage calculation is as prescribed in the regulations. The distributor can offer a discount on the carriage fee. However, such discount cannot be more than 35%.
- Every distributor is required to enter into written agreement, on the basis of its published RIO, with the broadcaster for carrying television channels in respect of which the request has been received from such broadcasters.
- Any other kind of fee for a channel such as marketing fee, placement fee etc. between two service providers should be made part of interconnection agreement and reported to the Authority.
- It is mandatory for MSOs to enter into a written agreement with LCOs before providing the signals. Such interconnection agreement must comply with the standard provisions as per the Model Interconnection Agreement (MIA)/Standard Interconnection Agreement (SIA) as prescribed by the Authority.
- The TRAI tariff order can have implications on total viewership, free television, channel MRP rates and advertising revenues. While its implementation could take up to six months, we can expect a lot of changes.

COMPANY OVERVIEW

Ortel Communications Limited ("the Company") is a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Andhra Pradesh, Telangana, Chhattisgarh, West Bengal and Madhya Pradesh. It has always been the Company's vision to provide Cable TV, Data Service and Internet Telephony on a single cable

platform to households. Company has built a State-of-Art two-way communication network for 'Triple Play' services (video, data and voice capabilities) having HFC network (combination of optic fibre in the backbone and coaxial cable in the distribution network) with control over the 'Last Mile'. It pioneered the primary point cable business model in India by offering digital cable television, broadband and VAS services. It currently holds a dominant position in Odisha, with a presence in five other markets with direct to consumer business model, popularly known as "Last Mile" business model in the Cable TV universe having 90% of the subscriber base under own network. Currently, business of the Company is broadly divided into (i) cable television services comprising of 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 up linking services. It has legal 'Rights of Way' for laying network cable and capable of providing broadband at speed of up to 100 mbps through use of cable modem with DOCSIS 3.0 technology. It has grown both organically and inorganically through buyout of network equipment, infrastructure and subscribers of other MSOs and LCOs. Ortel is a pioneer in providing Convergence Communication Services in the Country. It has revolutionized the Entertainment and Broadband Technology in the Eastern India.

Ortel is the first MSO to offer upto 100 Mbps Broadband in the state of Odisha using the DOCSIS 3.0 technology. DOCSIS 3.0 allows for a much higher throughput compared to the earlier versions by using multi-channel bonding simultaneously for download/upload. Ortel has withdrawn all schemes of Broadband services where the speed is less than 1Mbps.

FY 2019 PERFORMANCE OVERVIEW

- Total Income decreased to Rs. 114.76 Cr against Rs. 186.19 Cr of FY 2018.
- Profit Before Tax (PBT) is Rs. (51.23) Cr as against Rs. (95.26) Cr in the FY 2018.
- Profit After Tax came in at Rs. (51.23) Cr against Rs. (95.26) Cr in the FY 2018

OPERATIONAL REVIEW

The FY 2019 was a challenging year for your Company. The operational performance has been affected due to both external and internal factors resulting in slower growth both in terms of revenue and profitability. On external side, slow pace of digitisation and lower Average Revenue per User ("ARPU") realizations from the addressable C&S base has impacted the performance. Increased competition has impacted industry in general affecting broadband performance of the company.

The company's performance has also been affected due to delay in collections, higher competitive intensity in the market place as well as issues pertaining to debt repayment.

In view of the above, your company has achieved a de growth

in revenue both for cable TV and broadband business year on year basis. Full digitisation of subscribers will also help improving the collection controlling the debtors days. Members may also note that, the Company has demonstrated a strong B2C last mile business model in its core market which is profitable and expects to replicate the same in the new markets also. Having the unique 'Last Mile' model and with adequate steps being taken for aggressive digitisation and various other business plan, the Company is very hopeful of improved performance in the coming FY.

CURRENT BUSINESS TRENDS AND FUTURE OUTLOOK

CABLE TV

After consolidating its business at various locations in Odisha, your Company has taken further steps to consolidate its market base in other States that have been entered into since 2008. 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 equipment, infrastructure and subscribers from LCOs/ MSOs in those new areas.

DIGITIZATION

After mandatory digitization under phase III and Phase-IV, the Company has made a significant growth in its digital subscriber base. Further, in addition to SD (Standard Definition) series, your Company is also providing high quality HD (High Definition) and has also plan to take care to provide high quality HD services to its customers. The Company also holds 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 dominating player 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 major towns in the state of Odisha. 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 successfully implemented DOCSIS 3.0 high speed broadband service and is currently offering data service upto a speed of 100 Mbps. The Company has also identified new markets as a part of expanding the Data operation and have planned out to expand further in the coming financial year. Your company is also using HFC architecture, which can easily be converted or upgraded to provide FTTH service at very nominal incremental capital expenditure. With the implementation of new technology, high speed data service and aggressive marketing strategy, the Company will manage to increase its subscriber base.

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 has set up a state of the art integrated Call Center to address customer queries and complaints 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

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Ortel continues to maintain an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the company and ensuring compliance with all laws and regulations. The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations, which provide, among other things, reasonable assurance of authorization, recording and reporting of the transactions of its operations in all material respects and of providing protection against significant misuse or loss of the assets of the company. The company has appointed M/s SCM & Associates a firm of Chartered Accountants, as its Internal Auditors, who conduct internal audit for various activities. The reports of Internal Auditors are submitted to Audit Committee, Board and Resolution Professional, which further reviews the adequacy of internal Control system.

HUMAN RESOURCES

Human Resources are of paramount importance for the sustenance and growth of any organization and it is specifically true for the technically sensitive broadband sector. Your company continues to give maximum thrust to its Human Resources Development.

Employee relations remained cordial at all your company's locations. Your Directors/Resolution Professional takes 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 2019 there were 640 permanent employees on the rolls of the company.

DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL

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 and adequate insurance policies for its electronic equipment, vehicles, network assets and buildings etc to cover different types of potential risk that may affect the operational performance of the Company.

POTENTIAL RISK

Nature of Risk	Definition and impact
Regulatory Risk	Increased regulations or change in existing regulations could potentially impact the operation of the company
Industry Risk	Competition from competitors may adversely affect the operating performance of the company.

HEALTH, SAFETY AND ENVIRONMENT

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.

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. The company also believes in environmental safety and zero hazards.

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

ORTEL PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of “stake holder value”. The Company has professionals on its Board of Directors who are actively involved in the deliberation of the Board. However the Company was admitted into Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT) vide order dated 27th November, 2018 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and the powers of the existing Board of Directors of the Company are suspended from the date of the order as per Section 17 of the IBC and vested with Mr. Anil Bhatia, Interim Resolution Professional (“IRP”) and subsequently on 07.01.2019, the Meeting of Committee of Creditors was convened and in the said meeting the Committee of Creditors proposed to replace the Interim Resolution Professional and the same was approved through e-voting. That the Hon’ble Adjudicating Authority vide its order dated 01.02.2019 (received on 07.02.2019) approved the appointment of Mr. Srigopal Choudhary as Resolution Professional to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code for the management of the affairs of the Company. Since the Powers of the Board of Directors are vested with the Resolution Professional the management of the affairs of the Company will be under the overall control, supervision and guidance of the Resolution professional from the date of the order till the completion of Corporate Insolvency Resolution Process. The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional. The Status of the Board of Directors and Committees are as on the date of the NCLT order.

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 stakeholders’ 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. The Company has innate the values and corporate governance practices since its inception and the management of the Company has assigned high priority to Corporate Governance practices in the Company.

Your Company is committed to attain the highest standard of Corporate Governance and has duly complied with all the applicable requirements and disclosures as per listing agreement signed with the Stock Exchanges in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulation”) and the then old listing agreement after listing of its shares on 19 March, 2015. However, your Company was voluntarily complying with the code of corporate governance in accordance with the applicable clauses/regulations particularly in respect of 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 stakeholders’ 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. The Company has innate the values and corporate governance practices since its inception and the management of the Company has assigned high priority to Corporate Governance practices in the Company.

However, your Company was voluntarily complying with the code of corporate governance in accordance with the applicable clauses/regulations particularly in respect of Board of Directors and other committees of the Board. 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 constituted in compliance with requirement of Companies Act, Listing agreement with Stock Exchanges in line with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board provides leadership, strategic guidance and independent view to the Company’s management while discharging its responsibilities. The Board consists of distinguished persons having requisite knowledge and expertise in business & industry.

COMPOSITION OF THE BOARD AND CATEGORY OF DIRECTORS

The current Board comprises of Directors with one Executive Director who is the Managing Director of the

Company and two Non-Executive Directors of whom are Independent Directors and the number of Independent Directors is 50% of the total number of Directors. Thus, the composition of the Board is in conformity with Regulation

17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). Managing Director is the Woman Director on the Board of the Company.

The Composition of Board as on 31st March, 2019 and the number of other directorships and Board Committee Memberships/ Chairmanships are as follows:

Name	Category of Directorship	No. of Directorship in other Public Limited Companies*	No. of Directorship in listed entity including Ortel Communications Limited	No. of Committee Membership in other Public Limited Companies*		Remarks
				Chairman	Member	
Jagi Mangat Panda	Promoter & Executive	4	2	0	2	
Gautam Sehgal	Independent & Non-Executive	2	2	0	1	
Kadambi Seshasayee	Independent & Non-Executive	1	1	0	1	
Debaraj Biswal	Independent & Non-Executive					Resigned on 26.09.2018
Jyoti Bhusan Pany	Independent & Non-Executive					Resigned on 12.09.2018
Joseph Puliparambil	Independent & Non-Executive					Resigned on 12.09.2018

Note:

* Directorships in Private, Foreign Companies, and Companies under Section 8 of Companies Act, 2013 if any, are excluded and memberships of only Audit Committee and Stakeholder's Relationship Committee have been considered.

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 Regulations and formal letter of appointment with terms of their appointment has been issued to them which have 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 or Director in more than twenty companies.

Ms. Jagi Mangat Panda, Managing Director (Promoter & Executive) and Dr. Gautam Sehgal and Mr. Kadambi Seshasayee, Independent & Non-Executive Directors respectively are not related with each other and there are no inter-se relations among the Directors.

BOARD PROCEDURE

The Board meets at least once in a quarter to review inter alia, the quarterly business and the financial performance of the Company along with other business matters proposed. Additional meetings are held, when necessary. In case of urgency or when the Board Meeting is not practicable to be held, the matters are approved and decision are taken through circular resolution, which is then noted by the Board in its next meeting. Provision for video conferencing facilities is also there to facilitate Directors to participate in the meetings.

The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given to each Director.

The Board papers, comprising the agenda backed by comprehensive background information, are circulated to the Directors in advance except matters containing unpublished Price Sensitive Information which are circulated closer to the meeting and in exceptional cases; the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman in due compliance of the applicable provisions.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company.

The Board's function is not limited to matters requiring approval of Board statutorily. The Board is involved in all the important decisions relating to the Company's Policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory / regulatory requirements, major accounting provisions etc. Non-Executive Director provides necessary support for effective Board performance. The Independent Directors play an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise for better functioning of Board.

The Minutes of the Board Meetings are circulated to all Directors well in advance as per the applicable provisions and are confirmed at the subsequent meeting.

The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board for its noting.

The attendance of each Director at the Board Meetings and also at the previous Annual General Meeting (AGM) held on is given below:

Name	No. of Board Meetings attended during 2018-19	Attendance at the AGM held on 21 st Sept, 2018
Jagi Mangat Panda	3/2	Yes
Debaraj Biswal (Resigned on 26.09.2019)	3/2	No
Jyoti Bhusan Pany (Resigned on 12.09.2019)	3/2	No
Gautam Sehgal	3/3	Yes
Kadambi Seshasayee	3/3	Yes
Joseph Puliparambil Resigned on 12.09.2019	3/0	No

Sl.No	Name of the Committee
1	Audit Committee
2	Nomination and Remuneration Committee
3	Stakeholders Relationship Committee
4	Corporate Social Responsibility Committee
5	Risk Management Committee*
6	Finance Committee
7	Corporate Restructuring Committee
8	Share Allotment Committee

* As on the date of reporting, requirement of Risk Management Committee as per Listing Regulation was not applicable.

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 20th April, 2015 in line with the requirement of Listing Regulations. 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 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 broad terms of reference, scope, power and duties of Audit Committee are as defined in the Listing Regulation and Companies Act. The Company Secretary acts as the Secretary of the Audit Committee.

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

Name	Category	No. of Meetings attended during 2018-19
Jyoti Bhusan Pany (Resigned on 12.09.2019)	Independent & Non-Executive Chairman	3
Debaraj Biswal (Resigned on 26.09.2019)	Independent & Non Executive	2
Jagi Mangat Panda	Non Independent & Executive	1
Kadambi Seshasayee	Independent & Non Executive	2

During the year, three Meetings were held on 12th April, 2018, 22nd May, 2018 and 10th August, 2018.

NOMINATION AND REMUNERATION COMMITTEE

The Remuneration/Compensation Committee as originally constituted on 25th November, 1999 and subsequently

reconstituted on 2nd 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 21st July, 2014 and reconstituted subsequently on 09th March, 2015 in compliance with the amended 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 review and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees, to approve appointment, reappointment, retention of KMPs and senior management personnel of the Company, to formulate criteria for evaluation of Directors, the Board and other Committees,

to recommend offer and issue of ESOP to eligible employees, to guide and monitor function of ESOP Trust and devise guidelines for due implementation of ESOP Scheme, 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 laid down, and recommend to the Board their appointment and removal, 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 and Remuneration Committee and details of meeting attended by the members.

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

Name	Category	No. of Meetings attended during 2018-19
Joseph Puliparambil Resigned w.e.f. 12.09.2018	Independent & Non-Executive - Chairman	0
Gautam Sehgal	Independent & Non Executive	2
Jyoti Bhusan Pany Resigned w.e.f. 12.09.2018	Independent & Non Executive	2

During the year, two meetings were held on 22nd May, 2018 and 10th August, 2018.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL

Remuneration of Managing Director was approved by Shareholders of the Company in the Annual General Meeting (AGM) of the Company held on 5th September, 2017 on recommendation by the Board of Directors and Nomination & Remuneration Committee. The Members in the AGM held on 27th July, 2015, had approved payment of Commission to the Non-Executive Directors (NEDs) upto 0.5% of the Net Profit of the previous financial year calculated as per applicable provisions of the Companies Act, 2013 read with Schedule V and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

All Non-Executive Directors are paid sitting fees for attending Board and Committee Meetings during FY 2018-19.

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 as Annexure-5.

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. Board had also done the performance evaluation of its Committees and of Managing Director as per the policy.

Further, Independent Directors in their separate meeting had made the performance evaluation of Board as a whole, Chairperson and Non-Executive Director of the Company.

DETAILS OF REMUNERATION FOR FY 2018-19 TO NON-EXECUTIVE AND/OR INDEPENDENT DIRECTORS

Name	Sitting fees	Commission for the FY 2018-19	Total
DEBARAJ BISWAL (Resigned on 26th September, 2018)	30,000	0	30,000
JYOTI BHUSAN PANY (Resigned on 12th September, 2018)	60,000	0	60,000
GOUTAM SEHGAL	50,000	0	50,000
K V SESHASAYEE	45,000	0	45,000
P. T. JOSEPH (Resigned on 12th September, 2018)	0	0	0

DETAILS OF REMUNERATION FOR FY 2018-19 TO MANAGING DIRECTOR

Name	Salary	Other allowance & Perquisites	Commission/ Performance pay	Sitting fees	Amt.in Rs.
					Total
Jagi Mangat Panda	39,06,447	5,16,400	-	-	44,22,847
Total	39,06,447	5,16,400	-	-	44,22,847

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 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 2018-19
Debaraj Biswal (Resigned on 26.09.2018)	Independent & Non-Executive-Chairman	1
Jyoti Bhusan Pany (Resigned on 12.09.2018)	Independent & Non Executive	2
Gautam Sehgal	Independent & Non-Executive	2

During the year, Meetings were held on 22nd May, 2018 and 10th August, 2018.

NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER

Mr. Bidu Bhusan Dash
Company Secretary & Compliance Officer
Ortel Communications Limited (under CIRP)
C-1, Chandrasekharapur, Behind RMRC, Near BDA Colony,
Bhubaneswar-751016, Odisha
Email: bidu.dash@ortel group.com
Phone: 0674- 7107200, Fax: 011-46868801

No. of Complaints received during the year: Nil

No. of complaints not resolved as on 31.03.2019: Nil

No. of pending share transfer as on 31.03.2019: Nil

STATUS OF THE COMPLAINTS

During the financial year 2018-19, no grievance from investors was received and therefore there were no complaints pending as at end of the year.

Received from	Received During 2018-19	Redressed during 2018-19	Pending as on 31.03.2019
SEBI	0	0	0
NSE	0	0	0
BSE	0	0	0
NSDL/CDSL	0	0	0
DIRECT FROM INVESTORS	0	0	0
TOTAL	0	0	0

SHARE TRANSFERS IN PHYSICAL MODE

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects.

There was no transfer of shares held in physical form reported during the financial year 2018-19.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board in its meeting held on 27th July 2015, had constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

SCOPE AND BROAD TERMS OF REFERENCE OF THE COMMITTEE, INTER ALIA, AMONG OTHERS WERE AS FOLLOWS:

1. Shall devise the CSR policy to be implemented by the Company.
2. Shall decide the types of activities to be undertaken within the purview of CSR Policy of the Company from time to time.
3. Shall review and ensure that, the activities included in the CSR policy are undertaken by the Company.
4. Shall devise, recommend and implement such other matter as the Committee deems fit from time to time in due compliance of the CSR requirement.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND DETAILS OF MEETING ATTENDED BY THE MEMBERS:

Name	Category	No. of Meetings attended during 2018-19
K V Seshasayee	Independent & Non-Executive Chairman	1
Jyoti Bhusan Pany (Resigned on 12.09.2018)	Independent & Non-Executive	1
Jagi Mangat Panda	Promoter & Executive	1

During the year under review, one Meeting was held on 10th August, 2018.

RISK MANAGEMENT COMMITTEE

Risk Management Committee was constituted by your Directors at their Board Meeting held on July 21, 2014 and which was reconstituted on 20 April, 2015.

The Risk Management Committee is responsible, inter alia, 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 and other similar facilities both short term or long terms, temporary or otherwise with banks and other institutions and any other similar nature of financial matters.

5. Consider and approve the Company's annual financing plan, including its projected financial structure and all types of funding requirements from Bank, financial institutions and other lenders.
6. Consider and recommend for approval by the Board of Directors of (a) issuances of equity and/or debt securities; or (b) authorizations for other financing transactions, including bank credit facilities.
7. Consider and recommend for approval by the Board of Directors of the Company's external dividend policy.
8. Consider and recommend for approval by the Board of Directors the repurchase of the Company's stock.
9. Consider and approve the Company's financial risk management activities, including the areas of foreign exchange, commodities, and interest rate exposures, insurance programs and customer financing risks.

COMPOSITION OF RISK MANAGEMENT COMMITTEE AND DETAILS OF MEETING ATTENDED BY THE MEMBERS

Name	Category	No. of Meetings attended during 2018-19
Jagi Mangat Panda	Promoter & Executive Chairman	1
Debaraj Biswal (Resigned on 26.09.2018)	Independent & Non-Executive	1
Kadambi Seshasayee	Independent & Non-Executive	1

FINANCE COMMITTEE

The Finance Committee of the Board was constituted in its meeting held on 20th October, 2015.

The scope and broad terms of reference of the Committee was as follows:

1. To consider, recommend/approve where ever required, raising funds from various sources, taking loans from Banks, financial institutions and other lenders, availing lease financing from various parties, availing suppliers' credit and other credit facilities, availing and renewal of overdraft/ cash credit facilities and other similar facilities both short term or long terms, temporary or otherwise with banks and other institutions and any other similar nature of financial matters
2. Consider and approve the Company's annual financing plan, including its projected financial structure and all types of funding requirements from Bank, financial institutions and other lenders.

3. Consider and recommend for approval by the Board of Directors of (a) issuances of equity and/or debt securities; or (b) authorizations for other financing transactions, including bank credit facilities.
4. Consider and recommend for approval by the Board of Directors of the Company's external dividend policy.
5. Consider and recommend for approval by the Board of Directors the repurchase of the Company's stock.
6. Consider and approve the Company's financial risk management activities, including the areas of foreign exchange, commodities, and interest rate exposures, insurance programs and customer financing risks
7. Consider and approve the Company's policy for investment of excess cash.
8. Report to the Board of Directors all significant issues discussed and make appropriate recommendations to be acted upon by the Board.
9. Perform such other activities consistent with the Memorandum of Association, the Company's Articles of Association, and applicable, as the Committee or the Board deems necessary or appropriate and as may be delegated by Board from time to time.

COMPOSITION OF FINANCE COMMITTEE AND DETAILS OF MEETING ATTENDED BY THE MEMBERS

Name	Category	No. of Meetings attended during 2018-19
JagiMangatPanda	Promoter & Executive Chairman	2
Jyoti Bhusan Pany (Resigned on 12.09.2018)	Independent & Non-Executive Director	2
DebarajBiswal (Resigned on 26.09.2018)	Independent & Non-Executive Director	1

During the year under review, Finance Committee Meetings were held on 12th April, 2018 and 22nd May, 2018.

GENERAL BODY MEETING

DETAILS OF LOCATION AND TIME WHERE THE LAST FOUR (4) ANNUAL GENERAL MEETINGS OF THE COMPANY WERE HELD ARE DEPICTED IN THE TABLE BELOW:

Financial Year	Day, Date and Time	Venue	Whether Special Resolution passed
2017-18	Friday, 21st September 2018 At 10:30 A.M.	Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016	No

INDEPENDENT DIRECTORS' MEETING

As required under Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors was held on 19th May, 2017 who had submitted their report to the Board.

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director and CEO and other Functional Heads on important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities from time to time. The Company followed the practice of familiarize the Independent Director on the recent amendments on quarterly basis. The Company conducted various conference calls with the Independent directors in order to sensitize them on various important issues of the Company whenever required. The details of familiarization program can be accessed from the website: www.ortelcom.com.

SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH 2019

Name of the Investor	No. of Shares held
Gautam Sehgal	62,273
Jyoti Bhusan Pany (Resigned as Director on 12.09.2018)	14,000

2016-17	Tuesday, 05th September, 2017, 10:00 A.M.	Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016	Yes
2015-16	Thursday, 28th July, 2016, 10.00 AM	LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	Yes
2014-15	Monday, 27 July, 2015. 10.00 AM	LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	Yes

No resolution was passed through postal ballot during the financial year 2018-19.

No Special Resolution requiring Postal Ballot is being proposed at ensuing Annual General Meeting.

Date of EGM	Venue	Time
Monday, 9 th April, 2018	C-1, Chandrasekharpur, Near BDA Colony, Bhubaneswar-751016	11:30 A.M.

MEANS OF COMMUNICATION

- All the vital information relating to the Company like quarterly results, annual results, official press releases, presentations, if any, made to Institutional Investors or Analysts are posted on the website of the Company www.ortelcom.com on timely basis.
- The quarterly and annual financial result of the Company is published in either in Mumbai Business Standard (English and Hindi Newspaper), Delhi Business

Standard (English Newspaper) and Delhi Pioneer (Hindi Newspaper) and the said financial result is further submitted to the National Stock Exchange of India Limited and BSE Limited.

- The Management Discussion and Analysis Report is attached and forms part of this Annual Report.

DISCLOSURE

Disclosure under Regulation 39(4) and Schedule VI of Listing Regulations:

Sl. No.	Description	No. of Shareholders	No of shares
i	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2018	-	-
ii	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2018-19	-	-
iii	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2018-19	-	-
iv	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2019	01	75

Note: The Shareholders may please note that the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the same.

CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained Certificate on Corporate Governance from a Practicing Company Secretary forming part of the Directors' Report as **Annexure-6**.

EMPLOYEES STOCK OPTION SCHEME

The disclosures required to be made under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are given in the note no. 44 of the financial statements.

RELATED PARTY POLICY

Company has adopted a policy on dealing with related party transactions and same has been posted in the website of the Company: www.ortelcom.com.

All the related party transactions have been done in normal commercial practice in the ordinary course of business and on arm length basis in compliance of the Companies Act, 2013 and listing regulations.

All the related party transactions have been placed and approved before both Audit Committee and Board. There was no material related party transaction were no material related party transactions during the period under review.

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 has incorporated one wholly-owned subsidiary in the name of "Ortel Broadband Limited" during the previous period.

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Board has also approved and laid down Policy on Determination of Materiality of Events/Information and same has been posted in the website of the Company www.ortelcom.com.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Board has adopted Code of Conduct for Prevention of Insider Trading in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulation, 2015. The same is available in our Company website www.ortelcom.com.

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.

CORPORATE SOCIAL RESPONSIBILITY POLICY

A Corporate Social Responsibility policy of the Company has

The detail of fine paid as on date for non-compliance with Reg. 33 only is as under:

Regulation	Per day Fine	No. of days of non-compliance	Fine amount (Rs.)
33	5000	15	75,000

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT

During the financial year 2018-19, the Company raised funds through following 3 (three) preferential allotments

Sl.No.	Date of Allotment	Name of the Allottee	Number of Equity / Preference shares	Amount (Rs.)
1	22.05.2018	BP Developers Pvt Ltd	7,85,714 Equity Shares	2,75,00,000
2	22.05.2018	Odisha Television Ltd	17,14,286 Equity Shares	6,00,00,000
3	12.04.2018	Indian Metals & Ferro Alloys Ltd	1,00,00,000 Preference Shares	10,00,00,000

The details of utilization of funds during the year are as follows: General Corporate Purpose & Statutory dues payment.

COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND IMPLEMENTATION OF THE NON-MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the Corporate Governance Clause of SEBI (LODR). The Company has not implemented the non-mandatory

also been adopted and posted in the website of the Company : www.ortelcom.com.

POLICY ON PRESERVATION OF RECORDS

Board has approved and laid down policy on preservation of records and same has been posted in the website of the Company:www.ortelcom.com.

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and laid down a code of conduct for all Board members, Key and Senior Managerial personnel's of the Company and same has been posted in the website of the Company www.ortelcom.com.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

The Company has not filed the financial result as per Regulation 33 for the quarter ended 30-Sep-2018 by the stipulated date i.e. 14-Nov-2018. Therefore the company shall be treated as non-compliant with regulation 33 for the quarter ended 30-Sep-2018 and with reference to Regulation 33 of the Listing Regulation and SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 (SOP Circular). As per the said SEBI circular, NSE has levied fine for the non-compliance w.r.t. Regulation 33 of listing regulations (i.e. Financial Result) is Rs.5,000/- per day till the date of compliance.

requirements as specified in Part E of Schedule II of SEBI (LODR).

WEBSITE OF THE COMPANY

The website www.ortelcom.com contains a separate dedicated section for the Company's "Investor Relations"

where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE

During the financial year ended 31st March, 2019, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to financial statements.

WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED

The policy for determining 'material' subsidiaries is available on the website of the Company <http://www.ortelcom.com/investor-relations.html>.

WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The policy on dealing with related party transactions is

available on the website of the Company: <http://www.ortelcom.com/investor-relations.html>

CERTIFICATE FROM PRACTICING COMPANY SECRETARIES

The Company has received a certificate from Mr. Suresh Kumar Yadav, Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

INSTANCES OF NOT ACCEPTING ANY RECOMMENDATION OF THE COMMITTEE BY THE BOARD

There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

FEES TO THE STATUTORY AUDITORS OF THE COMPANY

Details of total fees paid by the Company on a consolidated basis to M/s Haribhakti & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, during the financial year are as under:

Particulars	Amount (Rs)
Fees paid for Statutory Audit for the FY 2018-19	8,10,000
Fee for other services including reimbursement of expenses	39,839

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year, no

complaint was received by the Company from any employees (permanent, contractual, temporary, trainees).

THE COMPANY COMPLIED WITH THE REQUIREMENTS OF THE SCHEDULE V CORPORATE GOVERNANCE REPORT SUB-PARAS (2) TO (10) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars of Regulation	Compliance Status (Yes/ No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46(2) (b) to (i)	Website	Yes

DECLARATION

As provided under Regulation 17(5) and Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Key and

Senior Managerial Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2018-19.

Srigopal Choudhary
Resolution Professional
For Ortel Communications Limited (under CIRP)
Address - Flat 7J Tower -3 South City
375 P.A.S. Road Kolkata - 700068
Registration No- IBBI/IPA-001/IPP-01238/2018-19/11893

Place: Kolkata

Date: August 16, 2019

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

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Resolution Professional
Ortel Communications Ltd. (under CIRP)

Dear Sir,

Sub: CEO & CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Ortel Communications Ltd (under CIRP) for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that:

- 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.
- iii. 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.
- iv. 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.
- v. We have indicated to the Auditors and the Audit Committee:
- vi. There has not been any significant change in internal control over financial reporting during the year under reference.
- vii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.

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,

Sd/-
Bidu Bhusan Dash
CFO & Company Secretary

Sd/-
Bibhu Prasad Rath
CEO

Place: Kolkata
Date: August 16, 2019

MANDATORY AND NON-MANDATORY REQUIREMENTS

All the mandatory requirements of Listing Regulation on Corporate Governance are being complied with and non-mandatory requirements of the Corporate Governance are being reviewed by the Board from time to time and adopted wherever necessary. The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations are summarized below:

- **Non-Executive Chairman’s Office:** The Board has no permanent Chairman appointed by the Company, Chairman appointed for meeting to meeting and the office of the appointed chairman is separate from that of the Managing Director and CEO within the same office premise.
- **Shareholders’ Rights:** As the quarterly and half yearly financial results along with significant events are posted on the Company’s website and website of both BSE Limited and National Stock Exchange of India Ltd and are also published in the news papers wherever required under regulation, the same are not being sent to the share holders separately.

- **Modified Opinion in Auditors Report:** The Company’s financial statement for the financial year 2018-19
- Does not contain any modified audit opinion but contain disclaimer of opinion.
- **Separate posts of Chairman and CEO:** The Chairman of the Board was a Non-executive Director and his position is separate from that of the Managing Director and CEO.
- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee

MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after same are approved by the Board. These are published in both prominent national English and Hindi daily newspapers and are simultaneously posted on the website of the Company at www.ortelcom.com. The official press releases and presentation made to Institutional Investors / Analysts are also uploaded on the website of National Stock Exchange of India Ltd, the Bombay Stock Exchange of India Ltd and Company’s website for public information.

GENERAL SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Date & Time	28.09.2019 & 10:30 A.M.
Venue	Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016
Financial Year	The Company follows April-March as its financial year. The results for every quarter beginning from April are declared as per the SEBI (LODR).
Dates of Book closure	FROM 21-09-2019 TO 28-09-2019 (both days inclusive)
Dividend Payment Date	NIL
Listing in information	The Company’s equity shares are listed on National Stock Exchange of India Limited and BSE Limited.
NATIONAL STOCK EXCHANGE OF INDIA LIMITED	
Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra(East), Mumbai-400051	
BSE LIMITED	
Address: P.J. Towers, 1st Floor, Dalal Street, Mumbai-400001	
Annual listing fee for the financial year 2018-19 shall be paid to National Stock Exchange of India Limited and BSE Limited.	
ScripCode	BSE: 539015 NSE:ORTEL
ISIN	INE849L01019
Market Price Data	The high/low market price shown during the period 1st April, 2018 to 31st March, 2019 at the BSE and NSE are as under.

STOCK MARKET PRICE DATA

BSE LIMITED

Monthly High and Low of closing prices of the Company's Equity Shares traded at BSE Limited for the financial year ended 31st March, 2019 is given below:

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Monthly High and Low of Closing prices of the Company's Equity Shares traded at National Stock Exchange of India Limited for the financial year ended 31st March, 2019 is given below:

(Amt.in Rs.)		
Month	High Price	Low Price
Apr-18	24.65	20.00
May-18	22.10	16.00
Jun-18	17.70	12.25
Jul-18	16.41	9.30
Aug-18	14.62	11.20
Sep-18	12.25	10.03
Oct-18	11.25	6.69
Nov-18	7.29	5.67
Dec-18	5.39	3.04
Jan-19	4.48	3.32
Feb-19	4.40	3.50
Mar-19	4.28	3.65

(Amt.in Rs.)		
Month	High Price	Low Price
Apr-18	24.00	19.30
May-18	23.90	16.20
Jun-18	18.00	12.10
Jul-18	16.35	9.00
Aug-18	14.70	11.15
Sep-18	12.50	9.40
Oct-18	8.95	6.05
Nov-18	7.15	4.80
Dec-18	5.05	3.20
Jan-19	4.40	3.45
Feb-19	3.85	3.30
Mar-19	4.95	3.65

There was no suspension of trading in Securities of the Company during the year under review.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

- a) The shares of the Company are compulsorily in demat segment and are available for trading in the depository systems of both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited under the ISIN:INE849L01019.
- b) As on 31st March, 2019, except 336481 equity shares, all the shares are held in dematerialized form.
- c) The Company has not issued any outstanding GDR's/ADR's/Warrants or any convertible instruments pending conversion and hence it does not have any outstanding GDR's/ADR's/Warrants or any convertible instruments pending conversion likely to impact the Equity Share Capital of the Company.

ORTEL COMMUNICATIONS LIMITED Distribution of Shareholding as on 31st March, 2019

Sl. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	2396	73.32	3267170.00	0.99
2	5001- 10000	362	11.08	3083870.00	0.94
3	10001- 20000	191	5.84	2934160.00	0.89
4	20001- 30000	86	2.63	2188660.00	0.66
5	30001- 40000	32	0.98	1168860.00	0.35
6	40001- 50000	39	1.19	1792580.00	0.54
7	50001- 100000	57	1.74	4153360.00	1.26
8	100001& Above	105	3.21	311180340.00	94.36
	Total:	3268	100.00	329769000.00	100.00

ORTEL COMMUNICATIONS LIMITED
Categories of Shareholders as on 31st March, 2019
Consolidated Shareholding Pattern as on 31st March, 2019

Sl. No	Description	No. of Cases	Total Shares	% Equity
1	CLEARING MEMBERS	9	2,599	0.01
2	EMPLOYEES	15	2,11,097	0.64
3	FOREIGN BODIES	1	44,06,233	13.36
4	FOREIGN PORTFOLIO CORPORATE	6	30,48,000	9.24
5	STATE GOVERNMENTS	1	50,000	0.15
6	H U F	106	5,79,396	1.76
7	BODIES CORPORATES	69	8,17,420	2.48
8	NBFC	1	1,193	0.00
9	NON RESIDENT INDIANS	25	26,976	0.08
10	NRI NON-REPATRIATION	11	7,162	0.02
11	OVERSEAS CORPORATE BODIES	1	2,75,067	0.83
12	PROMOTERS BODIES CORPORATE	7	169,55,011	51.41
13	PROMOTER INDIVIDUALS	8	13,25,439	4.02
14	RESIDENT INDIVIDUALS	3153	52,71,232	15.98
15	UNCLAIMED SUSPENSE ACCCOUNT	1	75	0.00
	Total	3414	329,76,900	100.00

- Registrar and transfer agents (RTA) : Karvy Fintech Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India.
 Members may contact RTA for any share related matters like transfer, transmission, dematerialization, rematerialisation and other share related matter.
-
- 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 98.71% of the Company's equity share capital are dematerialized as on 31st March, 2019. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE849L01019.
-
- Share Transfer System : Shares in physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, Karvy Fintech Private Limited at the addresses given above or at the registered office of the Company. The physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid transfers are approved by Stakeholders Grievance Committee and are noted at Board Meetings.
 However as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.

Reconciliation of Share Capital Audit	:	As required by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report there on is submitted to stock exchanges.
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Outstanding GDRs/ADRs/Warrants or any convertible instruments	:	Nil
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State wise Operational locations	:	Odisha, Chhattisgarh, Telengana & Madhya Pradesh.
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Address for correspondence	:	Registered Office: B-7/122A, Safdarjung Enclave, New Delhi - 110 029, India; Telephone: +91 114686 8800; Facsimile: +91 11 4686 8801
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	:	Corporate Office: C-1, Chandrasekharapur, Near BDA Colony, Behind RMRC, Bhubaneswar - 751 016, Odisha, India, Telephone: +916747107200; Facsimile: +916742303448, Email: bidu.dash@ortelgroup.com; Website: www.ortelcom.com
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Annexure - 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019
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:

i	CIN	L74899DL1995PLC069353
ii	Registration Date	6/2/1995
iii	Name of the Company	ORTEL COMMUNICATIONS LIMITED (under CIRP)
iv	Category/Sub-category of the Company	Public Company Limited by Share
v	Address of the Registered office & contact details	B7/122A,SAFDARJUNG ENCLAVE, NEW DELHI, 110029. Tel: 011-46868800, Fax:011-46868801
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	KARVY FINTECH PRIVATE LIMITED Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Phone No: +91 40 67161606 ; Mobile no.: 9490117744 mail id: raghu.veedha@karvy.com www.karvyfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & 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	79%
2	INTERNET	61104-Activities of providing internet	10%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held in the Company	Applicable section*
1	ORTEL BROADBAND LIMITED Regd. Office: 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: 0674-7107200, Fax: 0674-2303448	U74999DL2018PLC330153	Subsidiary	100%	2(87)

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

i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	1325439	0	1325439	4.35	1325439	0	1325439	4.02	-0.33
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	14455011	0	14455011	47.43	16955011	0	16955011	51.41	3.99
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	15780450	0	15780450	51.78	18280450	0	18280450	55.43	3.66
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	15780450	0	15780450	51.78	18280450	0	18280450	55.43	3.66
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	50000	50000	0.16	0	50000	50000	0.15	-0.01
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	3048000	0	3048000	10.00	0	0	0	0.00	-10.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	3048000	0	3048000	9.24	9.24
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	3048000	50000	3098000	10.17	3048000	50000	3098000	9.39	-0.77
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	3266944	0	3266944	10.72	817420	0	817420	2.48	-8.24
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	1356800	11414	1368214	4.49	1736241	11414	1747655	5.30	0.81
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	1931851	0	1931851	6.34	4314070	0	4314070	13.08	6.74
(c)	Others									
	CLEARING MEMBERS	131411	0	131411	0.43	2599	0	2599	0.01	-0.42
	FOREIGN BODIES	4588748	0	4588748	15.06	4406233	0	4406233	13.36	-1.69
	NON RESIDENT INDIANS	26156	0	26156	0.09	26976	0	26976	0.08	0.00
	NRI NON-REPATRIATION	9984	0	9984	0.03	7162	0	7162	0.02	-0.01
	OVERSEAS CORPORATE BODIES	0	275067	275067	0.90	0	275067	275067	0.83	-0.07
	UNCLAIMED SUSPENSE ACCCOUNT	75	0	75	0.00	75	0	75	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	11311969	286481	11598450	38.06	11310776	286481	11597257	35.17	-2.89
	Total B=B(1)+B(2) :	14359969	336481	14696450	48.22	14358776	336481	14695257	44.56	-3.66
	Total (A+B) :	30140419	336481	30476900	100.00	32639226	336481	32975707	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	30140419	336481	30476900	100.00	32639226	336481	32975707	100.00	

ii) **SHARE HOLDING OF PROMOTERS (INCLUDING PROMOTERS GROUP)**

Sl No.	Shareholder's Name	Shareholding at the end of the year (31-03-2018)			Shareholding at the end of the year (31-03-2019)			% 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	4,859,512	15.94	0	4,859,512	14.74	0	-1.21
2	PANDA INVESTMENTS PVT LTD	4,636,510	15.21	0	4,636,510	14.06	0	-1.15
3	RAILA ENTERPRISES PVT LTD	2,580,441	8.47	0	2,580,441	7.82	0	-0.64
4	ODISHA TELEVISION LTD	2,007,293	6.59	0	3,721,579	11.29	0	4.70
5	BAIJAYANT PANDA	580,042	1.90	0	580,042	1.76	0	-0.14
6	JAGI MANGAT PANDA	310,448	1.02	0	310,448	0.94	0	-0.08
7	NIVEDITA PANDA	164,935	0.54	0	164,935	0.50	0	-0.04
8	SUBHRAKANT PANDA	123,906	0.41	0	123,906	0.38	0	-0.03
9	PARAMITA REALTOR PVT LTD	98,375	0.32	0	98,375	0.30	0	-0.02
10	SUBHRAKANT PANDA (UNDER TRUSTEESHIP)	56,818	0.19	0	56,818	0.17	0	-0.01
11	PARAMITA MOHAPATRA	40,230	0.13	0	40,230	0.12	0	-0.01
12	PARAMITA MOHAPATRA (UNDER TRUSTEESHIP)	24,530	0.08	0	24,530	0.07	0	-0.01
13	PARAMITA MOHAPATRA (UNDER TRUSTEESHIP)	24,530	0.08	0	24,530	0.07	0	-0.01
14	ORISSA TELEFILMS PRIVATE LIMITED	94,310	0.31	0	94,310	0.29	0	-0.02
15	BP DEVELOPERS PRIVATE LTD	178,570	0.59	0	964,284	2.92	0	2.34
	Total	15,780,450	51.78	0	18,280,450	55.43	0	3.66

iii) **CHANGE IN PROMOTERS' (INCLUDING PROMOTER GROUP) SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares At the beginning of the year	% of total shares of the company At the beginning of the year	No of shares	% of total shares of the company
1	ODISHA TELEVISION LIMITED				
	At the beginning of the year	2,007,293	6.59		
	(+) Preferential Allotment	1,714,286	5.62	3,721,579	11.29
	At the end of the year			3,721,579	11.29
2	BP DEVELOPERS PRIVATE LTD				
	At the beginning of the year	178,570	0.59		
	(+) Preferential Allotment	785,714	2.58	964,284	2.92
	At the end of the year			964,284	2.92

IV) Shareholding Pattern of Top Ten Shareholders
(other than Directors, Promoters and Holdres of GDRs and ADRs)

For each of the Top Ten shareholder	Name*	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***
1	RIVENDELL PE, LLC				
	At the beginning of the year	4,588,748	15.06		
	Buy/Sale during the year	- 182,515	-0.60	4,406,233	13.36
	At the end of the year			4,406,233	13.36
2	ELIZABETH MATHEW				
	At the beginning of the year	150,000	0.49		
	Buy/Sale during the year	1,060,211	3.48	1,210,211	3.67
	At the end of the year			1,210,211	3.67
3	ACACIA PARTNERS, LP				
	At the beginning of the year	960,000	3.15		
	Buy/Sale during the year	-	-	960,000	2.91
	At the end of the year			960,000	2.91
4	ACACIA INSTITUTIONAL PARTNERS, LP				
	At the beginning of the year	840,000	2.76		
	Buy/Sale during the year	-	-	840,000	2.55
	At the end of the year			840,000	2.55
5	ACACIA CONSERVATION FUND LP				
	At the beginning of the year	600,000	1.97		
	Buy/Sale during the year	-	-	600,000	1.82
	At the end of the year			600,000	1.82
6	ACACIA BANYAN PARTNERS				
	At the beginning of the year	540,000	1.77		
	Buy/Sale during the year	-	-	540,000	1.64
	At the end of the year			540,000	1.64
7	KOTAK MAHINDRA BANK LTD				
	At the beginning of the year	456,265	1.50		
	Sale during the year	-	-	456,265	1.38
	At the end of the year			456,265	1.38
8	HERMANUS FZE				
	At the beginning of the year	275,067	0.90		
	Buy/Sale during the year	-	-	275,067	0.83
	At the end of the year			275,067	0.83
9	MANISHKUMAR SUMATILAL MEHTA(HUF)				
	At the beginning of the year	36,500	0.12		
	Buy during the year	214,771	0.70	251,271	0.76
	At the end of the year			251,271	0.76
10	NEELESH VERNEKAR				
	At the beginning of the year	94,255	0.31		
	Buy during the year	141,464	0.46	235,719	0.71
	At the end of the year			235,719	0.71

Note:

* Based on PAN

** Percentage calculated on the paid-up share capital (3,04,76,900) as at the beginning of the year.

*** Percentage calculated on the paid-up share capital (3,29,76,900) as at the beginning of the year.

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
Sl. No.	Name*	Shareholding		Cumulative Shareholding during the	
		No. of Shares at the beginning of the year	% of total shares of the company**	No. of Shares	% of total shares of the company***
Directors:					
1	JAGI MANGAT PANDA				
	At the beginning of the year	310448	1.02		
	(+/-)Market Purchase/Sell	0		310448	0.94
	At the end of the year			310448	0.94
2	DR. GAUTAM SEHGAL				
	At the beginning of the year	58755	0.19		
	(+/-)Market Purchase/Sell	3518	0.01	62273	0.19
	At the end of the year			62273	0.19
3	JYOTI BHUSAN PANY				
	At the beginning of the year	14000	0.05		
	(+/-)Market Purchase/Sell	0	0.00	14000	0.04
	At the end of the year			14000	0.04
Key Managerial Personnel:					
4	BIBHU PRASAD RATH				
	At the beginning of the year	92549	0.30		
	(+/-)Market Purchase/Sell	4280	0.01	96829	0.29
	At the end of the year			96829	0.29
5	SATYANARAYAN JENA (Ceased as CFO w.e.f. 28.02.2019)				
	At the beginning of the year	0	0.00		
	(+/-)Market Purchase/Sell	0	0.00	0	0.00
	At the end of the year			0	0.00
6	BIDU BHUSAN DASH				
	At the beginning of the year	0	0.00		
	(+/-)Market Purchase/Sell	0	0.00	0	0.00
	At the end of the year			0	0.00
Note:					
* Based on PAN					
** Percentage calculated on the paid up share capital (3,04,76,900) as at the beginning of the year.					
*** Percentage calculated on the paid up share capital (3,29,76,900) as at the end of the year.					

V. INDEBTEDNESS			
Indebtedness of the Company including interest outstanding/accrued but not due for payment			
	(Rs. In Lakhs)		
	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	18,931.74	2,226.64	21,158.38
ii) Interest due but not paid	427.81	39.08	466.88
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	19,359.55	2,265.72	21,625.27
Change in Indebtedness during the financial year			
* Addition	10,691.80	1,775.00	12,466.80
* Reduction	11,560.91	305.78	11,866.69
Net Change	- 869.11	1,469.22	600.10
Indebtedness at the end of the financial year			
i) Principal Amount	18,710.50	3,695.86	22,406.36
ii) Interest due but not paid	285.55	153.23	438.78
iii) Interest accrued but not due			
Total (i+ii+iii)	18,996.05	3,849.09	22,845.14

	(Rs. In Lakhs)
Difference	647.87
Note: The difference is due to SREI Interest added to Principal as per schedule	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD			Total Amount
		JAGI MANGAT PANDA			
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,906,447			3,906,447
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-			-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-			-
2	Stock option	-	-		-
3	Sweat Equity	-	-		-
4	Commission as % of Profit	-	-		-
	- as a % of Profit	-	-		-
	-Others, specify	-	-		-
5	Others, please specify	516,400	-		516,400
	Total (A)	4,422,847			4,422,847
	Ceiling as per the Act				

Note: 1: Total remuneration includes exempted remuneration of Rs.4,15,560/- (Employer contribution to provident fund and gratuity) as per Section IV of Part II of Schedule V of the Companies Act, 2013.

B. Remuneration to Other Directors

SL.NO	Particulars of Remuneration	NAME OF DIRECTORS					Total Amount (Rs.)
		GAUTAM SEHGAL	JYOTI BHUSAN PANY (Ceased as Director w.e.f. 12.09.2018)	K.V. SESHASAYEE	DR. P.T JOSEPH (Ceased as Director w.e.f. 12.09.2018)	DEBRAJ BISWAL (Ceased as Director w.e.f. 26.09.2018)	
1	Independent Directors						
	Fee for attending board /committee meetings	50,000	60,000	45,000	-	30,000	185,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	50,000	60,000	45,000	-	30,000	185,000
2	Other Non-Executive Directors						
	Fee for attending board/ committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	50,000	60,000	45,000	-	30,000	185,000
	Total Managerial Remuneration (In lakhs)						
	Overall Ceiling as per the Act #						
	# No remuneration is paid to non executive and independent directors except sitting fees and commission as approved by the Board.						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	Gross Salary	CEO	CFO	CS	
		BIBHU PRASAD RATH	SATYANARAYAN JENA (Ceased w.e.f. 28/02/2019)	BIDU BHUSAN DASH	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	5,158,356	1,453,554	960,384	7,572,294
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of Profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	703,800	425,150	135,000	1,263,950
	Total	6,884,358	1,318,023	653,552	8,855,933

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

**MR-3
SECRETARIAL AUDIT REPORT**

Annexure - 2

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 31st March 2019 ('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 31st March 2019 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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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).
- (i) Any 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
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges in compliance with The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015

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:

- I. Consumer Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012:
- II. Quality of Service of Broadband Service Regulations, 2006
- III. The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007
- IV. The Indian Telegraph Act, 1885 ("Telegraph Act")
- V. The Indian Wireless Telegraphy Act, 1933 ("Wireless Telegraphy Act")
- VI. The Sports Broadcasting Signals (Mandatory Sharing with PrasarBharati) Act, 2007("Mandatory Signal Sharing Act")
- VII. The Telecom Regulatory Authority of India Act, 1997 ("TRAI Act")
- VIII. The Policy Guidelines for Up linking of Television Channels from India, 2011 ("up linking Guidelines")
- IX. Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("ISP License Guidelines")
- X. Broadband Policy, 2004 ("Broadband Policy")
- XI. Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002 ("Internet Telephony Guidelines")
- XII. Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004 ("VPN Guidelines")
- XIII. National Tariff Policy, 2012 ("NTP 2012") to the extent applicable to the Company.
- XIV. The Telecommunication Tariff Order, 1999 ("Tariff Order 1999") and any amendment thereof.
- XV. Information Technology Act, 2000

I further report that:

The Board of Directors of the Company is not duly constituted with proper balance of Directors retiring by rotation. 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.

We further report that during the period under review, the Company was admitted into Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT) vide order dated 27th November, 2018 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and the powers of the existing Board of Directors of the Company are suspended from the date of the order as per Section 17 of the IBC and vested with Mr. Anil Bhatia, Interim Resolution Professional ("IRP") and subsequently on 07.01.2019, the Meeting of Committee of Creditors was convened and in the said meeting the Committee of Creditors proposed to replace the Interim Resolution Professional and the same was approved through e-voting. That the Hon'ble Adjudicating Authority vide its order dated 01.02.2019 (received on 07.02.2019) approved the appointment of Mr. Srigopal Choudhary as Resolution Professional to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code for the management of the affairs of the Company. Since the Powers of the Board of Directors are vested with the Resolution Professional the management of the affairs of the Company will be under the overall control, supervision and guidance of the Resolution professional from the date of the order till the completion of Corporate Insolvency Resolution Process. The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional. The Status of the Board of Directors and Committees are as on the date of the NCLT order.

This report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Place: Gurugram
Date: August 16, 2019

Sd/-
For Kumar Suresh & Associates
Suresh Kumar Yadav Company Secretaries
FCS No. 6452
C P No.: 6711

Annexure-A

To,

**ORTEL COMMUNICATIONS LIMITED
B7/122A, SAFDARJUNG ENCLAVE
NEW DELHI-110029**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Gurugram
Date: August 16, 2019

Sd/-
For Kumar Suresh & Associates
Suresh Kumar Yadav
Company Secretaries
FCSNo.: 6452
C P No.: 6711

AOC-2

Details of Contracts or Arrangements or Transactions at arm's length basis

Annexure-3
(Rs. in Lakhs)

a	b	c	d	e	f	g	
Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
Mrs. Jagi Mangat Panda	KMP	Managerial Remuneration	01/04/2018-31/03/2019	44,22,847	22-05-2018	NIL	5-Sep-17
Mr. Bibhu Prasad Rath	KMP	Managerial Remuneration	01/04/2018-31/03/2019	58,62,156	22-05-2018	NIL	NA
Mrs. Jagi Mangat Panda	KMP	Reimbursement of expenses to KMP	01/04/2018-31/03/2019	-	22-05-2018	NIL	NA
Mr. Bibhu Prasad Rath	KMP	Reimbursement of expenses to KMP	01/04/2018-31/03/2019	37,63,686	22-05-2018	NIL	NA
Odisha Television Limited	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Signal Uplinking Income	01/04/2018-31/03/2019	3,27,52,380	22-05-2018	NIL	NA
Odisha Television Limited	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Rent Received	01/04/2018-31/03/2019	3,60,000	22-05-2018	NIL	NA
Odisha Television & Indian Metals & Ferro Alloys Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Internet Subscription fee	01/04/2018-31/03/2019	18,65,241	22-05-2018	NIL	NA
Indian Metals & Ferro Alloys Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Paid)	01/04/2018-31/03/2019	5,64,078	22-05-2018	NIL	NA
Odisha Television Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Paid)	01/04/2018-31/03/2019	10,35,943	22-05-2018	NIL	NA
Odisha Television Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Received)	01/04/2018-31/03/2019	16,94,363	22-05-2018	NIL	NA
Indian Metals & Ferro Alloys Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Received)	01/04/2018-31/03/2019	8,37,254	22-05-2018	NIL	NA
Indian Metals & Ferro Alloys Ltd and KMPs	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Subscription Income for providing CATV service to IMFA and KMPs	01/04/2018-31/03/2019	3,52,342	22-05-2018	NIL	NA
Odisha Television	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Advertisement Expenses	01/04/2018-31/03/2019	12,00,000	22-05-2018	NIL	NA
Odisha Television	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Channel Carriage Income	01/04/2018-31/03/2019	1,87,84,440	22-05-2018	NIL	NA
Odisha Television	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Programming Costs	01/04/2018-31/03/2019	2,11,18,058	22-05-2018	NIL	NA
Orissa Infratech Pvt. Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Unsecured Loan Repaid	01/04/2018-31/03/2019	55,78,361	22-05-2018	NIL	NA
Orissa Infratech Pvt. Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Interest on Unsecured Loan paid	01/04/2018-31/03/2019	15,28,336	22-05-2018	NIL	NA
KMPs-Mr. Bibhu Prasad Rath	Advance recovery from KMPs	Advance recovery	01/04/2018-31/03/2019	5,66,973	22-05-2018	NIL	NA
BP Developers Private Ltd	Inter Corporate Loan from BP Developers Private Ltd	Inter Corporate Loan repaid	01/04/2018-31/03/2019	2,50,00,000	22-05-2018	NIL	NA
BP Developers Pvt. Ltd	Principal and Interest on Inter-corporate Unsecured Loan availed from BP Developers Pvt. Ltd	Interest on Inter-Corporate Loan paid	01/04/2018-31/03/2019	19,61,753	22-05-2018	NIL	NA

Details of contracts or arrangements or transactions not at arm's length basis					
a	b	c	d	e	f
Name(s) of the related party and nature of relationship:	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances, if any
NOT APPLICABLE					

Annexure-4

PART-I

Disclosure of the particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the Financial Year 2018-19 in respect of employees of the Company, is provided herein below.

(a) Ratio of remuneration of each of Director/KMP to the median *remuneration of the employees:

Sl. No	Directors/ KMPs	Designation	Ratio of remuneration of each Director/KMP to the median* remuneration of the employees of the Company for the Financial Year 2018-19
1	Director	Managing Director	(4422847:128796) = 34.34
2	KMP	President & CEO	(5862156:128796) = 45.52
3	KMP	CFO	(1878704:128796) = 14.59
4	KMP	CS	(1095384:128796) = 08.50

**median means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.*

(b) Percentage increase in the remuneration:

Sl. No.	Name	Designation	Remuneration paid in FY 2017-18	Remuneration paid in FY 2018-19	Percentage(%) increase/(decrease) in remuneration
1	Jagi Mangat Panda	Managing Director	67,03,320	44,22,847	-34.02
2	Bibhu Prasad Rath	President & CEO	68,84,358	58,62,156	-14.85
3	Satyanarayan Jena Resigned w.e.f. 28/02/2019	CFO	13,18,023	18,78,704	42.54
4	Bidu Bhusan Dash	CS	6,53,552	10,95,384	67.60

Note:

- (c) There has been 2.26% of decrease in the median remuneration of employees during the financial year 2018-19.
- (d) There are 640 permanent employees on the rolls of company.
- (e) Average percentile increase already made in the salaries of employees and managerial remuneration of managerial personnel of the Company other than the managerial personnel in the last financial year, i.e. 2018-19 is decreased. whereas the increase in the managerial remuneration of managerial personnel for the same financial year is The managerial remuneration is linked to market trend and industry segment composition, thus, increase in managerial remuneration is higher.
- (f) The key parameters for the variable component of remuneration availed by the Managing Director are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company and was also approved by shareholders in their meeting.
- (g) There is no such employee in the Company who receives remuneration in excess of the highest paid Director during the year.
- (h) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

PART-II

Particulars of employees in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees is disclosed as hereunder:

Sl. No	Name	Age (Years)	Designation /Nature of duties	Gross Remuneration (Rs.)*	Qualification	Total Experience (Years)	Date of Commencement of Employment	Last employment Designation-held Period for which post held
1	Ms. Jagi Mangat Panda	52 Yrs. & 8 Months	Managing Director		Bachelor's degree in biology and Chemistry from Osmania University Middle level management programme from the Indian Institute of Management, Ahmedabad	23 Yrs. & 4 Months	05-10-1995	NA

Notes:

*Gross Remuneration includes exempted remuneration i.e. Employer contribution to provident Fund and Gratuity as per Section IV of Part II of Schedule V of the Companies Act, 2013.

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

The Companies Act, 2013 read with applicable rules made thereunder and the listing agreement applicable to the 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", in relation to a company, means

- i. the Chief Executive Officer or the Managing Director, or the Manager;
- ii. the Company Secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) 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.

4. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, 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 is 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, REMUNERATION, 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. The 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 through 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.

6. 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.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
Mr.Srigopal Choudhary
Resolution Professional
For Ortel Communications Limited (under CIRP)

I, have examined the compliance of conditions of Corporate Governance of Ortel Communications Limited (Company under CIRP) for the financial year ended March 31, 2019, as stipulated in Regulation 15(2) and 34(3) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period under review.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

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.

Place: Gurugram
Date:August 16, 2019

For **Kumar Suresh & Associates**
Company Secretaries

Sd/-
Suresh Kumar Yadav
Proprietor
C.P. No. - 6711
FCS No. - 6452

INDEPENDENT AUDITOR'S REPORT

To the Members of Ortel Communications Limited

Report on the Standalone Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of Ortel Communications Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

Basis for Disclaimer of Opinion

- a) As informed to us by the management, the Company has issued Credit Notes amounting to Rs 6844.75 lakhs during the year ended 31 st March, 2019 towards disruption of services/ deficient provision of services during the period 1st October, 2016 to 31 st December, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 6844. 75 lakhs and the related Service Tax/Goods and Services Tax ('GST')/ Entertainment tax liability with Rs. 1205.76 lakhs and credited 'Trade Receivables' with Rs. 8050.51 lakhs. However, the Company has not provided to us sufficient appropriate audit evidence regarding the appropriateness of issuance of such credit notes viz. the month wise /area wise /analog or digital wise break-up of Rs. 6844.75 lakhs, the internal auditor's/any other external expert's vetting regarding the due processes and checks and balances having been followed etc. Hence, we are unable to comment on the issuance of such credit notes by the Company and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.
- b) The Company has not provided to us for our verification GST Returns relating to the year ended 31st March, 2019 and reconciliation of such Returns with the books of accounts, along with other related documents, if any. Hence, it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.
- c) As per the relevant GST Act/Rules, where the recipient of goods/services fails to pay to the suppliers of goods or services or both (other than the supplies on which tax is payable on reverse charge basis) the amount towards the value of supply along with the tax payable thereon, within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.
- d) The Company was having an outstanding loan of Rs. 9630.54 lakhs from a Non-Banking Financial Company ('NBFC') as at 30th June, 2018. Subsequently, during July, 2018, the Company has accounted for a new loan of Rs. 9630.54 lakhs from the same NBFC against which the actual funds received by the Company from the NBFC was Rs. 1700 lakhs (used to pay off a part of the old loan) and the balance of old loan amounting to Rs. 7930.54 lakhs (i.e. Rs. 9630.54 lakhs - Rs. 1700 lakhs) was adjusted by the Company against the new loan by way of a book entry. No confirmation or any other relevant document in this regard from the NBFC, evidencing the aforesaid 'adjustment' of old loan against the new loan, has been provided to us by the Company. In absence of such a confirmation/relevant document, we are not in a position to comment on the aforesaid unilateral adjustment of loan accounted for by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.
- e) We observed from the Company's bank statement that during the year ended 31st March, 2019, the Company received Rs. 4000 lakhs from the NBFC referred to in (d) above in one instance and the amount went back to the NBFC on the same date. No accounting entry was passed in the Company's books of accounts in this respect. However, neither the transaction has been explained to us nor any relevant documents/details in this regard have been provided by the Company. Hence, we are unable to comment on the said transaction and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.

- f) The Company took a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited ('OBL') in July, 2018 and subsequently transferred the aforesaid loan to the credit of the NBFC referred to in (d) above by way of an accounting entry in its books of accounts. As informed to us by the management, based on an understanding between the Company, OBL and the NBFC, the aforesaid loan amount along with outstanding interest needs to be repaid by the Company to the NBFC and not to OBL. No confirmation or any other relevant documents from OBL or the NBFC has been provided to us for our verification, based on which the loan amount along with outstanding interest stands transferred as aforesaid. In absence of such a confirmation/relevant documents, we are not in a position to comment on the aforesaid accounting entry made by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.
- g) As mentioned in Note no. 57 to the standalone financial statements, no impairment assessment of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares in carrying values as at 31st March 2019 has been made by the Company. Therefore, we are unable to comment on the consequential impairment, if any, that is required to be made in the carrying value of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares.
- h) In respect of Company's borrowings from banks and financial institutions aggregating to Rs. 17524.90 lakhs and bank balances (current account and term deposits) aggregating Rs 59.41 lakhs, independent balance confirmations as at 31st March 2019 have not been received.
- i) As a part of Corporate Insolvency Resolution Process ('CIRP'), creditors were called upon to submit their claims. The process of submitting claims is still going on and it is also under reconciliations with amounts as appearing in the books of accounts. Pending reconciliations and final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements, (refer Note No. 56 to the standalone financial statements.)
- j) Attention is drawn to Note No. 52 to the standalone financial statements, regarding nonrecognition of interest amounting to Rs. 1067.14 lakhs, subsequent to Insolvency Commencement Date i.e. 27th November, 2018, on borrowing from banks and financial institutions and on non-convertible, redeemable cumulative preference shares, which is not in compliance with the requirements of Ind AS - 23 on "Borrowing Costs" read with Ind AS -109 on "Financial Instruments". Had the aforesaid interest expense been recognised, finance costs, total expenses and loss for the year would have been higher by the said amount having consequential impact on other current financial liabilities and other equity.
- k) We have been informed by the Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, it is not practicable to comment on the possible financial effects on the standalone financial statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to those information.
- l) The Company has given advances for supplies/services and the amount outstanding there against as at 31st March, 2019 was Rs. 1927.51 lakhs. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid advances viz. ageing analysis and the basis on which the same will be adjusted etc. Hence, we are unable to comment on the aforesaid advances and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.
- m) As at 31st March, 2019, the Company is having liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses' amounting to Rs. 6933.23 lakhs and Rs. 3450.64 lakhs respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid liabilities viz. ageing analysis, and the basis on which the aforesaid liabilities will be settled etc. Hence, we are unable to comment on the balances appearing under the aforesaid liabilities and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.
- n) The Company is having a non-current investment of Rs 211.28 lakhs in equity shares of Odisha Television Limited as at 31st March, 2019. In the absence of the fair valuation of the said investments as at 31st March, 2019, we are unable to comment on the remeasurement gain/loss, if any, on the said investment.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 54 to the standalone financial statements which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the standalone financial

statements have been prepared on a going concern basis for the reasons stated in the said Note.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, admitted a petition for initiation of CIRP u/s 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') filed by one of the operational creditors of the Company vide order dated 27th November, 2018 and appointed an Interim Resolution Professional ('IRP') to manage the affairs of the Company in accordance with the provisions of IBC. The Committee of Creditors ('CoC') in its meeting held on 07th January, 2019 passed a resolution proposing to replace the IRP and appoint a Resolution Professional ('RP') which was confirmed by NCLT vide its order dated 1st February, 2019. In view of pendency of the CIRP and in view of suspension of powers of the Board of Directors and as explained to us, the power of adoption of the standalone financial statements of the Company for the year ended 31st March, 2019 vests with the RP (refer Note No. 1 to the standalone financial statements).

The Company's Board of Directors/RP is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors/RP is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors/RP either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors/RP is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the Company's standalone financial statements in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics issued by ICAI and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics issued by ICAI and the requirements under the Act.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1" 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. As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph and para (vi) of Annexure 1 to this Independent Auditor's Report, we are unable to state whether 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid standalone financial statements comply with the Indian Accounting Standards referred to in Section 133 of the Act, read with the relevant rules issued there under;
 - e. The matters described under the Basis for Disclaimer of Opinion paragraph and Material Uncertainty Related to going concern paragraph, as above, in our opinion,

- may have an adverse effect on the functioning of the Company;
- f. We are unable to state whether any director is disqualified as on 31st March, 2019 from being appointed as a director, under Section 164(2) of the Act, as we have been explained that the Company has not received any written representation from any director in this respect.;
- g. Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Disclaimer of Opinion paragraph above;
- h. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- i. 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 standalone financial statements - Refer Note Nos. 38 and 47 to the standalone 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.
- (3) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

For Haribhakti a Co.LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/ W100048

Anand Kumar Jhunjunwala
Partner
Membership No.056613
UDIN:

Kolkata
16th August, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended 31st March, 2019.

- (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 Company's Management ("management") 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 fixed assets. As informed, no material discrepancies were noticed on such verification of fixed assets during the year.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) 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. 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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Also, refer paragraph (m) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019, regarding liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses'.
- (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 been informed by the management that the prescribed accounts and records are in the process of being made and maintained.
- (vii) (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of duty of customs, value added tax, profession tax, cess and any other material statutory dues (except as mentioned herein below) have generally been regularly deposited with the appropriate authorities.
- According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed provident fund, employees' state insurance, income tax, service tax, goods and services tax and entertainment tax have not been regularly deposited with the appropriate authorities and there have been significant delays in depositing the same in a large number of cases.
- According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed service tax, goods and services tax, income tax and entertainment tax, which were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates
Finance Act, 1994	Service Tax	31.83	October 2017 to June 2017
The Central Goods and Services Tax Act, 2017	Central Goods and Services Tax	220.79	July 2017 to August 2018
The Odisha Goods and Services Tax Act, 2017	State Goods and Services Tax	992.20	July 2017 to August 2018
The Andhra Pradesh Goods and Services Tax Act, 2017	State Goods and Services Tax	231.48	July 2017 to August 2018
The Telangana Goods and Services Tax Act, 2017	State Goods and Services Tax	106.19	July 2017 to August 2018

The Chhattisgarh Goods and Services Tax Act, 2017	State Goods and Services Tax	76.94	July 2017 to August 2018
Income Tax Act, 1961	Tax Deducted at Source	343.92	April 2018 to Aug 2018
The Orissa Entertainments Tax Act,1946	Entertainment Tax	0.12	April 2017 to June 2017
The Andhra Pradesh Entertainments Tax Act, 1939	Entertainment Tax	13.38	April 2017 to June 2017
Chhattisgarh Entertainment Duty and Advertisement Tax Act, 1936	Entertainment Tax	17.76	April 2017 to June 2017
The Madhya Pradesh Entertainments Duty and Advertisements Tax Act, 1936	Entertainment Tax	1.71	April 2017 to June 2017

"The details of undisputed Goods and Services Tax ('GST') as provided in the table above are based on the books of accounts being maintained by the Company. The Company has not provided to us for our verification GST Returns relating to the year ended 31st March, 2019 and reconciliation of such Returns with the books of accounts, along with the related documents, if any. [Refer para (b) under 'Basis for Disclaimer of Opinion' section of our

Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019.]

According to the information and explanations given to us, the dues as at 31st March, 2019 of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax, which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
		(Rs. In Lakhs)	(Financial Year)	
Income Tax Act,1961	Tax and interest thereon for non-deduction of tax at source	175.15*	2005-06, 2006-07, 2008-09 & 2010-11	Commissioner of Income Tax (Appeals), Bhubaneswar
Finance Act,1994	Service Tax and interest thereon	241.97	2006-07, 2007-08 & 2009-10	Commissioner, GST & Central Excise, Bhubaneswar
Finance Act,1994	Service Tax and interest thereon	1,179.29**	2010-11 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Finance Act,1994	Service Tax and interest thereon	13.00	2013-14	Addl. Commissioner(Audit) of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act,1994	Service Tax	338.06	2015-16	Commissioner, GST & Central Excise, Bhubaneswar
Finance Act, 1994	Service Tax	21.10**	2012-13 and 2013-14	Commissioner (Appeals) GST, Central Excise a Customs
Finance Act, 1994	Service Tax	13.00	2013-14	Commissioner (Appeals) GST, Central Excise a Customs

*Rs.60.06 lakhs has been deposited under protest in this regard.

" Rs. 44.22 lakhs has been deposited under protest in this regard.

*** Rs. 0.54 lakhs has been deposited under protest in this regard.

(viii) According to the books of accounts of the Company and based on our audit procedures performed thereon and as per the information and explanations given to us by the management, during the year the Company

has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government except for details given below. The Company has not issued any debentures as at the balance sheet date.

Particulars	Amount of aggregate default during the year ended 31 st March, 2018(Rs. In Lakhs)	Period of Default
Name of the Lenders :		
Banks:		
Karnataka Bank Limited	275.40	10 to 264 days
UCO Bank	390.00	1 to 275 days
Union Bank	140.00	1 to 275 days

Also, refer paragraph (d) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019. Since the Company has not provided us with the relevant confirmations/ documents/ details in respect of the transactions with an NBFC as mentioned in the said paragraph, we are unable to comment whether and to what extent the Company has defaulted in repayment of loans or borrowings to the said NBFC during the year ended 31st March, 2019.

Further, refer paragraph (i) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019, which mentions about the fact that the process of submission of claims by financial creditors and reconciliation with books of accounts is still going on.

- (ix) In our opinion and according to the information and explanations given to us, term loans were prima facie applied for the purposes for which those were raised. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given to us by the management/IRP/RP, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management/IRP/RP.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone

financial statements etc. as required by the applicable accounting standards, except for the following :-

Refer para (f) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019 with regards to the transaction entered into by the Company with its wholly owned subsidiary. In absence of confirmations/ relevant documents as mentioned in the said para(f), we are unable to comment whether the said transaction is in compliance with Sections 177 and 188 of the Act.

- xiv) The Company has made preferential allotment of equity shares and non-convertible, redeemable cumulative preference shares during the year. According to the information and explanations given to us, the requirements of Section 42 of the Act have been complied with and the amounts raised have been used for the purposes for which the funds were raised.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhaktift Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjhunwala

Partner

Membership No.056613

udin:

Kolkata

16th August, 2019

ANNEXURE - 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)h under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors/RP is responsible for establishing and maintaining internal financial controls, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with

reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors/RP of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial control with reference to financial statements as at 31st March, 2019:

- a) Deficiencies in maintenance of documentation/records including non-availability of relevant documents/information/records pertaining to issuance of Credit Notes [fully described in para (a) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019] ;
- b) Non-availability of GST Returns relating to the year ended 31st March, 2019 and reconciliation of such Returns with the books of accounts, along with the related documents, if any ;
- c) Deficiencies in documentation including non-availability of relevant information pertaining to suppliers for whom the amount payable by the Company is due for a period of more than 180 days, with consequential impact on GST liability [fully described in para (c) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019] ;
- d) Deficiencies in documentation in relation to borrowings [fully described in paragraphs (d) and (f) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019] ;
- e) Ageing analysis etc. pertaining to advances given for supplies/services [fully described in para (l) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019];
- f) Ageing analysis etc pertaining to liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses' [fully described in para (m) under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019];
- g) Omission to get impairment assessment done in respect of certain tangible and intangible assets and in obtaining fair valuation of a non-current investment, [fully

described in paragraphs (g) and (n) respectively, under 'Basis for Disclaimer of Opinion' section of our Independent Auditor's Report on the standalone financial statements of the Company for the year ended 31st March, 2019].

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31st March, 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31st March, 2019, and these material weaknesses have affected our opinion on the standalone financial statements and we have issued a disclaimer of opinion on the standalone financial statements of the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sd/-

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Kolkata

16th August, 2019

ORTEL COMMUNICATIONS LIMITED
Balance Sheet as at 31st March, 2019

		(Rs. in Lakhs)	
	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	33,497.28	34,694.42
Capital Work-in-Progress	3	2,201.28	2,965.03
Goodwill	4	244.35	109.16
Other Intangible Assets	4	1,986.32	1,576.53
Investment in Subsidiary	5	1.00	1.00
Financial Assets			
- Investments	6	211.28	211.28
- Loans	7	248.40	303.92
- Other Financial Assets	8	0.95	551.07
Other Non-Current Assets	9	432.59	514.64
Non-Current Tax Assets (Net)		913.59	622.70
Current Assets			
Inventories	10	59.61	59.46
Financial Assets			
- Trade Receivables	11	1,367.43	2,381.29
- Cash and Cash Equivalents	12	412.81	350.35
- Other Bank Balances	13	675.07	75.10
- Loans	14	27.52	19.31
- Other Financial Assets	15	14.78	6.24
Other Current Assets	16	2,160.48	2,656.07
	Total Assets	44,454.74	47,097.57
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	3,297.69	3,047.69
Other Equity		(5339.15)	(982.70)
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	18	14,231.54	10,349.67
- Other Financial Liabilities	19	1,325.04	1,029.31
Provisions	20	32.43	68.47
Other Non-Current Liabilities	21	640.93	1,205.00
Current Liabilities			
Financial Liabilities			
- Borrowings	22	3,332.05	2,880.00
- Trade Payables			
a) total outstanding dues of micro enterprises and small enterprises	23	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	23	4,017.00	3,482.11
- Other Financial Liabilities	24	19,543.47	21,864.31
Other Current Liabilities	25	3,366.82	4,152.79
Provisions	26	6.92	0.92
	Total Equity and Liabilities	44,454.74	47,097.57

Notes to Financial Statements

1 to 58

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/W100048
Anand Kumar Jhunjunwala
Partner
Membership No.056613
Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

ORTEL COMMUNICATIONS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. in Lakhs)			
Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from Operations	27	11,056.93	18,403.56
Other Income	28	419.15	209.74
Total Income		11,476.08	18,613.30
EXPENSES			
Programming Cost		3,571.48	4,525.56
Bandwidth Cost	29	1,197.69	1,802.81
Employee Benefits Expense	30	1,549.04	2,080.25
Finance Costs	31	2,103.53	2,918.85
Depreciation and Amortisation Expense	32	2,782.86	2,710.02
Property, Plant and Equipment written off		365.47	412.02
Other Expenses	33	5,028.60	5,813.75
Total Expenses		16,598.67	20,263.26
Profit / (Loss) before Exceptional Items and Tax		(5,122.59)	(1,649.96)
Exceptional Items - (Income) / Expense	48	-	7,883.13
Profit / (Loss) Before Tax		(5,122.59)	(9,533.09)
Tax Expense:			
-Current Tax		-	-
-Deferred Tax		-	-
Profit / (Loss) After Tax		(5,122.59)	(9,533.09)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement Gains/(Losses) on Defined Benefit Plans		(13.56)	7.92
- Bargain Purchases Gain		160.07	21.25
- Equity Instruments through Other Comprehensive Income		-	49.44
Total Comprehensive Income for the year		(4,976.08)	(9,454.48)
[comprising profit / (loss) and other comprehensive income for the year]			
Earnings per Equity Share of par value of Rs. 10/- each			
Basic and Diluted (In Rs.)		(15.70)	(31.29)

Notes to Financial Statements

1 to 58

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

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhushan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

ORTEL COMMUNICATIONS LIMITED
Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Balance at the beginning		Changes in equity share capital during the year		Balance at the end	
As at 1st April, 2017	As at 1st April, 2018	2017-18	2018-19	As at 31st March, 2018	As at 31st March, 2019
3,036.54	3,047.69	11.15	250.00	3,047.69	3,297.69

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Securities Premium	Employee Stock Options Outstanding	General Reserve	Retained Earnings	Capital Reserve on Bargain Purchase	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2017	17,951.77	126.83	31.50	(10,190.82)	395.48	86.28	8,401.04
Profit/(Loss) for the year	-	-	-	(9,533.09)	-	-	(9,533.09)
Other comprehensive income	-	-	-	7.92	21.25	49.44	78.61
Expiry of Employee Stock Options	-	(37.65)	37.65	-	-	-	-
Shares Issued on exercise of Employee Stock Options	159.92	(93.06)	-	-	-	-	66.86
Compensation for options during the year	-	3.88	-	-	-	-	3.88
Balance as at 31st March, 2018	18,111.69	-	69.15	(19,715.99)	416.73	135.72	(982.70)
Profit/(Loss) for the year	-	-	-	(5,122.59)	-	-	(5,122.59)
Other comprehensive income	-	-	-	(13.56)	160.07	-	146.51
Share issue expenses adjusted	(5.37)	-	-	-	-	-	(5.37)
Issue of equity shares on preferential basis	625.00	-	-	-	-	-	625.00
Balance as at 31st March, 2019	18,731.32	-	69.15	(24,852.14)	576.80	135.72	(5,339.15)

This is the Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Anand Kumar Jhunjunwala
Partner
Membership No.056613

Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

ORTEL COMMUNICATIONS LIMITED
Statement of Cash Flows for the year ended 31st March , 2019

(Rs. in Lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(5,122.59)	(9,533.09)
Adjustments for:		
Depreciation and Amortisation Expense	3,226.54	2,974.96
Effect of amortisation of income & expenses (net)	(642.72)	(695.51)
Provision for doubtful receivables	558.72	7.01
Exceptional items	-	6,257.93
Property, Plant and Equipment written off	365.47	412.02
Unrealised foreign exchange (gain)/loss	342.19	(17.25)
Interest Income	(122.23)	(76.40)
Finance Costs	2,054.56	2,918.85
Bad Debts written off	786.51	1,235.91
Employee Stock Option Expenses	-	3.88
Liabilities no longer required written back	(200.25)	(0.49)
Operating Profit before Working Capital Changes	1,246.20	3,487.82
Adjustments for:		
Trade Payables	534.89	1,864.42
Provisions	(30.04)	4.48
Other Liabilities	476.36	591.32
Financial Liabilities	(328.39)	1,607.09
Trade Receivables	549.16	(3,489.86)
Inventories	(0.15)	4.74
Loans and Advances	47.31	(10.44)
Other Assets	535.76	(412.17)
Cash Generated from Operations	3,031.10	3,647.40
Direct Taxes paid	(290.89)	138.11
Net Cash Generated from Operating Activities	2,740.21	3,785.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(894.54)	(3,705.09)
Purchase of Investments	-	(1.00)
Investment in Fixed Deposits	(68.50)	23.13
Payment for Non Compete Fee to Local Cable Operators	(545.09)	(564.79)
Interest received	71.68	125.08
Net Cash Used in Investing Activities	(1,436.45)	(4,122.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares (net)	875.00	171.08
Share Issue Expenses	(5.37)	-
Proceeds from long term borrowings	8,475.00	6,052.97
Repayment of long term borrowings	(8,588.72)	(3,952.39)
Proceeds from Current borrowings (net)	452.05	430.00
Finance cost paid	(2,449.26)	(2,407.87)
Net Cash (Used in) / Generated from Financing Activities	(1,241.30)	293.79
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	62.46	(43.37)
Cash and Cash Equivalents at the beginning of the year	350.35	393.72
Cash and Cash Equivalents at the end of the year (refer Note No. 12)	412.81	350.35

Notes:

- The above Statement of Cash Flows has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Anand Kumar Jhunjhunwala
Partner
Membership No.056613
Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

Ortel Communications Limited

Notes to Financial Statements as at and for the year ended 31st March, 2019

1 General Information

Ortel Communications Limited ('Ortel' or 'the Company') is a Public Limited Company incorporated in India. Ortel's equity shares are listed on BSE and the National Stock Exchange ('NSE'). The address of the registered office is B7/122A, Safdarjung Enclave, New Delhi - 110029.

The Company, incorporated in 1995, is a regional cable television service provider engaged primarily in the distribution of cable television services, high speed broadband services & Voice over Internet Protocol ('VoIP') services.

Hon'ble National Company Law Tribunal, New Delhi Bench ('NCLT'), in the matter of C.P.No.IB-761/ (ND)/2018 passed an Order dated 27th November, 2018 for commencement of the Corporate Insolvency Resolution Process ('CIRP') under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') in the matter of Ortel Communications Limited ('the Company') based on the application filed by Sony Pictures Networks India Pvt. Ltd., an operational creditor of the Company. Mr. Anil Bhatia (Reg. No. IBBI/IPA-001/IP-P00587/2017-18/11027) was appointed as Interim Resolution Professional ('IRP') to carry on the functions of an IRP, as defined under the provisions of the IBC, until replaced by the Resolution Professional ('RP'). The Committee of Creditors ('CoC') in its meeting held on 07th January, 2019 had passed a resolution proposing to replace the IRP and appoint Mr. Srigopal Choudhary (Reg. No. IBBI/IPA-001/IP-P01238/2018-2019/11893) as the RP which was confirmed by NCLT vide its order dated 1st February, 2019.

Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company are now vested with the Resolution Professional ('RP') who is appointed by the Committee of Creditors ('CoC').

A part of these financial statements pertains to a period before the commencement of the CIRP. The Board of Directors of the Company was in charge of the business and affairs of the Company until the commencement of CIRP and all operations until such date (i.e. 27th November, 2018) were being undertaken under the supervision and management of the erstwhile Board of Directors. Hence, for the purpose of approval of these financial statements, the RP has relied upon the financial statements prepared, checked and confirmed by KMP's of the Company (Mr. Bibhu Prasad Rath, CEO, and Mr. Bidu Bhushan Dash, CFO & Company Secretary) and the representations and statements made by them with respect to the financial accounts, records and financial statements. It is clarified, however, that, the RP has not conducted an independent verification of the financial statements, in so far as it pertains to the period prior to commencement of CIRP. The RP has approved the financial statements only for the limited purpose of discharging the powers of the Board of Directors of the Company, which have been conferred upon him as per the provisions of Section 23 of the IBC.

These financial statements have been prepared by the management of the Company and certified by Mr. Bibhu Prasad Rath, CEO and Mr. Bidu Bhushan Dash, CFO & Company Secretary, and taken on record by Resolution Professional Mr. Srigopal Choudhary on 16th August, 2019.

2 Significant Accounting Policies

2.1 Basis of Preparation

a. Historical Cost Convention

These financial statements have been prepared on the historical cost basis except for certain financial instruments, employee stock option plan and defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

b. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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c. Functional and Presentational Currency

These financial statements are presented in Indian Rupee (INR) which is also the functional currency.

d. Rounding off Amounts

All amounts disclosed in the financial statements have been rounded off to the nearest rupees in Lakhs, as per the requirements of Schedule III to the Act, unless otherwise stated.

e. Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or in the notes to the financial statements.

2.2 Current versus Non - Current Classification

The Company presents assets and liabilities in the balance sheet based on current / non - current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non - current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non - current.

The Company has deemed its operating cycle as twelve months for the purpose of current / non - current classification.

2.3 Revenue Recognition

Effective 1st April, 2018, the Company has applied Ind AS 115 – Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

To recognise revenues, the Company applies the following five step approach:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognise revenues when a performance obligation is satisfied

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.

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Connection fee, which in substance is an advance payment for future services or the ongoing services being provided, is essential to the subscribers receiving the expected benefit of the upfront payment of Connection fee. Accordingly, connection fee is earned as services provided and deferred over the expected customer relationship period (i.e. expected life of the customer).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

2.4 Property, Plant and Equipment

- a. Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

For transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 (Ind AS transition date), measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at the Ind AS transition date.

- b. Capital Inventories are treated as part of Capital Work-in-Progress till the date of activation thereof post which the same are depreciated.
- c. Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values, over their useful lives. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of asset is considered at 5%.
- d. Assets held under finance leases are depreciated / amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of lease term, assets are depreciated over the shorter of lease term and their useful lives.
- e. For the purpose of estimating the useful life as required under Schedule II, the Company has broadly divided the Property, Plant and Equipment 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 its 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 Property, Plant and Equipment of the Company which are different from the useful lives as specified by Schedule II are as given below:

Asset description (refer Note No. 3)	Estimated useful life duly supported by Technical Advice (in years)	Estimated useful Life as per Schedule II (in years)
Cable Network - Backbone	21	13, 18
Cable Network- Drop	12, 21	13, 18
Cable Network- Infrastructure Leasing	21	13, 18
Maintenance Equipments	21	15
Head End Equipments	21	13
Broadband NOC Equipments	21	13

- f. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

2.5 Intangible Assets

- a. Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible assets comprises of Computer Software, Goodwill and Non Compete Fee.
- b. Intangibles assets acquired in business combination represent Goodwill and Non Compete Fee ("NCF"). NCF represents amount payable to local cable operators ('LCOs') to acquire rights over a particular area and is recognised separately from goodwill.

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- c. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment, if any. Amortisation is recognised on a straight line basis over their estimated useful lives if any other method which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity cannot be determined reliably. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- d. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.
- e. Non Compete Fees is amortised over the period of agreement with LCOs, in equal installments.
- f. Computer Software is amortised over a period of five years.
- g. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the Statement of Profit or Loss when the asset is derecognized.
- h. For transition to Ind AS, the Company had elected to continue with the carrying value of all of its intangible assets recognised as at the Ind AS transition date, measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at the Ind AS transition date.

2.6 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest rate method, other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.7 Inventories

Inventories comprising of stores and spares are valued at the lower of cost and net realisable value.

Cost of inventories is determined on the 'first-in, first-out (FIFO)' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. 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.

2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
a. Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

b. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

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c. Financial assets measured at amortised cost

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

d. Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in other comprehensive income.

Pertaining to its non-current investments in equity instruments (except investment in subsidiary, which is measured at cost), the Company had exercised an irrevocable option at the Ind AS transition date to measure the subsequent changes in the fair value through Other Comprehensive Income.

e. Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

f. De-recognition of financial assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial Liabilities

a. Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities shall be subsequently measured at fair value.

b. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings, and payables, net of directly attributable transaction costs. Financial liabilities include amounts payable to LCOs, trade and other payables, loans and borrowings including bank overdrafts.

c. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

d. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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e. Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior the end of financial year, which are unpaid. They are recognized initially at their fair value and subsequently measured at amortised cost using the EIR method.

f. De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss as other income or finance costs.

2.9 Impairment
Financial assets

The Company recognises loss allowances, if any, using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The management, based on its best estimate, may consider it necessary to provide for a loss allowance for Trade Receivables higher than that determined as per the ECL methodology. For all other financial assets, ECL is measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an impairment loss or gain in the Statement of Profit and Loss.

Non-financial assets

Non financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.10 Investment in Subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiary is carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

2.11 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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a) Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Arrangements where the Company is the lessor

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.12 Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated to the functional currency of the Company (i.e. INR) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are recognized in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to interest costs are recognized in the Statement of Profit and Loss. Realised or unrealized gain in respect of the settlement or translation of borrowing is recognized as an adjustment to interest cost to the extent of the loss previously recognized as an adjustment to interest cost.

2.13 Employee Benefits

a) Employee benefits in the form of Provident Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service. If the contribution payable to the scheme for services received before the balance sheet date exceeds the contribution already paid, the contribution payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, the excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Gratuity liability and Leave encashment liability are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

c) Remeasurements of the net defined benefit liability/asset comprise:

(i) actuarial gains and losses;

(ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset; and

(iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

Remeasurements of net defined benefit liability / asset are charged or credited to other comprehensive income.

2.14 Business Combinations

Business combinations involving LCOs are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs which are administrative in nature are expensed out.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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Notes to Financial Statements as at and for the year ended 31st March, 2019

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

2.15 Bad Debts Write-off

a. In case of retail customers :-

- (i) the entire outstanding dues as on the date of disconnection of service for any reason, is written off as Bad Debts.
- (ii) During continuation of service, based on the management's best estimate, a portion or full amount of outstanding is written off as bad debts.

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

2.16 Employee Stock Option Expenses

The Company operates equity-settled share based remuneration plans for its employees, where the fair value of employee's services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to Employee Stock Option Outstanding reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal value of the shares issued with any excess being recorded as Securities Premium.

2.17 Taxes on Income

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases, the tax is also recognised directly in equity or in other comprehensive income.

Current 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT)

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 i.e. the period for which MAT credit is allowed to be carried forward. 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.

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Notes to Financial Statements as at and for the year ended 31st March, 2019

2.18 Programming Cost

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

2.19 Provision and Contingencies

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

A disclosure for contingent liabilities is made when there is a possible obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligations that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.20 Standards Issued but not Effective

The Standards that are issued, but not yet effective, are disclosed below. The Company intends to adopt these standards when they became effective:

Ind AS 116, Leases

Ind AS 116, Leases was notified on 30th March, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for reporting periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, the adoption of this standard is not likely to have a material impact in its Financial Statements.

Amendment to Ind AS 12, Income Taxes

The amendment clarifies that an entity shall recognize income tax consequences of dividends in Statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1st April, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April, 2019.

Amendment to Ind AS 19, Employee Benefits

On 30th March, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in Statement of Profit and Loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1st April, 2019, though early application is permitted.

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Notes to Financial Statements for the year ended 31st March, 2019
3. Property, Plant and Equipment and Capital Work-In-Progress

Tangible Assets - Own																
Particulars																
Land	Buildings	Cable Network-Backbone	Cable Network-Drop	Cable Network-Infrastructure Leasing	Head End Equipments	Maintenance Equipments	Broadband NOC Equipments	Furniture and Fixtures	Computers	Office Equipments	Motor Vehicles	Electrical Installations	Signal uplinking equipments *	Total	Capital Work-in-Progress	
A. OWN ASSETS																
Gross Carrying Amount																
As at 1st April, 2017	37.95	196.73	14,504.82	11,318.95	1,862.42	3,088.42	396.44	478.21	135.32	299.58	158.62	21.50	51.46	303.13	33,318.55	3,158.69
Additions/Adjustments **	-	-	1,567.44	2,724.47	51.48	13.23	28.10	7.04	48.30	9.59	-	5.77	-	-	4,491.16	2,741.06
Deductions/Adjustments	-	-	4.42	639.36	0.32	1.93	-	-	0.93	-	-	2.17	0.91	-	650.04	2,934.72
As at 31st March, 2018	37.95	196.73	16,067.84	13,404.06	1,898.16	3,139.58	407.14	506.31	142.36	347.88	167.28	21.33	519.32	303.13	37,159.67	2,965.03
Additions/Adjustments **	-	-	881.72	517.93	74.55	206.80	10.73	20.60	1.67	20.32	8.11	-	4.27	-	1,746.70	763.75
Deductions/Adjustments	-	-	0.17	536.93	-	-	-	-	-	-	-	-	-	-	537.10	-
As at 31st March, 2019	37.95	196.73	16,949.39	13,385.06	1,972.71	3,346.38	418.47	526.91	144.03	368.20	175.39	21.33	523.59	303.13	38,369.27	2,201.28
Accumulated Depreciation & Amortisation																
As at 1st April, 2017	-	3.66	736.65	717.22	87.66	156.93	22.15	17.74	26.38	78.66	31.27	5.98	85.18	35.57	2,005.12	-
Charge for the year	-	3.67	828.58	926.81	90.11	170.36	23.26	23.07	26.84	96.35	29.53	5.11	84.65	35.59	2,343.93	-
Deposits / Adjustments	-	-	0.36	231.75	-	0.02	0.25	-	-	0.37	1.36	0.23	-	-	234.34	-
As at 31st March, 2018	-	7.33	1,564.87	1,412.38	177.77	327.27	45.16	40.81	53.19	175.01	60.43	9.23	169.60	71.16	4,114.71	-
Charge for the year	-	3.68	896.28	993.91	93.52	173.47	23.95	24.75	23.36	98.05	31.10	0.65	82.23	36.21	2,481.16	-
Deposits / Adjustments	-	-	0.03	171.27	-	-	-	-	-	-	-	-	-	-	171.30	-
As at 31st March, 2019	-	11.01	2,461.12	2,235.02	271.29	500.74	69.11	65.56	76.55	273.06	91.53	10.38	251.83	107.37	6,424.57	-
Net Carrying Amount:																
As at 31st March, 2019	37.95	185.72	14,488.27	11,150.04	1,701.42	2,845.64	349.36	461.35	67.48	95.14	83.86	10.95	271.76	195.76	31,944.70	2,201.28
As at 31st March, 2018	37.95	189.40	14,502.97	11,991.68	1,726.39	2,812.31	362.58	465.50	89.17	172.87	166.85	11.60	349.72	231.97	33,044.96	2,965.03
B. LEASED ASSETS																
Gross Carrying Amount																
As at 1st April, 2017	54.67	-	420.37	1,667.30	-	-	-	-	-	-	-	-	-	-	2,123.84	-
Additions/Adjustments	-	-	45.88	36.56	-	-	-	3.53	-	5.21	-	-	-	-	91.58	-
Deductions/Adjustments	-	-	69.81	333.78	-	-	-	-	-	-	-	-	-	-	403.59	-
As at 31st March, 2018	54.67	-	396.44	1,370.98	-	-	-	3.53	-	5.21	-	-	-	-	1,830.83	-
Additions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	54.67	-	396.44	1,370.98	-	-	-	3.53	-	5.21	-	-	-	-	1,830.83	-
Accumulated Depreciation & Amortisation																
As at 1st April, 2017	0.63	-	14.95	58.69	-	-	-	-	-	-	-	-	-	-	74.27	-
Charge for the year	0.62	-	24.91	100.22	-	-	-	0.08	-	0.82	-	-	-	-	126.65	-
Deposits / Adjustments	-	-	3.35	16.20	-	-	-	-	-	-	-	-	-	-	19.55	-
As at 31st March, 2018	1.25	-	36.51	142.71	-	-	-	0.08	-	0.82	-	-	-	-	181.37	-
Charge for the year	0.62	-	15.20	80.39	-	-	-	0.08	-	0.59	-	-	-	-	96.88	-
Deposits / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	1.87	-	51.71	223.10	-	-	-	0.16	-	1.41	-	-	-	-	278.25	-
Net Carrying Amount:																
As at 31st March, 2019	52.80	-	344.73	1,147.88	-	-	-	3.37	-	3.80	-	-	-	-	1,552.58	-
As at 31st March, 2018	53.42	-	359.93	1,228.27	-	-	-	3.45	-	4.39	-	-	-	-	1,649.46	-
TOTAL OF NET CARRYING AMOUNT (OWN ASSETS + LEASED ASSETS)																
As at 31st March, 2019	90.75	185.72	14,833.00	12,297.92	1,701.42	2,845.64	349.36	464.72	67.48	98.94	83.86	10.95	271.76	195.76	33,497.28	2,201.28
As at 31st March, 2018	91.37	189.40	14,862.90	13,219.95	1,726.39	2,812.31	362.58	466.95	89.17	177.26	166.85	11.60	349.72	231.97	34,694.42	2,965.03

* Asset given on operating lease
** Includes assets acquired during acquisition of UCOs
Refer Note No. 46 for capitalisation of expenses

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

4. Goodwill and Other Intangible Assets

(Rs. in Lakhs)

Particulars	Other Intangible Assets			Goodwill
	Computer Software	Non Compete Fees	Total	
Gross Carrying Amount				
As at 1st April, 2017	42.25	2,322.95	2,365.20	106.94
Additions/Adjustments	13.84	119.50	133.34	2.22
Deductions/Adjustments	-	21.78	21.78	-
As at 31st March, 2018	56.09	2,420.67	2,476.76	109.16
Additions/Adjustments	7.57	1,050.72	1,058.29	135.19
Deductions/Adjustments	-	25.08	25.08	-
As at 31st March, 2019	63.66	3,446.31	3,509.97	244.35
Accumulated Amortisation / Impairment				
As at 1st April, 2017	11.29	386.79	398.08	-
Charge for the year	9.12	514.81	523.93	-
Disposals / Adjustments	-	21.78	21.78	-
As at 31st March, 2018	20.41	879.82	900.23	-
Charge for the year	11.46	637.04	648.50	-
Disposals / Adjustments	-	25.08	25.08	-
As at 31st March, 2019	31.87	1,491.78	1,523.65	-
Net Carrying Amount:				
As at 31st March, 2019	31.79	1,954.53	1,986.32	244.35
As at 31st March, 2018	35.68	1,540.85	1,576.53	109.16

5. Investment in Subsidiary

	As at 31st March, 2019	As at 31st March, 2018
Non-Current Investments		
Investment in Equity Instrument of Subsidiary Company, at cost (Unquoted)		
10,000 Equity Shares of Rs. 10/- each, fully paid-up in Ortel Broadband Limited (31st March, 2018 : 10,000 equity shares)	1.00	1.00
Aggregate amount of unquoted investment	1.00	1.00

6. Investments

	As at 31st March, 2019	As at 31st March, 2018
Non-Current Investments		
Investments in Equity Instruments of Body Corporate designated at fair value through other comprehensive income (Unquoted)		
325,500 Equity Shares of Rs. 10/- each, fully paid-up in Odisha Television Limited (31st March, 2018: 325,500 equity shares)	211.28	211.28
Aggregate amount of unquoted investment	211.28	211.28

7. Loans

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good		
Security Deposits*	246.41	248.20
Amount Recoverable from ESOP Trust	55.82	55.72
Less: Impairment Loss Allowance	(53.83)	-
	248.40	303.92

* Includes deposit with Hon'ble High Court of Orissa Rs. 29.00 lakhs (31st March, 2018: Rs. 29.00 lakhs)

Ortel Communications Limited**Notes to Financial Statements for the year ended 31st March, 2019**

	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
8. Other Financial Assets		
Non Current portion of Other Bank Balances:		
-Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien)*	0.80	532.27
Interest accrued but not due on Fixed Deposits with Banks	0.15	18.80
	0.95	551.07
*Includes:		
-Margin Money Deposits	0.80	384.89
-Deposits pledged with banks against borrowings	-	147.38
9. Other Non-Current Assets		
	As at 31st March, 2019	As at 31st March, 2018
Unamortised Sales Incentive Costs	72.24	117.69
Advance for Capital Goods	147.85	185.65
Receivable on account of Gratuity (refer Note No. 43)	72.38	80.79
Deposits made under protest	140.12	130.51
	432.59	514.64
10. Inventories		
	As at 31st March, 2019	As at 31st March, 2018
Stores and Spares	59.61	59.46
	59.61	59.46
11. Trade Receivables		
	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good	1,367.43	2,381.29
Unsecured, considered doubtful	414.08	6,794.14
	1,781.51	9,175.43
Less: Provision for doubtful receivables (refer Note No. 34)	414.08	6,794.14
	1,367.43	2,381.29
Note: Refer Note No. 39.1(ii)(a) for ageing analysis.		
12. Cash and Cash Equivalents		
	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks:		
In Current Accounts	161.03	196.41
Cheques on hand *	3.82	19.35
Cash on hand	247.96	134.59
	412.81	350.35

* Cheques on hand have been since realised amounting to Rs. 3.82 Lakhs

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
13. Other Bank Balances		
Fixed Deposits with Banks having balance maturity of twelve months or less: -Under Lien*	675.07	75.10
	675.07	75.10
* includes Margin money deposits - 12 months or less	675.07	75.10
14. Loans		
Unsecured, Considered good Security Deposits	27.52	19.31
	27.52	19.31
15. Other Financial Assets		
Interest accrued but not due on Fixed Deposits with Banks	14.78	6.24
	14.78	6.24
16. Other Current Assets		
Advance for Supplies / Services	1,927.51	2,289.92
Prepaid Expenses	131.25	125.66
Balances with Statutory/Government Authorities	-	91.42
Employee Advances	7.16	13.13
Unamortised Sales Incentive Costs	94.56	135.94
	2,160.48	2,656.07
17. Share Capital		
Authorised:		
Equity Shares: 35,000,000 Equity Shares, Rs. 10/- par value per share (31st March, 2018 : 35,000,000 Equity Shares)	3,500.00	3,500.00
Preference Shares: 66,000,000 Preference Shares, Rs. 10/- par value per share (31st March, 2018 : 66,000,000 Preference Shares)	6,600.00	6,600.00
	10,100.00	10,100.00
Issued, Subscribed and Paid-up: 32,976,900 Equity Shares, Rs. 10/- par value per share fully paid (31st March, 2018 : 30,476,900 Equity Shares)	3,297.69	3,047.69
	3,297.69	3,047.69

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
At the beginning of the year	304,76,900	3,047.69	303,65,464	3,036.54
Add: Issued during the year on exercise of Employee Stock Options	-	-	1,11,436	11.15
Add: Fresh Issued during the year	25,00,000	250.00	-	-
At the end of the year	329,76,900	3,297.69	304,76,900	3,047.69

Rights, preferences & restrictions in respect of each class of shares

The Company's authorised share capital consists of two classes of shares, referred to as Equity Shares and Preference Shares, having par value Rs. 10/- each.

Each holder of Equity Share is entitled to one vote per share. Preference Shareholder is eligible to vote only on the resolutions directly affecting the rights attached to his Preference Shares. The preferential shareholders have preferential right over the equity shareholders in respect of repayment of capital and payment of dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Shareholders holding more than 5% of the equity shares each

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
Metro Skynet Limited	48,59,512	14.74%	48,59,512	15.94%
Panda Investments Private Limited	46,36,510	14.06%	46,36,510	15.21%
Rivendell PE , LLC (formerly known as NSR-PE Mauritius LLC)	44,06,233	13.36%	45,88,748	15.06%
Odisha Television Limited	37,21,579	11.29%	20,07,293	6.59%
Raila Enterprises Private Limited	25,80,441	7.82%	25,80,441	8.47%

(Rs. in Lakhs)

18. Borrowings

	As at 31st March, 2019	As at 31st March, 2018
Secured		
Rupee Term Loans from:		
Banks	3,985.90	4324.45
Others	11,947.58	10657.84
Finance Lease Obligations	710.89	776.99
Total Borrowings	16,644.37	15,759.28
Less: Current Maturities		
Banks	1,801.12	1174.87
Others	2,500.05	4823.35
Finance Lease Obligations	676.66	479.74
	(A)	9,281.32
Unsecured		
Rupee Term Loans from:		
Others	2,005.86	1346.64
Less: Current Maturities	440.86	278.29
	(B)	1,068.35
Unsecured		
9% Non Convertible Redeemable Cumulative Preference Shares	(C)	-
Total Non-Current Borrowings	(A+B+C)	14,231.54
		10,349.67

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

18.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 24) and their repayment terms :

Amounts carried in Note No. 18 and 24 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

Security Description:

- (a) Term Loans of Rs. 1,380.20 lakhs (31st March, 2018: Rs. 1,563.80 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 loans availed from Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) and SREI Equipment Finance 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. Nil (31st March, 2018: Rs. 147.38 lakhs) and personal guarantee of one of the Directors.
- (b) Term Loans of Rs. 1,971.99 lakhs (31st March, 2018: Rs. 2,113.98 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 Rs.Nil (31st March , 2018: Rs.Nil) and personal guarantee of one of the Directors.
- (c) Term Loans of Rs. 649.95 lakhs (31st March, 2018: Rs. 677.95 lakhs) from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan. The following have been provided as collateral:
Equitable mortgage of leasehold property at Rourkela.
- (d) Term Loans of Rs. 11,338.41 lakhs (31st March, 2018: Rs. 9,933.17 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 :
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.
- (e) Term Loan of Rs. 657.79 lakhs (31st March, 2018: Rs. 802.98 lakhs) from Others are secured on equipment together with all parts, accessories and substitutions taken out of the said Term Loan.
- (f) Finance Lease Obligations of Rs. 710.89 lakhs (31st March, 2018: Rs. 776.99 lakhs) from Others are secured on equipment together with all parts, accessories and substitutions taken on lease.

18.2 During the year, the Company has defaulted in repayment of borrowings which remain outstanding as on 31st March, 2019, the details of which are as follows:

Particulars	Amount of continuing default as on 31st March, 2019 (Rs. in Lakhs)		Period of default
	of Principal Amount	of Interest Accrued	
Term Loans from Banks	387.40	238.65	June 1, 2018 to November 26, 2018
Finance Lease Obligations	377.86	29.32	June 1, 2018 to November 26, 2018
Term Loans from Others	120.70	32.17	April 1, 2018 to November 26, 2018
Total	885.96	300.14	

Note:

Since the CIRP has commenced from 27th November, 2018, the above disclosure has been made upto 26th November, 2018. (Also refer Note No. 52)

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

18.3 Long Term Borrowings (Continued)

Terms of repayment:

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount

Residual Maturity

Term Loans from Banks:

3-5 Years	618.20	KBL Base Rate + 3%	Repayable in 36 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.	717.80	KBL Base Rate + 3%	Repayable in 42 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.
3-5 Years	762.00	KBL Base Rate + 3%	Repayable in 54 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.	846.00	KBL Base Rate + 3%	Repayable in 60 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.
3-5 Years	1,000.00	UCO MCLR + 4.65%	Repayable in 40 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.	1,113.99	UCO MCLR + 4.65%	Repayable in 46 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.
Above 5 Years	971.99	UCO MCLR + 4.65%	Repayable in 70 equal monthly installments of Rs.14 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.	999.99	UCO MCLR + 4.65%	Repayable in 72 equal monthly installments of Rs.14 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
Above 5 Years	649.95	UBI Base rate + 4.00%	Repayable in 46 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.	677.95	UBI Base rate + 4.00%	Repayable in 48 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.

Term Loans from Others (Secured):

1-3 Years	-	-	-	545.05	16% (Floating)*	16 monthly installments of Rs.38.32 lakhs. Installments are inclusive of interest.
1-3 Years	-	-	-	3,167.23	16% (Floating)*	16 monthly installments of Rs.224.73 lakhs. Installments are inclusive of interest.
3-5 Years	1,803.02	14.50% (Floating)*	Repayable with first installment of Rs. 61.63 lakh and there after in 47 equal monthly installment of Rs. 53.78 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,580.87	14.50% (Floating)*	Repayable with first installment of Rs. 54.04 lakh and there after in 47 equal monthly installment of Rs. 47.16 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	-	-	-	824.08	14.25% (Floating)*	40 monthly installment of Rs. 26.08 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	733.29	14.25% (Floating)*	43 monthly installment of Rs. 21.97 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	474.31	14.25% (Floating)*	45 monthly installment of Rs. 13.73 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	389.21	14.25% (Floating)*	47 monthly installment of Rs. 10.98 lakhs. Installments are inclusive of interest.

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
3-5 Years	-	-	-	400.00	14.25%	48 monthly installments of Rs. 10.98 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	400.00	14.25%	3 monthly installments of Rs.4.84 lakhs and 48 monthly installment of Rs. 10.98 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	1,000.00	13.50%	5 monthly installments of Rs.11.46 lakhs and 48 monthly installment of Rs. 27.09 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	400.00	13.50%	6 monthly installments of Rs.4.58 lakhs and 48 monthly installment of Rs. 10.83 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	600.00	13.50%	7 monthly installments of Rs.6.87 lakhs and 48 monthly installment of Rs. 16.25 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	1,000.00	13.50%	11 monthly installments of Rs.11.46 lakhs and 48 monthly installment of Rs. 27.08 lakhs. Installments are inclusive of interest.
1-3 Years	657.79	11.26%	Repayable in 4 quarterly installments of Rs.60.74 lakhs and 8 quarterly installments of Rs.67.68 lakhs. Installments are inclusive of interest.	802.98	11.26%	Repayable in 4 quarterly installments of Rs.58.01 lakhs, 4 quarterly installments of Rs.60.74 lakhs and 8 quarterly installments of Rs.67.68 lakhs. Installments are inclusive of interest.

Term Loans from Others (Unsecured):

3-5 Years	341.59	14.25%	21 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest.	383.84	14.25%	24 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest.
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Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
3-5 Years	99.27	14.25%	22 monthly installments. Interest to be serviced on monthly basis on balance outstanding.	112.80	14.25%	25 equal monthly installments. Interest to be serviced on monthly basis on balance outstanding.
3-5 Years	850.00	9.00%	Payable within 5 years with interest payable annually.	850.00	9.00%	Payable within 5 years with interest payable annually.
0-2 Years	650.00	9.00%	Payable within 2 years with interest payable annually.			

Finance Lease Obligations

0-3 Years	633.62	8.50% **	Repayable in 16 monthly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on September 2019. 1-23 phases has been repaid in full till March 31, 2019.	699.86	8.50% **	Repayable in 19 monthly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on September 2019. 1-23 phases has been repaid in full till March 31, 2018.
1-3 Years	77.27	11.91%	Repayable in 13 quarterly installments of Rs.7.08 lakhs. Installments are inclusive of interest.	77.13	11.91%	Repayable in 13 quarterly installments of Rs.7.08 lakhs. Installments are inclusive of interest.

*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 8.50% (8.50% for the 31st March, 2018)

Non Convertible Redeemable Cumulative Preference Shares (Unsecured)

5 Years	1,000.00	9%	Repayable within a maximum period of 5 years from the date of allotment of shares, as may be determined by the Board	-	-	-
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Note: Currently the Company is under CIRP and is not require to meet any loan or interest obligation till approval of final resolution. Hence due to non availability of data of repayments schedule of borrowings, borrowings are classified current / non current based on normal circumstances.

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

		(Rs. in Lakhs)	
		As at	As at
		31st March, 2019	31st March, 2018
19. Other Financial Liabilities			
Long-Term LCO Liability		1,315.62	1,007.42
Security Deposits		9.42	21.89
		1,325.04	1,029.31
20. Provisions			
Provision for Employee Benefits:			
- Leave Encashment (refer Note No. 43)		32.43	68.47
		32.43	68.47
21. Other Non-Current Liabilities			
Unamortised Infrastructure Leasing Income		160.91	351.23
Unamortised Connection Fee Income		480.02	853.77
		640.93	1,205.00
22. Borrowings			
Loans Repayable on Demand (Secured) :			
Working Capital facilities from Bank		1,642.05	2,000.00
Term Loan (Unsecured) :			
From Others		1,690.00	880.00
Total Current Borrowings		3,332.05	2,880.00
22.1	Secured by way of hypothecation of stocks of Networking items and 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 and personal guarantee of one of the Directors.		
23. Trade Payables			
Micro and small enterprises (refer Note No. 23.1)		-	-
Others		4,017.00	3,482.11
		4,017.00	3,482.11
23.1	Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:		
Particulars		As at	As at
		31st March, 2019	31st March, 2018
a) The principal amount and interest due thereon remaining unpaid to any supplier		-	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day		-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		-	-
d) The amount of interest accrued and remaining unpaid		-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		-	-
		-	-

Dues as above, to the Micro Enterprises and Small Enterprises have been determined by the Management. This has been relied upon by the auditors.

Ortel Communications Limited**Notes to Financial Statements for the year ended 31st March, 2019**

(Rs. in Lakhs)

24. Other Financial Liabilities

	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Long-term borrowings (refer Note No. 18)	4,742.03	6,276.51
Current Maturities of Finance Lease Obligations (refer Note No. 18)	676.66	479.74
Interest accrued but not due on Borrowings	56.47	431.03
Interest accrued and due on Borrowings	438.78	458.92
Temporary book overdraft (Unsecured)	-	1,752.81
Other Payables:		
- Payable to Employees	2,507.94	2,069.45
- LCO Liability	616.67	419.23
- Creditors for Capital Goods	6,933.23	6,747.41
- Earnest Money Deposits	121.05	113.83
- Liability for Operating Expenses	3,450.64	3,115.38
	19,543.47	21,864.31

25. Other Current Liabilities

	As at 31st March, 2019	As at 31st March, 2018
Statutory Liabilities	1,597.38	2,301.12
Advance from Customers (refer Note No. 47)	187.56	195.21
Security Deposits	-	8.64
Liability for Operating Expenses	502.78	160.13
Unamortised Connection Fee Income	691.12	891.93
Unamortised IFL Fee Income	387.98	595.76
	3,366.82	4,152.79

26. Provisions

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
- Leave Encashment (refer Note No. 43)	6.92	0.92
	6.92	0.92

27. Revenue From Operations

	Year ended 31st March, 2019	Year ended 31st March, 2018
Cable Subscription Fees	6,449.98	11,376.53
Internet Subscription Fees	1,034.31	2,154.62
Channel Carriage Fees	1,619.27	2,307.20
Connection Fees- Cable TV	679.13	856.90
Connection Fees- Internet	96.00	161.60
Income from Infrastructure Leasing	850.72	1,172.36
Signal Uplinking Income	327.52	374.35
	11,056.93	18,403.56

28. Other Income

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on		
- Fixed deposits with banks	61.58	32.95
- Others	60.66	43.45
Insurance Claims	45.27	46.02
Liabilities no longer required written back	200.25	0.49
Rental Income	6.25	8.21
Foreign Exchange Gain (net)	-	30.28
Miscellaneous Income	45.14	48.34
	419.15	209.74

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
29. Bandwidth Cost		
International Lease Line Charges	424.60	831.80
Intercity Link Charges	552.67	713.43
Uplinking Charges	220.42	257.58
	1,197.69	1,802.81
30. Employee Benefits Expense		
Salary, Wages and Bonus	1,405.89	1,857.02
Contribution to Provident and Other Funds	118.38	185.41
Employee Stock Option Expenses	-	3.88
Staff Welfare Expenses	24.77	33.94
	1,549.04	2,080.25
31. Finance Costs		
Interest Expense (refer Note No. 52)	2,095.49	2,865.74
Other Borrowing costs	8.04	53.11
	2,103.53	2,918.85
32. Depreciation and Amortisation Expense		
Depreciation/ Amortisation of tangible assets	2,578.04	2,470.58
Less: On account of closure of Finance Lease	-	19.55
(A)	2,578.04	2,451.03
Amortization of intangible assets	11.46	9.12
(B)		
Amortization of NCF	637.04	514.81
Less: Excess of amortisation over commission	443.68	264.94
(C)	193.36	249.87
Total	(A+B+C) 2,782.86	2,710.02

Ortel Communications Limited**Notes to Financial Statements for the year ended 31st March, 2019**

(Rs. in Lakhs)

33. Other Expenses

	Year ended 31st March, 2019	Year ended 31st March, 2018
Power and Fuel	505.95	661.01
Rent	435.77	638.84
Commission and Incentive	345.33	681.91
Collection Charges	356.99	639.01
Consumption of Stores & Spare Parts	232.47	237.00
Repairs to Machinery	65.50	43.62
Repairs to Buildings	-	0.19
Repairs - Others	88.37	102.41
Insurance	189.70	187.18
Travelling & Lodging	284.19	438.87
Rates and Taxes	375.33	371.74
Professional Charges	112.46	192.61
Work outsourcing expenses	42.53	76.40
Postage and Telephone	32.71	57.87
Printing and Stationery	16.34	25.63
CIRP Expense (refer Note No. 41)	60.06	-
Provision for doubtful receivables (refer Note No. 34)	558.72	7.01
Bad Debts written off	786.51	1,235.91
Impairment Loss Allowance	53.83	-
Marketing Expenses	33.36	34.25
Corporate Social Responsibility Expenses (refer Note No. 49)	-	16.00
Foreign Exchange Loss (net)	364.68	-
Directors' sitting fees	1.85	6.06
Miscellaneous Expenses	85.95	160.23
Total Other Expenses	5,028.60	5,813.75

34. Provision for Doubtful Receivables

	Year ended 31st March, 2019	Year ended 31st March, 2018
Closing Provision for doubtful receivables (refer Note No. 11)	414.08	6,794.14
Less: Opening Provision for doubtful receivables	6,794.14	529.20
Add: Provision for doubtful receivables utilised to issue credit notes during the year (refer Note No. 34.1)	6,794.14	-
Add: Provision for doubtful receivables created and utilised to issue credit notes during the year (refer Note No. 34.1)	50.61	-
Less: Exceptional Items	-	6,257.93
Less: Provision no longer required written back	(94.03)	-
	558.72	7.01

34.1 Credit note issued

	Year ended 31st March, 2019	Year ended 31st March, 2018
Credit notes issued during the year	6,844.75	-
Less: Provision for doubtful receivables utilised to issue credit notes during the year	6,794.14	-
Less: Provision for doubtful receivables created and utilised to issue credit notes during the year	50.61	-
	-	-

35. Payments to the Auditor (excluding taxes)

	Year ended 31st March, 2019	Year ended 31st March, 2018
As Auditor - Statutory Audit & Limited Reviews	28.50	28.50
For Other Services	2.50	0.50
For reimbursement of expenses	0.67	0.42
	31.67	29.42

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

36. Disclosure pursuant to Indian Accounting Standard 12 - Income Taxes

(i) In the absence of probability of sufficient future taxable income, the Company has recognised deferred tax assets only to the extent of deferred tax liabilities.

(ii) **The breakup of deferred tax assets and liabilities into major components is as under**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities		
Difference between tax base and book base of Property, Plant and Equipment and Intangible Assets	3,679.10	2,242.31
Finance lease obligations	319.00	254.06
	3,998.10	2,496.37
Deferred tax assets		
Statutory dues	526.94	541.91
Bonus	44.56	36.40
Leave encashment	13.75	20.21
Provision for doubtful receivables	95.45	1,978.45
Others	381.00	749.58
Brought forward losses and unabsorbed depreciation	7,716.24	4,380.99
	8,777.94	7,707.54
Net deferred tax assets / (liabilities)	4,779.84	5,211.17

Note :

Net deferred tax assets as above has not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

(iii) Since the Company had incurred an accounting loss in the current and previous year, the numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is not relevant for the current and previous year.

37. Earnings Per Share

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Profit / (Loss) after Tax attributable to Equity Shareholders (Rs. in Lakhs)	(5,122.59)	(9,533.09)
(b) Weighted average number of Equity Shares (Basic)	326,27,585	304,62,245
(c) Weighted average number of Equity Shares (Diluted)	326,27,585	304,62,245
(d) Basic earnings per share(in Rs.) [(a)/(b)]	(15.70)	(31.29)
(e) Diluted earnings per share (in Rs.) [(a)/(c)]	(15.70)	(31.29)
(f) Nominal Value per Equity Shares (in Rs.)	10.00	10.00

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

38. **Contingent Liabilities and Commitments**

(Rs.in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
(i) Entry Tax demand under Appeal	1.00	1.00
(ii) Entry Tax demand for 2011-12	25.25	25.25
(iii) Entertainment Tax demand under Appeal	69.75	69.75
(iv) Income Tax and Interest thereon for non-deduction of tax at source - 2005-06, 2006-07, 2008-09 and 2010-11 (deposits made under protest 31st March, 2019 : Rs 60.06 lakhs, 31st March, 2018 : Rs 60.06 lakhs)	175.15	175.15
(v) Service Tax and Interest demand for 2006-07, 2007-08, 2008-09 and 2009-10 (including penalty)	241.97	241.97
(vi) Service Tax and Interest for 2010-11 to 2014-15 (deposits made under protest 31st March, 2019 : Rs 44.22 lakhs, 31st March, 2018 : Rs 44.22 lakhs)	1,179.29	1,179.29
(vii) Service Tax demand for 2012-13 to 2013-14 (deposits made under protest 31st March, 2019 : Rs 0.54 lakhs, 31st March, 2018 : Nil.)	21.10	-
(viii) Service Tax demand for 2013-14	26.00	13.00
(ix) Service Tax demand for 2015-16	338.06	338.06
(x) Cenvat Credit reversal for 2016-17	-	741.29
(xi) Paradip Port Trust (Refer Note Below)*	52.69	52.69
(xii) The Company has received legal notices of claims / lawsuits filed against it in relation to miscellaneous damages. In the opinion of the management, no material liability is likely to arise on account of such claims / lawsuits.		
B. Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance Rs. Nil (31st March, 2018: Rs. 174.22 lakhs)]	0.25	67.53

*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 network as "PARADIP PARIKRAMA". As per the 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 July 10, 2006 against the demand of PPT before the Hon'ble High Court, Orissa. The demand had been stayed by the Hon'ble High Court vide its interim Order dated July 20, 2006. The matter is still pending for final hearing. As on date, all earlier contracts with PPT have expired.

39. **Financial risk management**39.1 **Financial risk factors**

The Company's principal financial liabilities comprise of borrowings, liability towards LCOs, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include loans and advances, investment in equity instruments, trade receivables and cash and bank balances that arise directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk and the Company's senior management oversees the management of these risks.

i) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) **Currency risk**

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency payable to vendors for property, plant and equipment and is therefore, exposed to a foreign exchange risk. Foreign currency risk is managed by monitoring the movements in currencies in which foreign vendors are payable. The Company does not enter into or trade financial instrument including derivative for speculative purpose.

Ortel Communications Limited

Notes to Financial Statements for the year ended 31st March, 2019

The following table demonstrates the sensitivity in the USD to the Indian Rupee and the resulting impact on the Company's Profit/(Loss) before tax, due to changes in the fair value of monetary assets and liabilities :

(Rs. in lakhs)

Particulars	Change in currency exchange rate		Effect on Profit/(Loss) Before Tax	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
USD	+5%	+5%	(278.10)	(280.15)
	-5%	-5%	278.10	280.15

The carrying amount of Company's foreign currency exposure at the end of the reporting period which is not hedged by derivative instrument or otherwise is as follows:

Payable in Foreign Currency	Currency	Amount (USD in Lakhs)	Amount (Rs. in Lakhs)
As at 31st March, 2019	USD	80.41	5,561.99
As at 31st March, 2018	USD	86.14	5,602.97

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. The interest rate risk is managed by the Company by monitoring monthly cash flows which is reviewed by management to prevent loss of interest.

The following table demonstrates the fixed and floating rate borrowings of the Company:

(Rs. in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate borrowings	16,935.25	12,488.90
Fixed rate borrowings	6,047.04	7,497.02

ii) **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

(a) **Trade receivables**

The Company extends credit to various corporate customers in the normal course of business. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers.

The ageing of trade receivables is as follows:

(Rs. in lakhs)

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables				
As at 31st March, 2019				
Secured	-	-	-	-
Unsecured	1,223.09	258.16	300.26	1,781.51
Gross total	1,223.09	258.16	300.26	1,781.51
Provision for doubtful receivables	(179.41)	(174.16)	(60.51)	(414.08)
Net total	1,043.68	84.00	239.75	1,367.43
As at 31st March, 2018				
Secured	-	-	-	-
Unsecured	4,122.20	2,924.60	2,128.63	9,175.43
Gross total	4,122.20	2,924.60	2,128.63	9,175.43
Provision for doubtful receivables	(2,108.51)	(2,611.63)	(2,074.00)	(6,794.14)
Net total	2,013.69	312.97	54.63	2,381.29

Ortel Communications Limited**Notes to Financial Statements for the year ended 31st March, 2019**

The Company follows a simplified approach [i.e., based on lifetime Expected Credit Losses ('ECL')] for recognition of impairment loss allowance on trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Further, the Company has analysed ECL separately for cable TV (CATV) customers, Broadband customers and Corporate customers primarily because the characteristics and historical bad debts trend was different for different revenue streams.

The Company has made provision for doubtful receivables in respect of both retail and non retail customer, as considered, necessary, based on management's best estimate which is over and above the provision required to be made under ECL model. For other receivables where management did not anticipate any issue in recoverability, loss allowance was provided for in accordance with ECL model as described above.

(b) Deposits with banks and other financial instruments

The Company considers factors such as track record, market reputation and service standards to select banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company does not maintain significant cash balances other than those required for its day to day operations.

iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and working capital limits. The Company closely monitors its liquidity position through forecasts on the basis of expected cash flows.

39.2 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

40. Fair value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements:

(Rs. in lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at fair value through other comprehensive income				
Investment in Equity Instrument	211.28	211.28	211.28	211.28
Financial Assets designated at amortised cost				
Trade Receivables	1,367.43	1,367.43	2,381.29	2,381.29
Cash and Cash Equivalents	412.81	412.81	350.35	350.35
Security Deposits	273.93	273.93	267.51	267.51
Amount recoverable from ESOP Trust	1.99	1.99	55.72	55.72
Fixed Deposits with Banks	675.86	675.86	607.37	607.37
Interest accrued but not due on Fixed Deposits with Banks	14.94	14.94	25.04	25.04
Total Financial Assets	2,958.24	2,958.24	3,898.56	3,898.56
Financial Liabilities designated at amortised cost				
LCO Liability	1,932.29	1,932.29	1,426.65	1,426.65
Borrowings (including current maturities)	22,982.28	22,982.28	19,985.92	19,985.92
Liability for Operating and Other Expenses	3,450.64	3,450.64	3,115.38	3,115.38
Creditors for Capital Goods	6,933.23	6,933.23	6,747.41	6,747.41
Trade Payables	4,017.00	4,017.00	3,482.11	3,482.11
Interest accrued	495.25	495.25	889.95	889.95
Temporary book overdraft	-	-	1,752.81	1,752.81
Payable to Employees	2,507.94	2,507.94	2,069.45	2,069.45
Others	130.48	130.48	135.72	135.72
Total Financial Liabilities	42,449.11	42,449.11	39,605.40	39,605.40

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

- i) Fair value of trade receivables, other bank balances, deposits, employee advances, trade payables, payables for acquisition of non current assets, demand loans from banks, cash and cash equivalents and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair value of Non-Current investments in equity instruments of a Body Corporate was calculated based on cash flows discounted using an appropriate rate. It is classified as level 3 in the fair values hierarchy due to the inclusion of unobservable inputs.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- i) Quoted prices/published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like equity shares for which quoted prices are available in active markets at the balance sheet date.
- ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
- iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rs. in lakhs)

Particulars	Fair value measurement using significant unobservable inputs (Level - 3)	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets		
Investment in Equity Instrument of Body Corporate	211.28	211.28
Total Financial Assets	211.28	211.28

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy, as at 31st March, 2019, 31st March, 2018 :

Particulars	Fair value	Valuation	Inputs used
Investment in Equity Instrument of Body Corporate	Level 3	Discounted cash flow	Future cash flows Return on Capital Employed

41. CIRP Expense

CIRP cost incurred during the year are as follows :

(Rs. in lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Fees to Interim Resolution Professional	9.67	-
Fees to Resolution Professional	10.90	-
Other Professional Fees	21.30	-
For reimbursement of expenses	1.20	-
Other expenses	16.99	-
	60.06	-

Ortel Communications Limited**Notes to Financial Statements for the year ended 31st March, 2019****42. Disclosure pursuant to Indian Accounting Standard 103 - Business Combinations**

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.

Details of acquisitions that resulted in creation of goodwill are as follows:

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Fair Value of consideration paid / payable -	454.27	10.84
Assets taken over		
Property, Plant & Equipment	107.86	1.24
Non - compete fees recognised	211.22	7.38
Total Assets	319.08	8.62
Liabilities taken over	-	-
Net assets taken over	319.08	8.62
Consideration transferred	454.27	10.84
Goodwill	135.19	2.22

Details of acquisitions that resulted in bargain purchase are as follows:

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Fair Value of consideration paid / payable -	1,035.55	96.65
Assets taken over		
Property, Plant & Equipment	356.12	5.77
Non - compete fees recognised	839.50	112.13
Total Assets	1,195.62	117.90
Liabilities taken over	-	-
Net assets taken over	1,195.62	117.90
Consideration transferred	1,035.55	96.65
Bargain Purchase Gain	160.07	21.25

43. Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits**(a) Defined Contribution Plan:**

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Employer's contribution towards:		
- Provident Fund	65.42	95.65
- Employee State Insurance	39.65	47.03

(b) Defined Benefit Plan:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC). The Employees Leave Encashment Scheme, which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

Ortel Communications Limited

Notes to Financial Statements for the year ended 31st March, 2019

The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

(i) The amounts recognised in the Balance Sheet are as under:

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Present Value of obligation	156.44	205.88	39.35	69.39
Fair value of plan assets	(228.82)	(286.67)	-	-
Net (Assets) / liabilities recognised in balance sheet	(72.38)	(80.79)	39.35	69.39
Recognised under:				
Other Non Current Assets	72.38	80.79	-	-
Provisions:				
Non Current	-	-	32.43	68.47
Current	-	-	6.92	0.92

(ii) Changes in present value of obligation:

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2018-19	2017-18	2018-19	2017-18
Present Value of obligation at the beginning of the year	205.88	203.66	69.39	72.83
Interest Cost	12.39	13.84	4.15	4.31
Current service cost	16.53	31.30	0.99	10.07
Past service cost	-	17.11	-	-
Benefits paid	(89.98)	(47.96)	(31.07)	(33.95)
Actuarial (gain)/loss on obligation	10.82	(12.07)	(4.10)	16.13
Present value of obligation as at the end of the year	155.64	205.88	39.35	69.39

(iii) Changes in plan assets:

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Fair Value of plan assets as at the beginning of the year	286.67	258.94	-	-
Return on plan assets	19.06	19.94	-	-
Contributions	15.00	60.00	-	-
Benefits paid	(89.98)	(47.96)	-	-
Actuarial gain/ (loss) on plan assets	(1.93)	(4.25)	-	-
Fair value of plan assets as at the end of the year	228.82	286.67	-	-

Ortel Communications Limited

Notes to Financial Statements for the year ended 31st March, 2019

(iv) Recognised in the Statement of profit and loss

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Current service cost	16.53	31.30	0.98	10.07
Past Service Cost	-	17.11	-	-
Actuarial Loss/(Gain)	-	-	-	16.13
Interest cost	6.68	(6.10)	4.14	4.31

(v) Recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Remeasurement actuarial loss/(gain)	13.56	(7.92)

(vi) Principle actuarial assumptions at the Balance Sheet date are as follows:

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Discount rate per annum compounded	7.65%	7.70%	7.65%	7.70%
Rate of increase in salaries	6.50%	6.50%	6.50%	6.50%
Rate of return on plan assets	7.65%	7.70%	-	-
Expected average remaining working lives of employees (years)	21.65	21.00	21.65	21.00
Withdrawal rates	1%			
Mortality table	Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate.			

Note : In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage and amount for each category of the fair value of plan assets has not been disclosed.

(vii) Risk exposure

These plans are exposed to the actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk : The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields on government bonds at the end of the reporting period. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Ortel Communications Limited

Notes to Financial Statements for the year ended 31st March, 2019

(viii) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions as per Note 43 (b) (vi) are as follows:-

Particulars	Change in assumption	Effect on Gratuity obligation	(Rs. in Lakhs)
			Effect on Leave Encashment
For the Year ended 31st March, 2019			
Discount rate	1.00%	141.38	37.48
	-1.00%	174.23	41.43
Salary rate	1.00%	174.46	41.66
	-1.00%	141.03	37.24
Attrition rate	1.00%	157.74	39.15
	-1.00%	154.94	39.57
For the Year ended 31st March, 2018			
Discount rate	0.50%	193.87	74.80
	-0.50%	219.01	64.53
Salary rate	0.50%	217.87	64.48
	-0.50%	194.58	74.81
Attrition rate	0.50%	206.21	69.18
	-0.50%	205.54	69.60

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet. The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to prior year.

Presentation in the Statement of Profit and Loss, Other Comprehensive Income ('OCI') and Balance Sheet

Gratuity and leave encashment benefits are in the nature of defined benefit plans and re-measurement gains/(losses) on defined benefit plans are shown under OCI as 'Items that will not be reclassified to profit or loss'.

Expense for service cost, net interest on net defined benefit liability/(asset) is recognised in the Statement of Profit and Loss.

Ind AS 19 does not require segregation of net defined liability/(asset) into current and non-current, however net defined liability/(asset) is bifurcated into current and non-current portions in the balance sheet, as per Ind AS 1 on "Presentation of Financial Statements".

44. Employee Stock Option Scheme 2010 (ESOS 2010)

The Board, vide its resolution dated 19th 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 28th October, 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) 1,11,436 stock options in 2013-14 under the ESOS 2010 Scheme (Option XII), which had vested in earlier years and were allotted in FY 2017-18. All the exercised options were allotted in the form of Equity Shares.

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

Particulars	Employee Stock Option Plan-ESOS 2010 (Option XII)	Employee Stock Option Plan-ESOS 2010 (Option XIII)
Date of grant	23rd September, 2013	21st July, 2014
Date of Board approval	19th December, 2010	19th December, 2010
Number of options granted	1,79,600	48,150
Method of settlement	Equity	Equity
Vesting period (including 3 months Exercise period)	3.25 Years	3.25 Years
Weighted Average Remaining Contractual Life of options (in years)	-	-
Exercise price (Rs.)	70	70

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

Employee Stock Option Outstanding is as follows:

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
	Number of Options	Weighted Average Exercise price	Number of Options	Weighted Average Exercise price
Outstanding at the beginning of the year	-	-	1,56,586	70
Granted during the year	-	-	-	-
Expired/Lapsed during the year	-	-	45,150	70
Exercised during the year	-	-	1,11,436	70
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Fair Value of share options

The fair value of the options, determined by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	179,600 Options (Vesting Period- 3.25 Years)	48,150 Options (Vesting Period- 3.25 Years)
	Option XII	Option XIII
Grant date share price (Rs.)	140	140
Exercise Price per Option (Rs.)	70	70
Expected Volatility (in %)*	61.43	61
Option Life (in years)	3.25	3.25
Dividend Yield (in %)	-	-
Risk-free interest rate (in %)	8.52	8.47
Fair Value of per options (Rs.)	83.51	89.05

*Since Ortel was an unlisted company at the time of grant of Options, the Expected Volatility (V) was taken based on one year historical volatility index of peer listed companies as per clause 27 of Appendix 1 of the guidance note issued by Institute of Chartered Accountants of India (ICAI).

Employee Stock Option Scheme, 2015 (ESOS 2015/Scheme): The Members of the Company vide their meeting dated 27th July, 2015 approved ESOS 2015 for granting Employee Stock Options in form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company administered by the Nomination & Remuneration Committee ("Committee") of the Board of Directors in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time. The Scheme can be implemented either directly or through an irrevocable Trust. However, if the scheme involves secondary acquisition of shares or gift or both, then it is mandatory to implement the scheme through Trust. The Company may lend or give refundable advance with or without interest to the trust to acquire shares of the Company from secondary market. Such secondary acquisition by trust shall not exceed 2% of the paid up equity capital of the Company as at the end of each financial year. 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 2015 will be determined by the Compensation Committee from time to time. The vesting period of Employee Stock Option is not less than one year and not more than five years from the grant of offer with 3 months exercise period for exercising the option to subscribe. The shares issued against exercise of options may be subject to lock in for period till repayment of the funds availed from Company/trust or for any other period as may be decided by Committee. During period under review, no option is offered/granted pursuant to the Scheme. Further, as per the Scheme, the Company has set up an irrevocable Trust, "Ortel Employee Welfare Trust" on 20th November, 2015 to implement the Scheme. As on 31st March, 2019, the trust had acquired 39,375 (31st March, 2018: 39,375) no's of equity shares from secondary market at an average acquisition price of Rs.138.03 (31st March, 2018: Rs.138.03) per shares which will offered to eligible employees at future as decided by the Committee.

45. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures

(a) Names of Related Parties :

(i) Subsidiary

- 1 Ortel Broadband Limited

Country of Origin
India

(ii) Key Management Personnel (KMP)

Name

- 1 Mrs. Jagi Mangat Panda (upto 26th November, 2018)
2 Mr. Bibhu Prasad Rath (upto 26th November, 2018)

Designation
Managing Director
President & Chief Executive Officer

(iii) Close family members of KMP

- 1 Mr. Bajjayant Panda - spouse of Mrs. Jagi Mangat Panda

(iv) Entities controlled or jointly controlled or under significant influence of KMP and/or close family members of KMP (with whom transactions have taken place during the year)

- 1 Indian Metals & Ferro Alloys Limited.
2 Odisha Television Limited.
3 Orissa Infotech Pvt. Ltd.
4 B.P. Developers Private Ltd.
5 Metro Skynet Limited.

(v) Professionals appointed by National Company Law Tribunal in pursuant to CIRP

Name

- 1 Mr. Anil Bhatia (wef 27th November, 2018)
2 Mr. Srigopal Choudhury (wef 1st February, 2019)

Designation
Interim Resolution Professional (IRP)
Resolution Professional (RP)

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

(b) Summary of Transactions with Related Parties
(Figures in brackets represent corresponding amounts of previous year)

(Rs. in Lakhs)

Sl. No.	Nature of Transactions	Subsidiary	KMP	Close family members of KMP	Entities controlled or jointly controlled or under significant influence of KMP and/or close family members of KMP
1	Remuneration	- (-)	98.41 (135.88)	- (-)	- (-)
2	Sitting fees paid	- (-)	- (-)	- (0.85)	- (-)
3	Signal Uplinking Income	- (-)	- (-)	- (-)	327.52 (374.35)
4	Rent Received	- (-)	- (-)	- (-)	3.60 (3.60)
5	Rent Paid	- (-)	- (-)	- (-)	0.60 (0.60)
6	Internet Subscription Fees	- (-)	- (-)	- (-)	18.65 (20.85)
7	Reimbursement of expenses (Paid)	- (-)	13.21 (24.79)	- (-)	16.00 (14.23)
8	Reimbursement of expenses (Received)	- (-)	- (-)	- (-)	25.32 (55.76)
9	Subscription Fees	- (-)	- (-)	- (-)	3.52 (2.88)
10	Advertisement Expenses	- (-)	- (-)	- (-)	12.00 (18.00)
11	Channel Carriage Income	- (-)	- (-)	- (-)	187.84 (214.75)
12	Programming Cost	- (-)	- (-)	- (-)	238.69 (222.90)
13	Unsecured Loan Received	1,060.00 (-)	60.00 (-)	- (-)	1,065.00 (430.00)
14	Unsecured Loan Repaid	1,060.00 (-)	- (-)	- (-)	305.78 (171.10)
15	Interest and Processing Fees on Unsecured Loan	- (-)	0.87 (-)	- (-)	157.30 (101.23)
16	Issue of Shares under Employee Stock Option Plan	- (-)	- (18.90)	- (-)	- (-)
17	Investment in Equity Instruments	- (1.00)	- (-)	- (-)	- (-)
18	Issue of Preference shares	- (-)	- (-)	- (-)	1,000.00 (-)
19	Issue of Equity shares	- (-)	- (-)	- (-)	875.00 (-)
20	Payments to IRP and RP: As per 45(d) and (e) herein below				
21 a	Outstanding balances as at 31st March, 2019 :				
	a. Receivables	-	-	-	-
	b. Payables	-	178.98	0.71	2,293.80
21 b	Outstanding balances as at 31st March, 2018 :				
	a. Receivables	-	-	-	-
	b. Payables	-	108.81	0.71	1,170.82

Outstanding balances payable at the year-end are unsecured and settlement occurs in cash.

Ortel Communications Limited**Notes to Financial Statements for the year ended 31st March, 2019****(c) Disclosure in respect of Material Related Party Transactions during the year (excluding reimbursements) :**

1. Remuneration paid to Mrs. Jagi Mangat Panda Rs.41.87 Lakhs (Previous Year: Rs.67.03 Lakhs) and Mr. Bibhu Prasad Rath Rs. 56.54 Lakhs (Previous Year : Rs. 68.85 Lakhs).
2. Sitting fees as nominee paid to Mr. Baijayant Panda Rs.Nil (Previous Year: Rs.0.85 Lakhs).
3. Signal Uplinking Income received from Odisha Television Ltd. Rs. 327.52 Lakhs (Previous Year: Rs.374.35 Lakhs).
4. Rent received from Odisha Television Ltd. Rs.3.60 Lakhs (Previous Year: Rs.3.60 Lakhs).
5. Rent paid to Odisha Television Ltd. Rs. 0.60 Lakhs (Previous Year:Rs. 0.60 Lakhs).
6. Internet Subscription Fees received from Odisha Television Ltd. Rs. 11.57 Lakhs (Previous Year: Rs. 13.88 Lakhs) and Indian Metals & Ferro Alloys Ltd. Rs. 7.08 Lakhs (Previous Year: Rs. 6.97 Lakhs).
7. Subscription Fees received from Odisha Television Ltd. Rs. 1.64 Lakhs (Previous Year: Rs.1.59 Lakhs) and Indian Metals & Ferro Alloys Ltd. R. 1.88 Lakhs (Previous Year: Rs. 1.29 Lakhs).
8. Advertisement Expenses paid to Odisha Television Ltd. Rs.12.00 Lakhs (Previous Year: Rs. 18.00 Lakhs).
9. Channel Carriage Income received from Odisha Television Ltd. Rs.187.84 Lakhs (Previous Year: Rs. 214.75 Lakhs).
10. Programming Cost paid to Odisha Television Ltd. Rs.238.69 Lakhs (Previous Year: Rs.220.90 Lakhs).
11. Unsecured Loan received from B.P. Developers Pvt. Ltd. Rs. Nil (Previous Year:Rs. 250.00 Lakhs), Metro Skynet Ltd. Rs. Nil (Previous Year: Rs.180.00 Lakhs), Odisha Television Limited Rs. 1,065.00 Lakhs (Previous Year Rs. Nil), Mrs. Jagi Mangat Panda Rs. 60.00 Lakhs (Previous Year Rs. Nil) and Ortel Broadband Ltd Rs.1,060.00 Lakhs (Previous Year: Rs. Nil).
12. Unsecured Loan repaid to Orissa Infratech Pvt. Ltd. Rs.55.78 Lakhs (Previous Year: Rs.171.10 Lakhs),and BP Developer Pvt Ltd Rs.250.00 Lakhs(Previous Year Rs Nil)
13. Interest and Processing Fees on Unsecured Loan paid to Orissa Infratech Pvt. Ltd. Rs.36.39 Lakhs (Previous Year: Rs.81.54 Lakh), B.P. Developers Pvt. Ltd. Rs. 3.75 Lakhs (Previous Year: Rs.19.62 Lakhs), Metro Skynet Ltd. Rs. 10.94 Lakhs (Previous Year:Rs.0.08 Lakhs) and Jagi Mangat Panda Rs. 0.87 Lakhs (Previous Year Rs. Nil), Indian Metals and Ferro Alloys Limited Rs. 56.47 Lakhs (Previous Year: Rs. Nil) and Odisha Television Ltd Rs. 49.75 Lakhs (Previous Year Rs. Nil).
14. Issue of Shares under Employee Stock Option Plan to Mr. Bibhu Prasad Rath Rs.Nil (Previous Year: Rs. 18.90 Lakhs).
15. Investment in Equity Instrument made in Ortel Broadband Ltd. Rs. Nil (Previous Year: Rs.1.00 Lakhs).
16. Preference Shares issued to Indian Metals & Ferro Alloys Limited Rs.1,000.00 Lakhs (Previous Year: Rs. Nil) and Equity Share Issued to Odisha Television Ltd Rs. 600.00 Lakhs (Previous Year: Rs. Nil) and BP Developers Pvt. Ltd. Rs. 275.00 Lakhs(Previous Year: Rs. Nil)

(d) Payments to Interim Resolution Professional

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Professional Fees	9.67	-
Reimbursement of expenses	0.39	-
	10.06	-

(e) Payments to Resolution Professional

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Professional Fees	10.90	-
Reimbursement of expenses	0.64	-
	11.54	-

(f) Compensation to Key Management Personnel

The compensation to key management personnel during the year was as follows:-

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Short-term employee benefits	76.42	121.06
Post-employment benefits	19.41	11.52
Other Long term Benefits	2.58	3.30
Share Based Payments	-	1.24
	98.41	137.12

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

46. Capitalisation of Expenses

During the year, the Company has capitalised the following expenses to the cost of Property, Plant and Equipment under the head "Cable Network-Backbone". Consequently, expenses disclosed under the respective notes (in Note Nos. 30 & 33) are net of amounts capitalised by the Company.

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Employee Benefits Expense	356.53	1,049.39
Other Expenses	7.30	75.23
	363.83	1,124.62

Ortel Communications Limited

Notes to Financial Statements for the year ended 31st March, 2019

47. Advance from customers includes Rs. 74.46 Lakhs (Previous Year: Rs. 74.46 Lakhs), being Electricity Inspection Duty collected from the customers (levied by the Department of Energy, Government of Odisha vide its notification dated 29th 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 9th February, 2007, Rs. 29.00 Lakhs was deposited with the said Court.

Subsequently, Hon'ble High Court of Orissa vide its order dated 5th November, 2007 directed the Government of Odisha 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 Odisha.

48. **Exceptional Items** (Rs. in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
-Provision for doubtful receivables	-	3,063.76
-Credit notes issued	-	1,625.20
-Provision for Credit notes	-	3,194.17
	-	7,883.13

49. Expenditure incurred on Corporate Social Responsibility activities is as follows: (Rs. in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross amount required to be spent during the year	-	14.87
Amount spent during the year on:		
- Toward Education and employment enhancing vocation skills	-	15.00
- Towards environmental development	-	1.00
	-	16.00

50. **Leases**

Operating Lease:

Company as a Lessee :

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.

Total lease rent payments recognised in the Statement of Profit and Loss for the year is Rs. 435.77 lakhs (Previous Year : Rs. 638.84 Lakhs).

Company as a Lessor :

Future minimum lease rents receivable

(Rs. in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than 1 year	79.94	96.74
Later than 1 year but Later than 5 years	120.72	200.66
	-	-

Finance Lease:

Company as a Lessee :

The Company has acquired certain Cable Network, Broadband NOC equipment and Computers on finance lease for a maximum period 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 non-cancellable as envisaged in the Indian Accounting Standard 17 on Leases.

(Rs. in Lakhs)

Particulars	Future Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Not later than 1 year	676.08	518.20	670.04	498.99
Later than 1 year but not later than 5 years	35.38	310.44	29.35	276.19
Later than 5 years	-	-	-	-
Total	711.46	828.64	699.39	775.18
Future Finance Charges	12.07	53.46		
Present Value of Minimum Lease Payments	699.39	775.18		

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

51 Segment Information

The Company has identified four broad reportable segments which are (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing ('IFL'), (iv) Others and it operates in the domestic market only. Segments have been identified and reported taking into account nature of activities, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the Chief Operating Decision Maker ("CODM") of the Company. The following are the additional policies for Segment Reporting :

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to the Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Unallocable".

a). Primary Segment Information (Business Segment)

i) Segment Revenue and Results

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2019					Year ended 31st March, 2018				
	Cable TV	Broadband	IFL	Others	Total	Cable TV	Broadband	IFL	Others	Total
A. Segment Revenue										
Revenue from Operations (External customers)	8,748.37	1,130.32	850.72	327.52	11,056.93	14,540.64	2,316.21	1,172.36	374.35	18,403.56
Total Revenue	8,748.37	1,130.32	850.72	327.52	11,056.93	14,540.64	2,316.21	1,172.36	374.35	18,403.56
B Segment Results before Finance Cost, Exceptional Items and Taxes										
1,832.65	76.59	686.56	71.27	2,667.07	5,807.57	718.10	1,008.58	81.18	7,615.43	
Less: Unallocable expenses net of income	-	-	-	-	5,686.13	-	-	-	-	6,346.54
Less: Finance Costs (net)	-	-	-	-	2,103.53	-	-	-	-	2,918.85
Profit/(Loss) before Exceptional Items and Taxes	1,832.65	76.59	686.56	71.27	(5,122.59)	5,807.57	718.10	1,008.58	81.18	(1,649.96)
Exceptional Items	-	-	-	-	-	7,361.26	404.90	116.97	-	7,883.13
Profit/(Loss) before Tax	1,832.65	76.59	686.56	71.27	(5,122.59)	(1,553.69)	313.20	891.61	81.18	(9,533.09)
Tax Expenses	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) after Tax	1,832.65	76.59	686.56	71.27	(5,122.59)	(1,553.69)	313.20	891.61	81.18	(9,533.09)

ii) Segment Assets and Liabilities

(Rs. In Lakhs)

Particulars	Segment Assets		Segment Liabilities	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Cable TV	15,575.16	17,380.54	10,610.43	10,006.23
Broadband	2,875.42	2,302.75	1,008.69	899.77
IFL	1,786.52	1,993.90	548.89	948.34
Others	204.97	241.10	50.89	-
Unallocable	24,012.67	25,179.28	34,277.30	33,178.24
Total	44,454.74	47,097.57	46,496.20	45,032.58

iii) Other segment information

(Rs. In Lakhs)

Particulars	Depreciation and Amortisation Expense (allocable)	Addition to Non - Current Assets (allocable) i.e. Capital Expenditure	Bad Debts and Allowance on Trade Receivables and Advances
Year ended 31st March, 2019			
Cable TV	1,186.99	1,584.86	806.88
Broadband	97.05	23.64	356.97
IFL	93.52	74.55	70.63
Others	36.20	-	-
Unallocable	1,369.10	1,257.13	16.72
Total	2,782.86	2,940.18	1,251.20
Year ended 31st March, 2018			
Cable TV	1,349.65	2,086.78	6,820.63
Broadband	102.88	67.68	606.55
IFL	90.11	35.74	73.67
Others	35.59	-	-
Unallocable	1,131.79	2,124.51	-
Total	2,710.02	4,314.71	7,500.85

Ortel Communications Limited
Notes to Financial Statements for the year ended 31st March, 2019

iv) **Unallocated Assets comprises of:**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Property, Plant and Equipment	20,072.06	20,418.14
Investments	212.28	212.28
Capital Work-in-Progress	230.84	1,320.40
Income Tax Assets (Net)	913.59	622.70
Other Assets	2,583.90	2,605.76
Total Assets	24,012.67	25,179.28

v) **Unallocated Liabilities comprises of:**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Borrowings	22,982.30	19,985.92
Interest Accrued	495.25	889.95
Temporary Book Overdraft	-	1,752.81
Creditor for Capital Goods	2,675.51	3,129.35
Other Liabilities	8,124.24	7,420.21
Total Liabilities	34,277.30	33,178.24

b). **Information about major customers**

No single customer contributed 10% or more to the Company's revenue during the years ended 31st March, 2019 and 31st March, 2018.

52 The Company has not recognised interest payable, after the CIRP commencement date i.e. 27th November, 2018, on borrowings from banks and financial institutions and preference shares amounting to Rs. 1,067.14 Lakhs. The same is not in compliance with Ind AS - 23 on "Borrowing Cost" read with Ind AS - 109 on "Financial Instruments". Had provision for interest been recognised, finance cost, total expenses and loss for the year ended 31st March, 2019 would have been higher by Rs. 1,067.14 Lakhs having consequential impact on other current financial liability and other equity.

53 Considering the probability that the Company will collect the consideration to which it is entitled to, wef from 1st November, 2018, the Company has postponed recognition of income from channel carriage fees in respect of a party amounting to Rs. 90.28 lakhs. Due to this, loss for the year ended 31st March, 2019 is higher by Rs. 90.28 lakhs. The said income from channel carriage fees would be considered as revenue of the period in which it is properly recognised.

54 There is persistent severe strain on the working capital and operations of the Company and it is undergoing significant financial stress. It has incurred a net loss of Rs. 5,122.59 lakhs during the year ended 31st March, 2019 and, as of that date, the net worth of the Company is fully eroded. CIRP was initiated in respect of the Company wef 27th November, 2018, as explained in Note No. 1 hereinabove. The Company has material obligations towards borrowings, employee benefits expense and statutory dues, amongst others. The Company's current level of income is barely sufficient to meet all operational expenses but not the past liabilities and the debt servicing obligations regarding the financial creditors. However, the Company has assessed that considering its plans to deal with the aforesaid events or conditions, the use of the going concern assumption is appropriate in the circumstances and hence, the financial statements have been prepared on a going concern basis. Certain crucial aspects of the Company's plans in this regard are as follows:-

- Restructuring/reorganising the loss making locations to eliminate recurring operating losses;
- Drastic reduction in overhead expenditure;
- Reduction in manpower cost by outsourcing certain functions;
- Introduction of new sales schemes to increase net growth in the customer base of existing locations; and
- Obtaining new contracts for construction and maintenance of networks. The Company has already received certain orders in this regard and expects more such orders on a regular basis.

Further, the CIRP provides for a moratorium as envisaged under Section 14(1) of IBC, with effect from 27th November, 2018 till the completion of the CIRP process, provided that at any time during the CIRP if a resolution plan is approved under Section 31(1) of IBC or an order for liquidation of the Company is passed under Section 33 of IBC, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be. CIRP is ongoing and ultimately a resolution plan needs to be presented to and approved by the CoC and further approved by the NCLT. Pending the consummation of the said process under CIRP, the financial statements have been prepared on a going concern basis.

55 The Company has issued Credit Notes amounting to Rs. 6844.75 lakhs during the year ended 31st March, 2019 towards disruption of services/deficient provision of services during the period 1st October, 2016 to 31st December, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 6844.75 lakhs and the related Service Tax/Goods and Services Tax ('GST')/Entertainment Tax liability with Rs. 1205.76 lakhs and credited 'Trade Receivables' with Rs. 8050.51 lakhs.

56 As per the IBC, the RP has to receive, collate and admit all the claims submitted by the operational and financial creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. To the extent the process for submission and reconciliation of claims remains an on-going process, no accounting impact in the books of accounts has been made in respect of excess, short or non-receipts of claims for operational and financial creditors.

57 The carrying value of Property, Plant and Equipment ('PPE'), Capital work-in-progress ('CWIP'), Goodwill and Stores and Spares as at 31st March, 2019 is Rs. 33,497.28 Lakhs, Rs. 2,201.28 Lakhs, Rs. 244.35 Lakhs and Rs. 59.61 Lakhs, respectively. As explained in Note No. 1 above, the Company is under CIRP and the RP is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the CoC and the NCLT. The CIRP is not yet concluded and hence, the final outcome is yet to be ascertained. Hence, the Company has not made any assessment of impairment as required by Ind AS 36 on Impairment of Assets, if any, as at 31st March 2019 in the value of PPE, CWIP, Goodwill and Stores and Spares.

INDEPENDENT AUDITOR'S REPORT

To the Members of Ortel Communications Limited

Report on the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of Ortel Communications Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

- a) As informed to us by the management, the Company has issued Credit Notes amounting to Rs. 6844.75 lakhs during the year ended 31st March, 2019 towards disruption of services/deficient provision of services during the period 1st October, 2016 to 31st December, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 6844.75 lakhs and the related Service Tax/Goods and Services Tax('GST')/ Entertainment tax liability with Rs. 1205.76 lakhs and credited 'Trade Receivables' with Rs. 8050.51 lakhs. However, the Company has not provided to us sufficient appropriate audit evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 6844.75 lakhs, the internal auditor's/any other external expert's vetting regarding the due processes and checks and balances having been followed etc. Hence, we are unable to comment on the issuance of such credit notes by the Company and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.
- b) The Company has not provided to us for our verification GST Returns relating to the year ended 31st March, 2019 and reconciliation of such Returns with the books of accounts, along with other related documents, if any. Hence, it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.
- c) As per the relevant GST Act/Rules, where the recipient of goods/services fails to pay to the suppliers of goods or services or both (other than the supplies on which tax is payable on reverse charge basis) the amount towards the value of supply along with the tax payable thereon, within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.

As at 31st March, 2019, the Company has material amount of outstanding payables in respect of supplies of goods and services, which, as informed to us by the management, includes dues for a period of more than 180 days from the date of issue of invoices by the relevant suppliers. However, the Company has not added to its GST output tax liability any amount towards the input tax credit availed by it in respect of such invoices raised by the relevant suppliers, together with the applicable interest. Since the Company has not provided to us the relevant details of supplies in respect of which the amount payable by the Company is due for a period of more than 180 days, it is not practicable to quantify the financial effects of the same on the consolidated financial statements.
- d) The Company was having an outstanding loan of Rs. 9630.54 lakhs from a Non-Banking Financial Company ('NBFC') as at 30th June, 2018. Subsequently, during July, 2018, the Company has accounted for a new loan of Rs. 9630.54 lakhs from the same NBFC against which the actual funds received by the Company from the NBFC was Rs. 1700 lakhs (used to pay off a part of the old loan) and the balance of old loan amounting to Rs. 7930.54 lakhs (i.e. Rs. 9630.54 lakhs - Rs. 1700 lakhs) was adjusted by the Company against the new loan by way of a book entry. No confirmation or any other relevant document in this regard from the NBFC, evidencing the aforesaid 'adjustment' of old loan against the new loan, has been provided to us by the Company. In absence of such a confirmation/relevant document, we are not in a position to comment on the aforesaid unilateral adjustment of loan accounted for by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.
- e) We observed from the Company's bank statement that during the year ended 31st March, 2019, the Company received Rs. 4000 lakhs from the NBFC referred to in (d) above in one instance and the amount went back to the NBFC on the same date. No accounting entry was passed in the Company's books of accounts

in this respect. However, neither the transaction has been explained to us nor any relevant documents/details in this regard have been provided by the Company. Hence, we are unable to comment on the said transaction and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.

- f) The Company took a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited ('OBL') in July, 2018 and subsequently transferred the aforesaid loan to the credit of the NBFC referred to in (d) above by way of an accounting entry in its books of accounts. As informed to us by the management, based on an understanding between the Company, OBL and the NBFC, the aforesaid loan amount along with outstanding interest needs to be repaid by the Company to the NBFC and not to OBL. No confirmation or any other relevant documents from OBL or the NBFC has been provided to us for our verification, based on which the loan amount along with outstanding interest stands transferred as aforesaid. In absence of such a confirmation/relevant documents, we are not in a position to comment on the aforesaid accounting entry made by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.
- g) As mentioned in Note no. 54 to the consolidated financial statements, no impairment assessment of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares in carrying values as at 31st March 2019 has been made by the Company. Therefore, we are unable to comment on the consequential impairment, if any, that is required to be made in the carrying value of Property, Plant and Equipment, Capital Workin- Progress, Goodwill and Stores & Spares.
- h) In respect of Company's borrowings from banks and financial institutions aggregating to Rs. 17524.90 lakhs and bank balances (current account and term deposits) aggregating Rs 59.41 lakhs, independent balance confirmations as at 31st March 2019 have not been received.
- i) As a part of Corporate Insolvency Resolution Process ('CIRP'), creditors were called upon to submit their claims. The process of submitting claims is still going on and it is also under reconciliations with amounts as appearing in the books of accounts. Pending reconciliations and final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements (refer Note No. 53 to the consolidated financial statements).
- j) Attention is drawn to Note No. 49 to the consolidated financial statements, regarding nonrecognition of interest amounting to Rs. 1067.14 lakhs, subsequent to Insolvency Commencement Date i.e. 27th November, 2018, on borrowing from banks and financial institutions and on non-convertible, redeemable cumulative preference shares, which is not in compliance with the requirements of Ind AS - 23 on "Borrowing Costs" read with Ind AS - 109 on "Financial Instruments". Had the aforesaid interest expense been recognised, finance costs, total expenses and loss for the year would have been higher by the said amount having consequential impact on other current financial liabilities and other equity.
- k) We have been informed by the Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, it is not practicable to comment on the possible financial effects on the consolidated financial statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to those information.
- l) The Company has given advances for supplies/services and the amount outstanding there against as at 31st March, 2019 was Rs. 1927.51 lakhs. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid advances viz. ageing analysis and the basis on which the same will be adjusted etc. Hence, we are unable to comment on the aforesaid advances and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.
- m) As at 31st March, 2019, the Company is having liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses' amounting to Rs. 6933.23 lakhs and Rs. 3450.64 lakhs respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid liabilities viz. ageing analysis, and the basis on which the aforesaid liabilities will be settled etc. Hence, we are unable to comment on the balances appearing under the aforesaid liabilities and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.
- n) The Company is having a non-current investment of Rs 211.28 lakhs in equity shares of Odisha Television Limited as at 31st March, 2019. In the absence of the fair valuation of the said investments as at 31st March, 2019, we are unable to comment on the remeasurement gain/loss, if any, on the said investment.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 51 to the consolidated financial statements which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the consolidated financial statements have been prepared on a going concern basis for the reasons stated in the said Note.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, admitted a petition for initiation of CIRP u/s 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') filed by one of the operational creditors of the Company vide order dated 27th November, 2018 and appointed an Interim Resolution Professional ('IRP') to manage the affairs of the Company in accordance with the provisions of IBC. The Committee of Creditors ('CoC') in its meeting held on 07th January, 2019 passed a resolution proposing to replace the IRP and appoint a Resolution Professional ('RP') which was confirmed by NCLT vide its order dated 1st February, 2019. In view of pendency of the CIRP and in view of suspension of powers of the Board of Directors and as explained to us, the power of adoption of the consolidated financial statements of the Company for the year ended 31st March, 2019 vests with the RP (refer Note No. 1.2 to the consolidated financial statements).

The Company's Board of Directors/RP is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors/RP of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of

the consolidated financial statements by the Directors/RP of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors/RP of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/RP of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing issued by Institute of Chartered Accountants of India ("ICAI") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. We are independent of the Group in accordance with the Code of Ethics issued by ICAI and provisions of the Act that are relevant to our audit of the consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics issued by ICAI and the requirements under the Act.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflects total assets of Rs. 0.71 lakhs as at 31st March, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been certified by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Company, these unaudited financial statements are not material to the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

- (1) As required by Section 143(3) of the Act, we report that:
 - a. As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to

obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph and para (vi) of Annexure 1 to the Independent Auditor's Report on the standalone financial statements of the Company, we are unable to state whether proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid consolidated financial statements comply with the Indian Accounting Standards referred to in Section 133 of the Act read with the relevant rules issued thereunder;
 - e. The matters described under the Basis for Disclaimer of Opinion paragraph and Material Uncertainty Related to Going Concern paragraph, as above, in our opinion, may have an adverse effect on the functioning of the Group;
 - f. We are unable to state whether any director of the Company and its subsidiary is disqualified as on 31st March, 2019 from being appointed as director in terms of Section 164(2) of the Act, as we have been explained that the Company has not received any written representation from any director in this respect;
 - g. Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Disclaimer of Opinion paragraph above;
 - h. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Group and the operating effectiveness of such controls, we would like to state that we have given our separate report in respect of the Company along with our audit report on the standalone financial statements of the Company. The non-material subsidiary company was incorporated on 28th February 2018, is yet to commence commercial operations and its financial statements for the year ended 31st March, 2019 are unaudited and certified by the management. Hence, there is no separate report with respect to the adequacy of the internal financial controls with reference to the financial statements of the subsidiary and as informed and explained by the management, this is not material towards evaluation of adequacy of the internal financial controls with reference to the financial statements of the Group and the operating effectiveness of such controls;
- i. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 36 and 44 to the consolidated financial statements;
 - (ii) The Group 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 Group.
- (2) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company and its subsidiary to its directors during the year is in accordance with the provisions of Section 197 of the Act.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613
UDIN:

Kolkata
16th August, 2019

ORTEL COMMUNICATIONS LIMITED
Consolidated Balance Sheet as at 31st March, 2019

(Rs. in Lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	33,497.28	34,694.42
Capital Work-in-Progress	2	2,201.28	2,965.03
Goodwill	3	244.35	109.16
Other Intangible Assets	3	1,986.32	1,576.53
Financial Assets			
- Investments	4	211.28	211.28
- Loans	5	248.40	303.92
- Other Financial Assets	6	0.95	551.07
Other Non-Current Assets	7	432.59	514.64
Non-Current Tax Assets (Net)		913.59	622.70
Current Assets			
Inventories	8	59.61	59.46
Financial Assets			
- Trade Receivables	9	1,367.43	2,381.29
- Cash and Cash Equivalents	10	413.52	351.02
- Other Bank Balances	11	675.07	75.10
- Loans	12	27.52	19.31
- Other Financial Assets	13	14.78	6.24
Other Current Assets	14	2,160.48	2,656.07
Total Assets		44,454.45	47,097.24
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	3,297.69	3,047.69
Other Equity		(5339.73)	(983.03)
Non-Controlling Interest		-	-
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	16	14,231.54	10,349.67
- Other Financial Liabilities	17	1,325.04	1,029.31
Provisions	18	32.43	68.47
Other Non-Current Liabilities	19	640.93	1,205.00
Current Liabilities			
Financial Liabilities			
- Borrowings	20	3,332.05	2,880.00
- Trade Payables	21		
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,017.00	3,482.11
- Other Financial Liabilities	22	19,543.76	21,864.31
Other Current Liabilities	23	3,366.82	4,152.79
Provisions	24	6.92	0.92
Total Equity and Liabilities		44,454.45	47,097.24

Notes to Consolidated Financial Statements

1 to 55

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

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

ORTEL COMMUNICATIONS LIMITED
Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

		(Rs. in Lakhs)	
Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from Operations	25	11,056.93	18,403.56
Other Income	26	419.15	209.74
Total Income		11,476.08	18,613.30
EXPENSES			
Programming Cost		3,571.48	4,525.56
Bandwidth Cost	27	1,197.69	1,802.81
Employee Benefits Expense	28	1,549.04	2,080.25
Finance Costs	29	2,103.53	2,918.85
Depreciation and Amortisation Expense	30	2,782.86	2,710.02
Property, Plant and Equipment written off		365.47	412.02
Other Expenses	31	5,028.85	5,814.08
Total Expenses		16,598.92	20,263.59
Profit / (Loss) before Exceptional Items and Tax		(5,122.84)	(1,650.29)
Exceptional Items - (Income) / Expense	45	-	7,883.13
Profit / (Loss) Before Tax		(5,122.84)	(9,533.42)
Tax Expense:			
-Current Tax		-	-
-Deferred Tax		-	-
Profit / (Loss) After Tax		(5,122.84)	(9,533.42)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement Gains/(Losses) on Defined Benefit Plans		(13.56)	7.92
- Bargain Purchases Gain		160.07	21.25
- Equity Instruments through Other Comprehensive Income		-	49.44
Total Comprehensive Income for the year (before adjustment for Non-Controlling Interest)		(4,976.33)	(9,454.81)
[comprising profit / (loss) and other comprehensive income for the year]			
Profit/(Loss) attributable to :			
(a) Owners of the Parent		(5,122.84)	(9,533.42)
(b) Non-Controlling Interest		-	-
Other Comprehensive Income/(Expense) attributable to :			
(a) Owners of the Parent		146.51	78.61
(b) Non-Controlling Interest		-	-
Total Comprehensive Income/(Expense) after tax attributable to :			
(a) Owners of the Parent		(4,976.33)	(9,454.81)
(b) Non-Controlling Interest		-	-
Earnings per Equity Share of par value of Rs. 10/- each			
Basic and Diluted (In Rs.)		(15.70)	(31.30)

Notes to Consolidated Financial Statements

1 to 55

The Notes referred to above form an integral part of the Consolidated Statement of Profit and Loss.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Anand Kumar Jhunjunwala
Partner
Membership No.056613
Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

ORTEL COMMUNICATIONS LIMITED
Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Balance at the beginning		Changes in equity share capital during the year		Balance at the end	
As at 1st April, 2017	As at 1st April, 2018	2017-18	2018-19	As at 31st March, 2018	As at 31st March, 2019
3,036.54	3,047.69	11.15	250.00	3,047.69	3,297.69

B. Other Equity and Non-Controlling Interest

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Securities Premium	Employee Stock Options Outstanding	General Reserve	Retained Earnings	Capital Reserve on Bargain Purchase	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2017	17,951.77	126.83	31.50	(10,190.82)	395.48	86.28	8,401.04
Profit/(Loss) for the year	-	-	-	(9,533.42)	-	-	(9,533.42)
Other comprehensive income	-	-	-	7.92	21.25	49.44	78.61
Expiry of Employee Stock Options	-	(37.65)	37.65	-	-	-	-
Shares Issued on exercise of Employee Stock Options	159.92	(93.06)	-	-	-	-	66.86
Compensation for options during the year	-	3.88	-	-	-	-	3.88
Balance as at 31st March, 2018	18,111.69	-	69.15	(19,716.32)	416.73	135.72	(983.03)
Profit/(Loss) for the year	-	-	-	(5,122.84)	-	-	(5,122.84)
Other comprehensive income	-	-	-	(13.56)	160.07	-	146.51
Share issue expenses adjusted	(5.37)	-	-	-	-	-	(5.37)
Issue of equity shares on preferential basis	625.00	-	-	-	-	-	625.00
Balance as at 31st March, 2019	18,731.32	-	69.15	(24,852.71)	576.80	135.72	(5,339.73)

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Anand Kumar Jhunjhunwala
Partner
Membership No.056613
Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

ORTEL COMMUNICATIONS LIMITED
Consolidated Statement of Cash Flows for the year ended 31st March, 2019

(Rs. in Lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	(5,122.84)	(9,533.42)
Adjustments for:		
Depreciation and Amortisation Expense	3,226.54	2,974.96
Effect of amortisation of income & expenses (net)	(642.72)	(695.51)
Provision for doubtful receivables	558.72	7.01
Exceptional items	-	6,257.93
Property, Plant and Equipment written off	365.47	412.02
Unrealised foreign exchange (gain)/loss	342.19	(17.25)
Interest Income	(122.23)	(76.40)
Finance Costs	2,054.56	2,918.85
Bad Debts written off	786.51	1,235.91
Employee Stock Option Expenses	-	3.88
Liabilities no longer required written back	(200.25)	(0.49)
Operating Profit before Working Capital Changes	1,245.95	3,487.49
Adjustments for:		
Trade Payables	534.89	1,864.42
Provisions	(30.04)	4.48
Other Liabilities	476.36	591.32
Financial Liabilities	(328.10)	1,607.09
Trade Receivables	549.16	(3,489.86)
Inventories	(0.15)	4.74
Loans and Advances	47.31	(10.44)
Other Assets	535.76	(412.17)
Cash Generated from Operations	3,031.14	3,647.07
Direct Taxes paid	(290.89)	138.11
Net Cash Generated from Operating Activities	2,740.25	3,785.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(894.54)	(3,705.09)
Investment in Fixed Deposits	(68.50)	23.13
Payment for Non Compete Fee to Local Cable Operators	(545.09)	(564.79)
Interest received	71.68	125.08
Net Cash Used in Investing Activities	(1,436.45)	(4,121.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares (net)	875.00	171.08
Share Issue Expenses	(5.37)	-
Proceeds from long term borrowings	8,475.00	6,052.97
Repayment of long term borrowings	(8,588.72)	(3,952.39)
Proceeds from Current borrowings	452.05	430.00
Finance cost paid	(2,449.26)	(2,407.87)
Net Cash (Used in) / Generated from Financing Activities	(1,241.30)	293.79
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	62.50	(42.70)
Cash and Cash Equivalents at the beginning of the year	351.02	393.72
Cash and Cash Equivalents at the end of the year (refer Note No. 10)	413.52	351.02

Notes:

- The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Anand Kumar Jhunjunwala
Partner
Membership No.056613

Place: Kolkata
Date: 16th August, 2019

For and on behalf of Ortel Communications Limited

Bibhu Prasad Rath
President & CEO

Bibhu Bhusan Dash
CFO & Company Secretary

Taken on record
Srigopal Choudhary
Resolution Professional

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019
1. Significant Accounting Policies
1.1 Principles of Consolidation

The Consolidated Financial Statements (“CFS”) relate to Ortel Communications Limited (“the Company”) and its subsidiary company (the Company and its subsidiary collectively referred to as “the Group”). The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, in accordance with Indian Accounting Standard 110 - “Consolidated Financial Statements”.
- The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The financial statements of the subsidiary used in the consolidation are drawn and certified by the management up to the same reporting date as that of the Company i.e. 31st March, 2019. Such financial statements are not material from a consolidation point of view since the subsidiary is yet to commence commercial operations.

The list of subsidiary company which is included in the consolidation and the Company's holding therein is as under:

Sl. No.	Name of the Company	Ownership / voting power in % as at	Ownership / voting power in % as at	Principal place of Business/Country of Incorporation
		31st March, 2019	31st March, 2018	
1	Ortel Broadband Limited	100.00%	100.00%	India

1.2 Hon'ble National Company Law Tribunal, New Delhi Bench (“NCLT”), in the matter of C.P.No.IB-761/ (ND)/2018 passed an Order dated 27th November, 2018 for commencement of the Corporate Insolvency Resolution Process (“CIRP”) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“IBC”) in the matter of the Company based on the application filed by Sony Pictures Networks India Pvt. Ltd., an operational creditor of the Company. Mr. Anil Bhatia (Reg. No. IBB/PA-001/IP-P00587/2017-18/11027) was appointed as Interim Resolution Professional (“IRP”) to carry on the functions of an IRP, as defined under the provisions of the IBC, until replaced by the Resolution Professional (“RP”). The Committee of Creditors (“CoC”) in its meeting held on 07th January, 2019 had passed a resolution proposing to replace the IRP and appoint Mr. Srigopal Choudhary (Reg. No. IBB/PA-001/IP-P01238/2018-2019/11893) as the RP which was confirmed by NCLT vide its order dated 1st February, 2019.

Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company are now vested with the Resolution Professional (“RP”) who is appointed by the Committee of Creditors (“CoC”).

A part of these financial statements pertains to a period before the commencement of the CIRP. The Board of Directors of the Company was in charge of the business and affairs of the Company until the commencement of CIRP and all operations until such date (i.e. 27th November, 2018) were being undertaken under the supervision and management of the erstwhile Board of Directors. Hence, for the purpose of approval of these financial statements, the RP has relied upon the financial statements prepared, checked and confirmed by KMP's of the Company (Mr. Bibhu Prasad Rath, CEO and Mr. Bidu Bhushan Dash, CFO & Company Secretary) and the representations and statements made by them with respect to the financial accounts, records and financial statements. It is clarified, however, that, the RP has not conducted an independent verification of the financial statements, in so far as it pertains to the period prior to commencement of CIRP. The RP has approved the financial statements only for the limited purpose of discharging the powers of the Board of Directors of the Company, which have been conferred upon him as per the provisions of Section 23 of the IBC.

These financial statements have been prepared by the management of the Company and certified by Mr. Bibhu Prasad Rath, CEO and Mr. Bidu Bhushan Dash, CFO & Company Secretary, and taken on record by Resolution Professional Mr. Srigopal Choudhary on 16th August, 2019.

1.3 Other significant accounting policies

These are set out under “Significant Accounting Policies” as given in the Company's separate (standalone) financial statements.

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019
2. Property, Plant and Equipment and Capital Work-In-Progress

Particulars	Tangible Assets - Own											Capital Work-in-Progress				
	Land	Buildings	Cable Networks-Backbone	Cable Networks-Drop	Cable Network-Infrastructure Leasing	Head End Equipments	Maintenance Equipments	Broadband NOC Equipments	Furniture and Fixtures	Computers	Office Equipments		Motor Vehicles	Electrical Installations	Signal uplinking equipments *	Total
A. OWN ASSETS																
Gross Carrying Amount																
As at 1st April, 2017	37.95	196.73	14,504.82	11,218.95	1,862.42	3,088.42	396.44	478.21	135.32	299.58	158.62	23.50	514.46	303.13	33,318.55	3,158.69
Additions/Adjustments **	-	-	1,567.44	2,724.47	35.74	51.48	13.23	28.10	7.04	48.30	9.59	-	5.77	-	4,491.16	2,741.06
Disposals/Adjustments	-	-	4.42	639.36	-	0.32	4.42	1.93	-	-	0.93	2.17	0.91	-	650.04	2,934.72
As at 31st March, 2018	37.95	196.73	16,067.84	13,048.06	1,898.16	3,139.58	407.74	506.31	142.36	347.88	167.28	21.33	519.32	303.13	37,159.67	2,965.03
Additions/Adjustments **	-	-	881.71	517.03	74.55	206.80	10.73	20.60	1.67	-	8.11	-	4.27	-	1,746.20	-
Disposals/Adjustments	-	-	0.17	536.95	-	-	-	-	-	-	-	-	-	-	537.10	763.75
As at 31st March, 2019	37.95	196.73	16,949.39	13,585.06	1,972.71	3,346.38	418.47	526.91	144.03	368.20	175.39	21.33	523.59	303.13	38,369.27	2,207.28
Accumulated Depreciation & Amortisation																
As at 1st April, 2017	-	3.66	736.65	717.23	87.66	156.93	22.15	17.74	26.35	78.66	31.27	5.98	85.18	38.57	2,065.12	-
Charge for the year	-	3.67	828.58	926.81	90.11	170.36	23.26	23.07	26.84	96.35	29.53	5.11	84.65	35.59	2,343.93	-
Disposals / Adjustments	-	-	0.36	231.75	-	0.02	0.25	0.25	-	-	-	1.36	0.23	-	234.34	-
As at 31st March, 2018	-	7.33	1,564.87	1,412.38	177.77	327.27	48.16	40.81	53.19	175.01	60.43	9.73	169.60	71.16	4,114.71	-
Charge for the year	-	3.68	896.28	993.91	93.52	173.47	23.95	24.75	23.26	98.05	31.10	0.65	82.23	36.21	2,481.16	-
Disposals / Adjustments	-	-	0.03	171.27	-	-	-	-	-	-	-	-	-	-	171.30	-
As at 31st March, 2019	-	11.01	2,461.12	2,238.02	271.29	500.74	69.11	65.56	76.55	273.06	91.53	10.38	251.83	107.37	6,424.57	-
Net Carrying Amount:																
As at 31st March, 2019	37.95	185.72	14,488.27	11,150.04	1,701.42	2,845.64	349.36	461.35	67.48	95.14	83.86	10.95	271.76	185.76	31,844.70	2,207.28
As at 31st March, 2018	37.95	189.40	14,862.97	11,991.68	1,730.39	2,812.31	362.58	465.50	89.17	172.87	166.85	11.60	349.72	231.97	33,044.56	2,965.03
B. LEASED ASSETS																
Gross Carrying Amount																
As at 1st April, 2017	54.67	-	420.37	1,667.80	-	156.93	-	-	-	-	-	-	-	-	2,142.84	-
Additions/Adjustments	-	-	45.88	36.96	-	0.08	-	3.53	-	5.21	-	-	-	-	91.58	-
Disposals/Adjustments	-	-	69.81	333.78	-	-	-	-	-	-	-	-	-	-	405.59	-
As at 31st March, 2018	54.67	-	396.44	1,370.98	-	156.93	-	3.53	-	5.21	-	-	-	-	1,830.83	-
Additions/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	54.67	-	396.44	1,370.98	-	156.93	-	3.53	-	5.21	-	-	-	-	1,830.83	-
Accumulated Depreciation & Amortisation																
As at 1st April, 2017	0.63	-	14.95	89.69	-	-	-	-	-	-	-	-	-	-	74.27	-
Charge for the year	0.62	-	24.91	100.22	-	-	-	0.08	-	0.82	-	-	-	-	126.65	-
Disposals / Adjustments	-	-	3.35	16.20	-	-	-	-	-	-	-	-	-	-	19.55	-
As at 31st March, 2018	1.25	-	36.51	142.71	-	-	-	0.08	-	0.82	-	-	-	-	181.37	-
Charge for the year	0.62	-	15.20	80.39	-	-	-	0.08	-	0.59	-	-	-	-	96.88	-
Disposals / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	1.87	-	51.71	223.10	-	-	-	0.16	-	1.41	-	-	-	-	278.25	-
Net Carrying Amount:																
As at 31st March, 2019	52.80	-	344.73	1,447.86	-	156.93	-	3.37	-	3.80	-	-	-	-	1,852.58	-
As at 31st March, 2018	53.42	-	359.93	1,226.27	-	156.93	-	3.45	-	4.39	-	-	-	-	1,649.46	-
TOTAL OF NET CARRYING AMOUNT (OWN ASSETS + LEASED ASSETS)																
As at 31st March, 2019	90.75	185.72	14,833.00	12,297.92	1,701.42	2,845.64	349.36	464.72	67.48	98.94	93.86	10.95	271.76	195.76	33,497.28	2,207.28
As at 31st March, 2018	91.37	189.40	14,862.90	13,119.95	1,730.39	2,812.31	362.58	468.95	89.17	177.26	166.85	11.60	349.72	231.97	34,694.42	2,965.03

* Asset given on operating lease
** Includes assets acquired during acquisition of LCOs
Note -
Refer Note No. 43 for capitalisation of expenses.

Ortel Communications Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2019

3. Goodwill and Other Intangible Assets

(Rs. in Lakhs)

Particulars	Other Intangible Assets			Goodwill
	Computer Software	Non Compete Fees	Total	
Gross Carrying Amount				
As at 1st April, 2017	42.25	2,322.95	2,365.20	106.94
Additions/Adjustments	13.84	119.50	133.34	2.22
Deductions/Adjustments	-	21.78	21.78	-
As at 31st March, 2018	56.09	2,420.67	2,476.76	109.16
Additions/Adjustments	7.57	1,050.72	1,058.29	135.19
Deductions/Adjustments	-	25.08	25.08	-
As at 31st March, 2019	63.66	3,446.31	3,509.97	244.35
Accumulated Amortisation / Impairment				
As at 1st April, 2017	11.29	386.79	398.08	-
Charge for the year	9.12	514.81	523.93	-
Disposals / Adjustments	-	21.78	21.78	-
As at 31st March, 2018	20.41	879.82	900.23	-
Charge for the year	11.46	637.04	648.50	-
Disposals / Adjustments	-	25.08	25.08	-
As at 31st March, 2019	31.87	1,491.78	1,523.65	-
Net Carrying Amount:				
As at 31st March, 2019	31.79	1,954.53	1,986.32	244.35
As at 31st March, 2018	35.68	1,540.85	1,576.53	109.16

4. Investments

	As at 31st March, 2019	As at 31st March, 2018
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Non-Current Investments

Investments in Equity Instruments of Body Corporate designated at fair value through other comprehensive income (Unquoted)

325,500 Equity Shares of Rs. 10/- each, fully paid-up in Odisha Television Limited
(31st March, 2018: 325,500 equity shares)

211.28

211.28

Aggregate amount of unquoted investment

211.28

211.28

5. Loans

	As at 31st March, 2019	As at 31st March, 2018
--	---------------------------	---------------------------

Unsecured, Considered good

Security Deposits*

246.41

248.20

Amount Recoverable from ESOP Trust

55.82

55.72

Less: Impairment Loss Allowance

(53.83)

-

248.40

303.92

* Includes deposit with Hon'ble High Court of Orissa Rs. 29.00 lakhs (31st March, 2018: Rs. 29.00 lakhs)

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
6. Other Financial Assets		
Non Current portion of Other Bank Balances:		
-Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien)*	0.80	532.27
Interest accrued but not due on Fixed Deposits with Banks	0.15	18.80
	0.95	551.07
*Includes:		
-Margin Money Deposits	0.80	384.89
-Deposits pledged with banks against borrowings	-	147.38
7. Other Non-Current Assets		
	As at 31st March, 2019	As at 31st March, 2018
Unamortised Sales Incentive Costs	72.24	117.69
Advance for Capital Goods	147.85	185.65
Receivable on account of Gratuity	72.38	80.79
Deposits made under protest	140.12	130.51
	432.59	514.64
8. Inventories		
	As at 31st March, 2019	As at 31st March, 2018
Stores and Spares	59.61	59.46
	59.61	59.46
9. Trade Receivables		
	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good	1,367.43	2,381.29
Unsecured, considered doubtful	414.08	6,794.14
	1,781.51	9,175.43
Less: Provision for doubtful receivables (refer Note No. 32)	414.08	6,794.14
	1,367.43	2,381.29
Note: Refer Note No. 37.1(ii)(a) for ageing analysis.		
10. Cash and Cash Equivalents		
	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks:		
In Current Accounts	161.74	196.41
Cheques on hand *	3.82	19.35
Cash on hand	247.96	135.26
	413.52	351.02

* Cheques on hand have been since realised amounting to Rs. 3.82 Lakhs

Ortel Communications Limited**Notes to Consolidated Financial Statements for the year ended 31st March, 2019**

	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
11. Other Bank Balances		
Fixed Deposits with Banks having balance maturity of twelve months or less: -Under Lien*	675.07	75.10
	675.07	75.10
* includes Margin money deposits - 12 months or less	675.07	75.10
12. Loans		
Unsecured, Considered good Security Deposits	27.52	19.31
	27.52	19.31
13. Other Financial Assets		
Interest accrued but not due on Fixed Deposits with Banks	14.78	6.24
	14.78	6.24
14. Other Current Assets		
Advance for Supplies / Services	1,927.51	2,289.92
Prepaid Expenses	131.25	125.66
Balances with Statutory/Government Authorities	-	91.42
Employee Advances	7.16	13.13
Unamortised Sales Incentive Costs	94.56	135.94
	2,160.48	2,656.07
15. Share Capital		
Authorised:		
Equity Shares: 35,000,000 Equity Shares, Rs. 10/- par value per share (31st March, 2018 : 35,000,000 Equity Shares)	3,500.00	3,500.00
Preference Shares: 66,000,000 Preference Shares, Rs. 10/- par value per share (31st March, 2018 : 66,000,000 Preference Shares)	6,600.00	6,600.00
	10,100.00	10,100.00
Issued, Subscribed and Paid-up: 32,976,900 Equity Shares, Rs. 10/- par value per share fully paid (31st March, 2018 : 30,476,900 Equity Shares)	3,297.69	3,047.69
	3,297.69	3,047.69

Ortel Communications Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2019

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
At the beginning of the year	304,76,900	3,047.69	303,65,464	3,036.54
Add: Issued during the year on exercise of Employee Stock Options	-	-	1,11,436	11.15
Add: Fresh Issued during the year	25,00,000	250.00	-	-
At the end of the year	329,76,900	3,297.69	304,76,900	3,047.69

Rights, preferences & restrictions in respect of each class of shares

The Company's authorised share capital consists of two classes of shares, referred to as Equity Shares and Preference Shares, having par value Rs. 10/- each.

Each holder of Equity Share is entitled to one vote per share. Preference Shareholder is eligible to vote only on the resolutions directly affecting the rights attached to his Preference Shares. The preferential shareholders have preferential right over the equity shareholders in respect of repayment of capital and payment of dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Shareholders holding more than 5% of the equity shares each

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
Metro Skynet Limited	48,59,512	14.74%	48,59,512	15.94%
Panda Investments Private Limited	46,36,510	14.06%	46,36,510	15.21%
Rivendell PE , LLC (formerly known as NSR-PE Mauritius LLC)	44,06,233	13.36%	45,88,748	15.06%
Odisha Television Limited	37,21,579	11.29%	20,07,293	6.59%
Raila Enterprises Private Limited	25,80,441	7.82%	25,80,441	8.47%

(Rs. in Lakhs)

16. Borrowings

		As at 31st March, 2019	As at 31st March, 2018
Secured			
Rupee Term Loans from:			
Banks		3,985.90	4324.45
Others		11,947.58	10657.84
Finance Lease Obligations		710.89	776.99
Total Borrowings		16,644.37	15,759.28
Less: Current Maturities			
Banks		1,801.12	1174.87
Others		2,500.05	4823.35
Finance Lease Obligations		676.66	479.74
	(A)	11,666.54	9,281.32
Unsecured			
Rupee Term Loans from:			
Others		2,005.86	1346.64
Less: Current Maturities		440.86	278.29
	(B)	1,565.00	1,068.35
Unsecured			
9% Non Convertible Redeemable Cumulative Preference Shares	(C)	1,000.00	-
Total Non-Current Borrowings	(A+B+C)	14,231.54	10,349.67

Ortel Communications Limited**Notes to Consolidated Financial Statements for the year ended 31st March, 2019****16.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 22) and their repayment terms :**

Amounts carried in Note No. 16 and 22 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

Security Description:

- (a) Term Loans of Rs. 1,380.20 lakhs (31st March, 2018: Rs. 1,563.80 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 loans availed from Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) and SREI Equipment Finance 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. Nil (31st March, 2018: Rs. 147.38 lakhs) and personal guarantee of one of the Directors.
- (b) Term Loans of Rs. 1,971.99 lakhs (31st March, 2018: Rs. 2,113.98 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 Rs.Nil (31st March, 2018: Rs.Nil) and personal guarantee of one of the Directors.
- (c) Term Loans of Rs. 649.95 lakhs (31st March, 2018: Rs. 677.95 lakhs) from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan. The following have been provided as collateral:
Equitable mortgage of leasehold property at Rourkela.
- (d) Term Loans of Rs. 11,338.41 lakhs (31st March, 2018: Rs. 9,933.17 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 :
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.
- (e) Term Loan of Rs. 657.79 lakhs (31st March, 2018: Rs. 802.98 lakhs) from Others are secured on equipment together with all parts, accessories and substitutions taken out of the said Term Loan.
- (f) Finance Lease Obligations of Rs. 710.89 lakhs (31st March, 2018: Rs. 776.99 lakhs) from Others are secured on equipment together with all parts, accessories and substitutions taken on lease.
- 16.2** During the year, the Company has defaulted in repayment of borrowings which remain outstanding as on 31st March, 2019, the details of which are as follows:

Particulars	Amount of continuing default as on 31st March, 2019 (Rs. in Lakhs)		Period of default
	of Principal Amount	of Interest Accrued	
Term Loans from Banks	387.40	238.65	June 1, 2018 to November 26, 2018
Finance Lease Obligations	377.86	29.32	June 1, 2018 to November 26, 2018
Term Loans from Others	120.70	32.17	April 1, 2018 to November 26, 2018
Total	885.96	300.14	

Note:

Since the CIRP has commenced from 27th November, 2018, the above disclosure has been made upto 26th November, 2018. (Also refer Note No. 49)

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

16.3 Long Term Borrowings (Continued)
Terms of repayment:

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
Residual Maturity						
Term Loans from Banks:						
3-5 Years	618.20	KBL Base Rate + 3%	Repayable in 36 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.	717.80	KBL Base Rate + 3%	Repayable in 42 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.
3-5 Years	762.00	KBL Base Rate + 3%	Repayable in 54 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.	846.00	KBL Base Rate + 3%	Repayable in 60 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.
3-5 Years	1,000.00	UCO MCLR + 4.65%	Repayable in 40 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.	1,113.99	UCO MCLR + 4.65%	Repayable in 46 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.
Above 5 Years	971.99	UCO MCLR + 4.65%	Repayable in 70 equal monthly installments of Rs.14 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.	999.99	UCO MCLR + 4.65%	Repayable in 72 equal monthly installments of Rs.14 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
Above 5 Years	649.95	UBI Base rate + 4.00%	Repayable in 46 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.	677.95	UBI Base rate + 4.00%	Repayable in 48 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period.

Term Loans from Others (Secured):

1-3 Years	-	-	-	545.05	16% (Floating)*	16 monthly installments of Rs.38.32 lakhs. Installments are inclusive of interest.
1-3 Years	-	-	-	3,167.23	16% (Floating)*	16 monthly installments of Rs.224.73 lakhs. Installments are inclusive of interest.
3-5 Years	1,803.02	14.50% (Floating)*	Repayable with first installment of Rs. 61.63 lakh and there after in 47 equal monthly installment of Rs. 53.78 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,590.90	14.50% (Floating)*	Repayable with first installment of Rs. 54.38 lakh and there after in 47 equal monthly installment of Rs. 47.46 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	1,580.87	14.50% (Floating)*	Repayable with first installment of Rs. 54.04 lakh and there after in 47 equal monthly installment of Rs. 47.16 lakhs after interest & principal moratorium of residual 9 months. Installments are inclusive of interest.	-	-	-
3-5 Years	-	-	-	824.08	14.25% (Floating)*	40 monthly installment of Rs. 26.08 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	733.29	14.25% (Floating)*	43 monthly installment of Rs. 21.97 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	474.31	14.25% (Floating)*	45 monthly installment of Rs. 13.73 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	389.21	14.25% (Floating)*	47 monthly installment of Rs. 10.98 lakhs. Installments are inclusive of interest.

Ortel Communications Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
3-5 Years	-	-	-	400.00	14.25%	48 monthly installment of Rs. 10.98 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	400.00	14.25%	3 monthly installments of Rs.4.84 lakhs and 48 monthly installment of Rs. 10.98 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	1,000.00	13.50%	5 monthly installments of Rs.11.46 lakhs and 48 monthly installment of Rs. 27.09 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	400.00	13.50%	6 monthly installments of Rs.4.58 lakhs and 48 monthly installment of Rs. 10.83 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	600.00	13.50%	7 monthly installments of Rs.6.87 lakhs and 48 monthly installment of Rs. 16.25 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	1,000.00	13.50%	11 monthly installments of Rs.11.46 lakhs and 48 monthly installment of Rs. 27.08 lakhs. Installments are inclusive of interest.
1-3 Years	657.79	11.26%	Repayable in 4 quarterly installments of Rs.60.74 lakhs and 8 quarterly installments of Rs.67.68 lakhs. Installments are inclusive of interest.	802.98	11.26%	Repayable in 4 quarterly installments of Rs.58.01 lakhs, 4 quarterly installments of Rs.60.74 lakhs and 8 quarterly installments of Rs.67.68 lakhs. Installments are inclusive of interest.

Term Loans from Others (Unsecured):

3-5 Years	341.59	14.25%	21 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest.	383.84	14.25%	24 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest.
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Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

Tenure	As at 31st March, 2019			As at 31st March, 2018		
	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. in Lakhs)	Interest	Repayment Terms of residual amount
3-5 Years	99.27	14.25%	22 monthly installments. Interest to be serviced on monthly basis on balance outstanding.	112.80	14.25%	25 equal monthly installments. Interest to be serviced on monthly basis on balance outstanding.
3-5 Years	850.00	9.00%	Payable within 5 years with interest payable annually.	850.00	9.00%	Payable within 5 years with interest payable annually.
0-2 Years	650.00	9.00%	Payable within 2 years with interest payable annually.			

Finance Lease Obligations

0-3 Years	633.62	8.50% **	Repayable in 16 monthly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on September 2019. 1-23 phases has been repaid in full till March 31, 2019.	699.86	8.50% **	Repayable in 19 monthly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on September 2019. 1-23 phases has been repaid in full till March 31, 2018.
1-3 Years	77.27	11.91%	Repayable in 13 quarterly installments of Rs.7.08 lakhs. Installments are inclusive of interest.	77.13	11.91%	Repayable in 13 quarterly installments of Rs.7.08 lakhs. Installments are inclusive of interest.

* 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. 8.50% (8.50% for the 31st March, 2018)

Non Convertible Redeemable Cumulative Preference Shares (Unsecured)

5 Years	1,000.00	9%	Repayable within a maximum period of 5 years from the date of allotment of shares, as may be determined by the Board	-	-
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Note: Currently the Company is under CIRP and is not require to meet any loan or interest obligation till approval of final resolution. Hence due to non availability of data of repayments schedule of borrowings, borrowings are classified current / non current based on normal circumstances.

Ortel Communications Limited**Notes to Consolidated Financial Statements for the year ended 31st March, 2019**

	(Rs. in Lakhs)	
	As at	As at
	31st March, 2019	31st March, 2018
17. Other Financial Liabilities		
Long-Term LCO Liability	1,315.62	1,007.42
Security Deposits	9.42	21.89
	1,325.04	1,029.31
18. Provisions		
Provision for Employee Benefits:		
- Leave Encashment	32.43	68.47
	32.43	68.47
19. Other Non-Current Liabilities		
Unamortised Infrastructure Leasing Income	160.91	351.23
Unamortised Connection Fee Income	480.02	853.77
	640.93	1,205.00
20. Borrowings		
Loans Repayable on Demand (Secured) :		
Working Capital facilities from Bank	1,642.05	2,000.00
Term Loan (Unsecured) :		
From Others	1,690.00	880.00
Total Current Borrowings	3,332.05	2,880.00
20.1 Secured by way of hypothecation of stocks of Networking items and 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 and personal guarantee of one of the Directors.		
21. Trade Payables		
Micro and small enterprises (refer Note No. 21.1)	-	-
Others	4,017.00	3,482.11
	4,017.00	3,482.11
21.1 Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Group and the required disclosures are given below:		
Particulars	As at	As at
	31st March, 2019	31st March, 2018
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	-	-

Dues as above, to the Micro Enterprises and Small Enterprises have been determined by the Management. This has been relied upon by the auditors.

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
22. Other Financial Liabilities		
Current Maturities of Long-term borrowings (refer Note No. 16)	4,742.03	6,276.51
Current Maturities of Finance Lease Obligations (refer Note No. 16)	676.66	479.74
Interest accrued but not due on Borrowings	56.47	431.03
Interest accrued and due on Borrowings	438.78	458.92
Temporary book overdraft (Unsecured)	-	1,752.81
Other Payables:		
- Payable to Employees	2,507.94	2,069.45
- LCO Liability	616.67	419.23
- Creditors for Capital Goods	6,933.23	6,747.41
- Earnest Money Deposits	121.05	113.83
- Liability for Operating Expenses	3,450.93	3,115.38
	19,543.76	21,864.31
23. Other Current Liabilities		
Statutory Liabilities	1,597.38	2,301.12
Advance from Customers (refer Note No. 44)	187.56	195.21
Security Deposits	-	8.64
Liability for Operating Expenses	502.78	160.13
Unamortised Connection Fee Income	691.12	891.93
Unamortised IFL Fee Income	387.98	595.76
	3,366.82	4,152.79
24. Provisions		
Provision for Employee Benefits		
- Leave Encashment	6.92	0.92
	6.92	0.92
25. Revenue From Operations		
	Year ended 31st March, 2019	Year ended 31st March, 2018
Cable Subscription Fees	6,449.98	11,376.53
Internet Subscription Fees	1,034.31	2,154.62
Channel Carriage Fees	1,619.27	2,307.20
Connection Fees- Cable TV	679.13	856.90
Connection Fees- Internet	96.00	161.60
Income from Infrastructure Leasing	850.72	1,172.36
Signal Uplinking Income	327.52	374.35
	11,056.93	18,403.56
26. Other Income		
	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on		
- Fixed deposits with banks	61.58	32.95
- Others	60.66	43.45
Insurance Claims	45.27	46.02
Liabilities no longer required written back	200.25	0.49
Rental Income	6.25	8.21
Foreign Exchange Gain (net)	-	30.28
Miscellaneous Income	45.14	48.34
	419.15	209.74

Ortel Communications Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2019

	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
27. Bandwidth Cost		
International Lease Line Charges	424.60	831.80
Intercity Link Charges	552.67	713.43
Uplinking Charges	220.42	257.58
	1,197.69	1,802.81
28. Employee Benefits Expense		
Salary, Wages and Bonus	1,405.89	1,857.02
Contribution to Provident and Other Funds	118.38	185.41
Employee Stock Option Expenses	-	3.88
Staff Welfare Expenses	24.77	33.94
	1,549.04	2,080.25
29. Finance Costs		
Interest Expense (refer Note No. 49)	2,095.49	2,865.74
Other Borrowing costs	8.04	53.11
	2,103.53	2,918.85
30. Depreciation and Amortisation Expense		
Depreciation/ Amortisation of tangible assets	2,578.04	2,470.58
Less: On account of closure of Finance Lease	-	19.55
(A)	2,578.04	2,451.03
Amortization of intangible assets	11.46	9.12
(B)		
Amortization of NCF	637.04	514.81
Less: Excess of amortisation over commission	443.68	264.94
(C)	193.36	249.87
Total	(A+B+C) 2,782.86	2,710.02

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

(Rs. in Lakhs)

31. Other Expenses

	Year ended 31st March, 2019	Year ended 31st March, 2018
Power and Fuel	505.95	661.01
Rent	435.77	638.84
Commission and Incentive	345.33	681.91
Collection Charges	356.99	639.01
Consumption of Stores & Spare Parts	232.47	237.00
Repairs to Machinery	65.50	43.62
Repairs to Buildings	-	0.19
Repairs - Others	88.37	102.41
Insurance	189.70	187.18
Travelling & Lodging	284.19	438.87
Rates and Taxes	375.36	372.07
Professional Charges	112.66	192.61
Work outsourcing expenses	42.53	76.40
Postage and Telephone	32.71	57.87
Printing and Stationery	16.35	25.63
CIRP Expense (refer Note No. 39)	60.06	-
Provision for doubtful receivables (refer Note No. 32)	558.72	7.01
Bad Debts written off	786.51	1,235.91
Impairment Loss Allowance	53.83	-
Marketing Expenses	33.36	34.25
Corporate Social Responsibility Expenses (refer Note No. 46)	-	16.00
Foreign Exchange Loss (net)	364.68	-
Directors' sitting fees	1.85	6.06
Miscellaneous Expenses	85.96	160.23
Total Other Expenses	5,028.85	5,814.08

32. Provision for Doubtful Receivables

	Year ended 31st March, 2019	Year ended 31st March, 2018
Closing Provision for doubtful receivables (refer Note No. 9)	414.08	6,794.14
Less: Opening Provision for doubtful receivables	6,794.14	529.20
Add: Provision for doubtful receivables utilised to issue credit notes during the year (refer Note No. 32.1)	6,794.14	-
Add: Provision for doubtful receivables created and utilised to issue credit notes during the year (refer Note No. 32.1)	50.61	-
Less: Exceptional Items	-	6,257.93
Less: Provision no longer required written back	(94.03)	-
	558.72	7.01

32.1 Credit note issued

	Year ended 31st March, 2019	Year ended 31st March, 2018
Credit notes issued during the year	6,844.75	-
Less: Provision for doubtful receivables utilised to issue credit notes during the year	6,794.14	-
Less: Provision for doubtful receivables created and utilised to issue credit notes during the year	50.61	-
	-	-

33. Payments to the Auditor (excluding taxes)

	Year ended 31st March, 2019	Year ended 31st March, 2018
As Auditor - Statutory Audit & Limited Reviews	28.70	28.50
For Other Services	2.50	0.50
For reimbursement of expenses	0.67	0.42
	31.87	29.42

34. Ortel Broadband Limited, a subsidiary company, was incorporated on 28th February, 2018 and is yet to commence commercial operations. Its financial statements are unaudited and certified by the management of the subsidiary.

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Notes to Consolidated Financial Statements for the year ended 31st March, 2019

35. Earnings Per Share

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Profit / (Loss) after Tax as per Consolidated Statement of Profit and Loss attributable to Owners of the Parent (Rs. in Lakhs)	(5,122.84)	(9,533.42)
(b) Weighted average number of Equity Shares (Basic)	326,27,585	304,62,245
(c) Weighted average number of Equity Shares (Diluted)	326,27,585	304,62,245
(d) Basic earnings per share (in Rs.) [(a)/(b)]	(15.70)	(31.30)
(e) Diluted earnings per share (in Rs.) [(a)/(c)]	(15.70)	(31.30)
(f) Nominal Value per Equity Shares (in Rs.)	10.00	10.00

(Rs. in lakhs)

36. Contingent Liabilities and Commitments

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
(i) Entry Tax demand under Appeal	1.00	1.00
(ii) Entry Tax demand for 2011-12	25.25	25.25
(iii) Entertainment Tax demand under Appeal	69.75	69.75
(iv) Income Tax and Interest thereon for non-deduction of tax at source - 2005-06, 2006-07, 2008-09 and 2010-11 (deposits made under protest 31st March, 2019 : Rs 60.06 lakhs, 31st March, 2018 : Rs 60.06 lakhs)	175.15	175.15
(v) Service Tax and Interest demand for 2006-07, 2007-08, 2008-09 and 2009-10 (including penalty)	241.97	241.97
(vi) Service Tax and Interest for 2010-11 to 2014-15 (deposits made under protest 31st March, 2019 : Rs 44.22 lakhs, 31st March, 2018 : Rs 44.22 lakhs)	1,179.29	1,179.29
(vii) Service Tax demand for 2012-13 to 2013-14 (deposits made under protest 31st March, 2019 : Rs 0.54 lakhs, 31st March, 2018 : Nil.)	21.10	-
(viii) Service Tax demand for 2013-14	26.00	13.00
(ix) Service Tax demand for 2015-16	338.06	338.06
(x) Cenvat Credit reversal for 2016-17	-	741.29
(xi) Paradip Port Trust (Refer Note Below)*	52.69	52.69
(xii) The Company has received legal notices of claims / lawsuits filed against it in relation to miscellaneous damages. In the opinion of the management, no material liability is likely to arise on account of such claims / lawsuits.		
B. Commitments:		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance Rs. Nil (31st March, 2018: Rs. 174.22 lakhs)]	0.25	67.53

*The Company had been providing services in Paradip Port Trust (PPT) area as per contracts. In an earlier year, the Company had committed to cover programmes/news of PPT in its network as "PARADIP PARIKRAMA". As per the 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 July 10, 2006 against the demand of PPT before the Hon'ble High Court, Orissa. The demand had been stayed by the Hon'ble High Court vide its interim Order dated July 20, 2006. The matter is still pending for final hearing. As on date, all earlier contracts with PPT have expired.

37. Financial risk management**37.1 Financial risk factors**

The Group's principal financial liabilities comprise of borrowings, liability towards LCOs, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include loans and advances, investment in equity instruments, trade receivables and cash and bank balances that arise directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk and the Group's senior management oversees the management of these risks.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) Currency risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group has foreign currency payable to vendors for property, plant and equipment and is therefore, exposed to a foreign exchange risk. Foreign currency risk is managed by monitoring the movements in currencies in which foreign vendors are payable. The Group does not enter into or trade financial instrument including derivative for speculative purpose.

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The following table demonstrates the sensitivity in the USD to the Indian Rupee and the resulting impact on the Group's Profit/(Loss) before tax, due to changes in the fair value of monetary assets and liabilities :

(Rs. in lakhs)

Particulars	Change in currency exchange rate		Effect on Profit/(Loss) Before Tax	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
USD	+5%	+5%	(278.10)	(280.15)
	-5%	-5%	278.10	280.15

The carrying amount of Group's foreign currency exposure at the end of the reporting period which is not hedged by derivative instrument or otherwise is as follows:

Payable in Foreign Currency	Currency	Amount (USD in Lakhs)	Amount (Rs. in Lakhs)
As at 31st March, 2019	USD	80.41	5,561.99
As at 31st March, 2018	USD	86.14	5,602.97

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. The interest rate risk is managed by the Group by monitoring monthly cash flows which is reviewed by management to prevent loss of interest.

The following table demonstrates the fixed and floating rate borrowings of the Group:

(Rs. in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate borrowings	16,935.25	12,488.90
Fixed rate borrowings	6,047.04	7,497.02

ii) **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

(a) **Trade receivables**

The Group extends credit to various corporate customers in the normal course of business. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers.

The ageing of trade receivables is as follows:

(Rs. in lakhs)

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables				
As at 31st March, 2019				
Secured	-	-	-	-
Unsecured	1,223.09	258.16	300.26	1,781.51
Gross total	1,223.09	258.16	300.26	1,781.51
Provision for doubtful receivables	(179.41)	(174.16)	(60.51)	(414.08)
Net total	1,043.68	84.00	239.75	1,367.43
As at 31st March, 2018				
Secured	-	-	-	-
Unsecured	4,122.20	2,924.60	2,128.63	9,175.43
Gross total	4,122.20	2,924.60	2,128.63	9,175.43
Provision for doubtful receivables	(2,108.51)	(2,611.63)	(2,074.00)	(6,794.14)
Net total	2,013.69	312.97	54.63	2,381.29

Ortel Communications Limited**Notes to Consolidated Financial Statements for the year ended 31st March, 2019**

The Group follows a simplified approach [i.e., based on lifetime Expected Credit Losses ('ECL')] for recognition of impairment loss allowance on trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Further, the Group has analysed ECL separately for cable TV (CATV) customers, Broadband customers and Corporate customers primarily because the characteristics and historical bad debts trend was different for different revenue streams.

The Group has made provision for doubtful receivables in respect of both retail and non retail customer, as considered, necessary, based on management's best estimate which is over and above the provision required to be made under ECL model. For other receivables where management did not anticipate any issue in recoverability, loss allowance was provided for in accordance with ECL model as described above.

(b) Deposits with banks and other financial instruments

The Group considers factors such as track record, market reputation and service standards to select banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Group has also availed borrowings. The Group does not maintain significant cash balances other than those required for its day to day operations.

iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and working capital limits. The Group closely monitors its liquidity position through forecasts on the basis of expected cash flows.

37.2 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Group's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

38. Fair value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements:

(Rs. in lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at fair value through other comprehensive income				
Investment in Equity Instrument	211.28	211.28	211.28	211.28
Financial Assets designated at amortised cost				
Trade Receivables	1,367.43	1,367.43	2,381.29	2,381.29
Cash and Cash Equivalents	413.52	413.52	351.02	351.02
Security Deposits	273.93	273.93	267.51	267.51
Amount recoverable from ESOP Trust	1.99	1.99	55.72	55.72
Fixed Deposits with Banks	675.86	675.86	607.37	607.37
Interest accrued but not due on Fixed Deposits with Banks	14.94	14.94	25.04	25.04
Total Financial Assets	2,958.95	2,958.95	3,899.23	3,899.23
Financial Liabilities designated at amortised cost				
LCO Liability	1,932.29	1,932.29	1,426.65	1,426.65
Borrowings (including current maturities)	22,982.28	22,982.28	19,985.92	19,985.92
Liability for Operating and Other Expenses	3,450.93	3,450.93	3,115.38	3,115.38
Creditors for Capital Goods	6,933.23	6,933.23	6,747.41	6,747.41
Trade Payables	4,017.00	4,017.00	3,482.11	3,482.11
Interest accrued	495.25	495.25	889.95	889.95
Temporary book overdraft	-	-	1,752.81	1,752.81
Payable to Employees	2,507.94	2,507.94	2,069.45	2,069.45
Others	130.48	130.48	135.72	135.72
Total Financial Liabilities	42,449.40	42,449.40	39,605.40	39,605.40

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Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

- i) Fair value of trade receivables, other bank balances, deposits, employee advances, trade payables, payables for acquisition of non current assets, demand loans from banks, cash and cash equivalents and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair value of Non-Current investments in equity instruments of a Body Corporate was calculated based on cash flows discounted using an appropriate rate. It is classified as level 3 in the fair values hierarchy due to the inclusion of unobservable inputs.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- i) Quoted prices/published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like equity shares for which quoted prices are available in active markets at the balance sheet date.
- ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the group specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
- iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rs. in lakhs)

Particulars	Fair value measurement using significant unobservable inputs (Level - 3)	
	As at 31st March, 2019	As at 31st March, 2018
Financial Assets		
Investment in Equity Instrument of Body Corporate	211.28	211.28
Total Financial Assets	211.28	211.28

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy, as at 31st March, 2019, 31st March, 2018 :

Particulars	Fair value	Valuation	Inputs used
Investment in Equity Instrument of Body Corporate	Level 3	Discounted cash flow	Future cash flows Return on Capital Employed

39. CIRP Expense

CIRP cost incurred during the year are as follows :

(Rs. in lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Fees to Interim Resolution Professional	9.67	-
Fees to Resolution Professional	10.90	-
Other Professional Fees	21.30	-
For reimbursement of expenses	1.20	-
Other expenses	16.99	-
	60.06	-

Ortel Communications Limited**Notes to Consolidated Financial Statements for the year ended 31st March, 2019****40. Disclosure pursuant to Indian Accounting Standard 103 - Business Combinations**

The Group 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 Group for a specified period in the areas where the LCOs have transferred their cable television subscribers to the Group. 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.

Details of acquisitions that resulted in creation of goodwill are as follows:

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Fair Value of consideration paid / payable -	454.27	10.84
Assets taken over		
Property, Plant & Equipment	107.86	1.24
Non - compete fees recognised	211.22	7.38
Total Assets	319.08	8.62
Liabilities taken over	-	-
Net assets taken over	319.08	8.62
Consideration transferred	454.27	10.84
Goodwill	135.19	2.22

Details of acquisitions that resulted in bargain purchase are as follows:

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Fair Value of consideration paid / payable -	1,035.55	96.65
Assets taken over		
Property, Plant & Equipment	356.12	5.77
Non - compete fees recognised	839.50	112.13
Total Assets	1,195.62	117.90
Liabilities taken over	-	-
Net assets taken over	1,195.62	117.90
Consideration transferred	1,035.55	96.65
Bargain Purchase Gain	160.07	21.25

41. Employee Stock Option Scheme 2010 (ESOS 2010)

(Rs. in Lakhs)

The Board, vide its resolution dated December 19, 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 Group 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) 1,11,436 stock options in 2013-14 under the ESOS 2010 Scheme (Option XII), which had vested in earlier years and were allotted in FY 2017-18. All the exercised options were allotted in the form of Equity Shares.

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

Particulars	Employee Stock Option Plan-ESOS 2010 (Option XII)	Employee Stock Option Plan-ESOS 2010 (Option XIII)
Date of grant	23rd September, 2013	21st July, 2014
Date of Board approval	19th December, 2010	19th December, 2010
Number of options granted	1,79,600	48,150
Method of settlement	Equity	Equity
Vesting period (including 3 months Exercise period)	3.25 Years	3.25 Years
Weighted Average Remaining Contractual Life of options (in years)	-	-
Exercise price (Rs.)	70	70

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(Rs. in Lakhs)

Employee Stock Option Outstanding is as follows:

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
	Number of Options	Weighted Average Exercise price (Rs.)	Number of Options	Weighted Average Exercise price (Rs.)
Outstanding at the beginning of the year	-	-	1,56,586	71
Granted during the year	-	-	-	-
Expired/Lapsed during the year	-	-	45,150	71
Exercised during the year	-	-	1,11,436	71
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Fair Value of share options

The fair value of the options, determined by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	179,600 Options (Vesting Period- 3.25 Years)	48,150 Options (Vesting Period- 3.2 Years)
	Option XII	Option XIII
Grant date share price (Rs.)	140.00	140.00
Exercise Price per Option (Rs.)	70.00	70.00
Expected Volatility (in %)*	61.43	61.00
Option Life (in years)	3.25	3.2
Dividend Yield (in %)	-	-
Risk-free interest rate (in %)	8.52	8.4
Fair Value of per options (Rs.)	83.51	89.0

*Since Ortel was an unlisted company at the time of grant of Options, the Expected Volatility (V) was taken based on one year historical volatility index of peer listed

Employee Stock Option Scheme, 2015 (ESOS 2015/Scheme): The Members of the Company vide their meeting dated 27th July, 2015 approved ESOS 2015 for grant of Employee Stock Options in form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company administered by the Nomination & Remuneration Committee ("Committee") of the Board of Directors in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time. The Scheme can be implemented either directly or through an irrevocable Trust. However, if the scheme involves secondary acquisition of shares or gift or both, then it is mandatory to implement the scheme through Trust. The Company may lend or give refundable advance with or without interest to the trust to acquire shares of the Company from secondary market. Such secondary acquisition by trust shall not exceed 2% of the paid up equity capital of the Company as at the end of each financial year. 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 2015 will be determined by the Compensation Committee from time to time. The vesting period of Employee Stock Option is not less than one year and not more than five years from the grant of offer with 3 months exercise period for exercising the option to subscribe. The shares issued against exercise of options may be subject to lock in for period till repayment of the funds availed from Company/trust or for any other period as may be decided by the Committee. During period under review, no option is offered/granted pursuant to the Scheme. Further, as per the Scheme, the Company has set up an irrevocable Trust, "Ortel Employee Welfare Trust" on 20th November, 2015 to implement the Scheme. As on 31st March, 2019, the trust had acquired 39,375 (31st March, 2018: 39,375) nos of equity shares from secondary market at an average acquisition price of Rs.138.03 (31st March, 2018: Rs.138.03) per shares which will be offered to eligible employees at future as decided by the Committee.

42. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures

(a) Names of Related Parties :

(i) Key Management Personnel (KMP)

Name	Designation
1. Mrs. Jagi Mangat Panda (upto 26th November, 2018)	Managing Director
2. Mr. Bibhu Prasad Rath (upto 26th November, 2018)	President & Chief Executive Officer

(ii) Close family members of KMP

1. Mr. Baijayant Panda - spouse of Mrs. Jagi Mangat Panda

(iii) Entities controlled or jointly controlled or under significant influence of KMP and/or close family members of KMP (with whom transactions have taken place during the year)

1. Indian Metals & Ferro Alloys Limited.
2. Odisha Television Limited.
3. Orissa Infratech Pvt. Ltd.
4. B.P. Developers Private Ltd.
5. Metro Skynet Limited.

(iv) Professionals appointed by National Company Law Tribunal in pursuant to CIRP

Name	Designation
1. Mr. Anil Bhatia (w.e.f. 27th November, 2018)	Interim Resolution Professional (IRP)
2. Mr. Srigopal Choudhury (w.e.f. 1st February, 2019)	Resolution Professional (RP)

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

(b) Summary of Transactions with Related Parties
(Figures in brackets represent corresponding amounts of previous year)

(Rs. in Lakhs)

Sl. No.	Nature of Transactions	KMP	Close family members of KMP	Entities controlled or jointly controlled or under significant influence of KMP and/or close family members of KMP
1	Remuneration	98.41 (135.88)	- (-)	- (-)
2	Sitting fees paid	- (-)	- (0.85)	- (-)
3	Signal Uplinking Income	- (-)	- (-)	327.52 (374.35)
4	Rent Received	- (-)	- (-)	3.60 (3.60)
5	Rent Paid	- (-)	- (-)	0.60 (0.60)
6	Internet Subscription Fees	- (-)	- (-)	18.65 (20.85)
7	Reimbursement of expenses (Paid)	13.21 (24.79)	- (-)	16.00 (14.23)
8	Reimbursement of expenses (Received)	- (-)	- (-)	25.32 (55.76)
9	Subscription Fees	- (-)	- (-)	3.52 (2.88)
10	Advertisement Expenses	- (-)	- (-)	12.00 (18.00)
11	Channel Carriage Income	- (-)	- (-)	187.84 (214.75)
12	Programming Cost	- (-)	- (-)	238.69 (222.90)
13	Unsecured Loan Received	60.00 (-)	- (-)	1,065.00 (430.00)
14	Unsecured Loan Repaid	- (-)	- (-)	305.78 (171.10)
15	Interest and Processing Fees on Unsecured Loan	0.87 (-)	- (-)	157.30 (101.23)
16	Issue of Shares under Employee Stock Option Plan	- (18.90)	- (-)	- (-)
17	Investment in Equity Instruments	- (-)	- (-)	- (-)
18	Issue of Preference shares	- (-)	- (-)	1,000.00 (-)
19	Issue of Equity shares	- (-)	- (-)	875.00 (-)
20	Payments to IRP and RP: As per 42(d) and (e) herein below			
21 a	Outstanding balances as at 31st March, 2019 :			
	a. Receivables	-	-	-
	b. Payables	178.98	0.71	2,293.80
21 b	Outstanding balances as at 31st March, 2018 :			
	a. Receivables	-	-	-
	b. Payables	108.81	0.71	1,170.82

Outstanding balances payable at the year-end are unsecured and settlement occurs in cash.

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Notes to Consolidated Financial Statements for the year ended 31st March, 2019

(c) Disclosure in respect of Material Related Party Transactions during the year (excluding reimbursements) :

1. Remuneration paid to Mrs. Jagi Mangat Panda Rs.41.87 Lakhs (Previous Year: Rs.67.03 Lakhs) and Mr. Bibhu Prasad Rath Rs. 56.54 Lakhs (Previous Year : Rs. 68.85 Lakhs).
2. Sitting fees as nominee paid to Mr. Baijayant Panda Rs.Nil (Previous Year: Rs.0.85 Lakhs).
3. Signal Uplinking Income received from Odisha Television Ltd. Rs. 327.52 Lakhs (Previous Year: Rs.374.35 Lakhs).
4. Rent received from Odisha Television Ltd. Rs.3.60 Lakhs (Previous Year: Rs.3.60 Lakhs).
5. Rent paid to Odisha Television Ltd. Rs. 0.60 Lakhs (Previous Year:Rs. 0.60 Lakhs).
6. Internet Subscription Fees received from Odisha Television Ltd. Rs. 11.57 Lakhs (Previous Year: Rs. 13.88 Lakhs) and Indian Metals & Ferro Alloys Ltd. Rs. 7.08 Lakhs (Previous Year: Rs. 6.97 Lakhs).
7. Subscription Fees received from Odisha Television Ltd. Rs. 1.64 Lakhs (Previous Year: Rs.1.59 Lakhs) and Indian Metals & Ferro Alloys Ltd. R. 1.88 Lakhs (Previous Year: Rs. 1.29 Lakhs).
8. Advertisement Expenses paid to Odisha Television Ltd. Rs.12.00 Lakhs (Previous Year: Rs. 18.00 Lakhs).
9. Channel Carriage Income received from Odisha Television Ltd. Rs.187.84 Lakhs (Previous Year: Rs. 214.75 Lakhs).
10. Programming Cost paid to Odisha Television Ltd. Rs.238.69 Lakhs (Previous Year: Rs.220.90 Lakhs).
11. Unsecured Loan received from B.P. Developers Pvt. Ltd. Rs. Nil (Previous Year:Rs. 250.00 Lakhs), Metro Skynet Ltd. Rs. Nil (Previous Year: Rs.180.00 Lakhs), Odisha Television Limited Rs. 1,065.00 Lakhs (Previous Year Rs. Nil), Mrs. Jagi Mangat Panda Rs. 60.00 Lakhs (Previous Year Rs. Nil).
12. Unsecured Loan repaid to Orissa Infratech Pvt. Ltd. Rs.55.78 Lakhs (Previous Year: Rs.171.10 Lakhs).and BP Developer Pvt Ltd Rs.250.00 Lakhs(Previous Year Rs Nil)
13. Interest and Processing Fees on Unsecured Loan paid to Orissa Infratech Pvt. Ltd. Rs.36.39 Lakhs (Previous Year: Rs.81.54 Lakh), B.P. Developers Pvt. Ltd. Rs. 3.75 Lakhs (Previous Year: Rs.19.62 Lakhs), Metro Skynet Ltd. Rs. 10.94 Lakhs (Previous Year: Rs.0.08 Lakhs) and Jagi Mangat Panda Rs. 0.87 Lakhs (Previous Year Rs. Nil), Indian Metals and Ferro Alloys Limited Rs. 56.47 Lakhs (Previous Year: Rs. Nil) and Odisha Television Ltd Rs. 49.75 Lakhs (Previous Year Rs. Nil).
14. Issue of Shares under Employee Stock Option Plan to Mr. Bibhu Prasad Rath Rs.Nil (Previous Year: Rs. 18.90 Lakhs).
15. Preference Shares issued to Indian Metals & Ferro Alloys Limited Rs.1,000.00 Lakhs (Previous Year: Rs. Nil) and Equity Share Issued to Odisha Television Ltd Rs. 600.00 Lakhs (Previous Year: Rs. Nil) and BP Developers Pvt. Ltd. Rs. 275.00 Lakhs(Previous Year: Rs. Nil)

(d) Payments to Interim Resolution Professional

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Professional Fees	9.67	-
Reimbursement of expenses	0.39	-
	10.06	-

(e) Payments to Resolution Professional

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Professional Fees	10.90	-
Reimbursement of expenses	0.64	-
	11.54	-

(f) Compensation to Key Management Personnel

The compensation to key management personnel during the year was as follows:-

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Short-term employee benefits	76.42	121.06
Post-employment benefits	19.41	11.52
Other Long term Benefits	2.58	3.30
Share Based Payments	-	1.24
	98.41	137.12

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

43. Capitalisation of Expenses

During the year, the Group has capitalised the following expenses to the cost of Property, Plant and Equipment under the head "Cable Network-Backbone". Consequently, expenses disclosed under the respective notes (in Note Nos. 28 & 31) are net of amounts capitalised by the Company.

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31st March, 2019	31st March, 2018
Employee Benefits Expense	356.53	1,049.39
Other Expenses	7.30	75.23
	363.83	1,124.62

Ortel Communications Limited**Notes to Consolidated Financial Statements for the year ended 31st March, 2019**

44. Advance from customers includes Rs. 74.46 Lakhs (Previous Year: Rs. 74.46 Lakhs), being Electricity Inspection Duty collected from the customers (levied by the Department of Energy, Government of Odisha vide its notification dated March 29, 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 February 9, 2007, Rs. 29.00 Lakhs was deposited with the said Court. Subsequently, Hon'ble High Court of Orissa vide its order dated November 5, 2007 directed the Government of Odisha 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 Odisha.

45. **Exceptional Items** (Rs. in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
-Provision for doubtful receivables	-	3,063.76
-Credit notes issued	-	1,625.20
-Provision for Credit notes	-	3,194.17
	-	7,883.13

46. **Expenditure incurred on Corporate Social Responsibility activities is as follows:** (Rs. in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross amount required to be spent during the year	-	14.87
Amount spent during the year on:		
- Toward Education and employment enhancing vocation skills	-	15.00
- Towards environmental development	-	1.00
	-	16.00

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

47 Segment Information

The Group has identified four broad reportable segments which are (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing ('IFL'), (iv) Others and it operates in the domestic market only. Segments have been identified and reported taking into account nature of activities, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the Chief Operating Decision Maker of the Group ("CODM"). The following are the additional policies for Segment Reporting :

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to the Group as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Unallocable".

a). Primary Segment Information (Business Segment)

i) Segment Revenue and Results

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2019					Year ended 31st March, 2018				
	Cable TV	Broadband	IFL	Others	Total	Cable TV	Broadband	IFL	Others	Total
A. Segment Revenue										
Revenue from Operations (External customers)	8,748.37	1,130.32	850.72	327.52	11,056.93	14,540.64	2,316.21	1,172.36	374.35	18,403.56
Total Revenue	8,748.37	1,130.32	850.72	327.52	11,056.93	14,540.64	2,316.21	1,172.36	374.35	18,403.56
B Segment Results before Finance Cost, Exceptional Items and Taxes	1,832.65	76.54	686.56	71.27	2,667.02	5,807.57	717.77	1,008.58	81.18	7,615.10
Less: Unallocable expenses net of income	-	-	-	-	5,686.33	-	-	-	-	6,346.54
Less: Finance Costs (net)	-	-	-	-	2,103.53	-	-	-	-	2,918.85
Profit/(Loss) before Exceptional Items and Taxes	1,832.65	76.54	686.56	71.27	(5,122.84)	5,807.57	717.77	1,008.58	81.18	(1,650.29)
Exceptional Items	-	-	-	-	-	7,361.26	404.90	116.97	-	7,883.13
Profit/(Loss) before Tax	1,832.65	76.54	686.56	71.27	(5,122.84)	(1,553.69)	312.87	891.61	81.18	(9,533.42)
Tax Expenses	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) after Tax	1,832.65	76.54	686.56	71.27	(5,122.84)	(1,553.69)	312.87	891.61	81.18	(9,533.42)

ii) Segment Assets and Liabilities

(Rs. In Lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Cable TV	15,575.16	17,380.54	10,610.43	10,006.23
Broadband	2,875.42	2,302.75	1,008.78	899.77
IFL	1,786.52	1,993.90	548.89	948.34
Others	204.97	241.10	50.89	-
Unallocable	24,012.38	25,178.95	34,277.50	33,178.24
Total	44,454.45	47,097.24	46,496.49	45,032.58

iii) Other segment information

(Rs. In Lakhs)

Particulars	Depreciation and Amortisation Expense (allocable)	Addition to Non - Current Assets (allocable) i.e. Capital Expenditure	Bad Debts and Allowance on Trade Receivables and Advances
Year ended 31st March, 2019			
Cable TV	1,186.99	1,584.86	806.88
Broadband	97.05	23.64	356.97
IFL	93.52	74.55	70.63
Others	36.20	-	-
Unallocable	1,369.10	1,257.13	16.72
Total	2,782.86	2,940.18	1,251.20
Year ended 31st March, 2018			
Cable TV	1,349.65	2,086.78	6,820.63
Broadband	102.88	67.68	606.55
IFL	90.11	35.74	73.67
Others	35.59	-	-
Unallocable	1,131.79	2,124.51	-
Total	2,710.02	4,314.71	7,500.85

iv) Unallocated Assets comprises of:

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Property, Plant and Equipment	20,072.06	20,418.14
Investments	211.28	211.28
Capital Work-in-Progress	230.84	1,320.40
Income Tax Assets (Net)	913.59	622.70
Other Assets	2,584.61	2,606.43
Total Assets	24,012.38	25,178.95

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

v) Unallocated Liabilities comprises of:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Borrowings	22,982.30	19,985.92
Interest Accrued	495.25	889.95
Temporary Book Overdraft	-	1,752.81
Creditor for Capital Goods	2,675.51	3,129.35
Other Liabilities	8,124.44	7,420.21
Total Liabilities	34,277.50	33,178.24

b). Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years ended 31st March, 2019 and 31st March, 2018.

48. Additional Information as per Schedule III of the Companies Act, 2013

As at and for the year ended 31st March, 2019

Name of the Entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of total comprehensive income	Amount (Rs. in Lakhs)
Parent Ortel Communications Limited	100.02%	(2,042.46)	100.00%	(5,122.79)	100.00%	146.51	100.00%	(4,976.28)
Subsidiaries								
Indian :								
1. Ortel Broadband Limited	-0.02%	0.42	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Non-Controlling Interest in all subsidiaries	-	-	-	-	-	-	-	-
TOTAL	100.00%	(2,042.04)	100.00%	(5,122.84)	100.00%	146.51	100.00%	(4,976.33)

As at and for the year ended 31st March, 2018

Name of the Entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of total comprehensive income	Amount (Rs. in Lakhs)
Parent Ortel Communications Limited	99.97%	2,063.99	100.00%	(9,533.09)	100.00%	78.61	100.00%	(9,454.48)
Subsidiaries								
Indian :								
1. Ortel Broadband Limited	0.03%	0.67	0.00%	(0.33)	0.00%	-	0.00%	(0.33)
Non-Controlling Interest in all subsidiaries	-	-	-	-	-	-	-	-
TOTAL	100.00%	2,064.66	100.00%	(9,533.42)	100.00%	78.61	100.00%	(9,454.81)

49. The Company has not recognised interest payable, after the CIRP commencement date i.e. 27th November, 2018, on borrowings from banks and financial institutions and preference shares amounting to Rs. 1,067.14 Lakhs. The same is not in compliance with Ind AS - 23 on "Borrowing Cost" read with Ind AS - 109 on "Financial Instruments". Had provision for interest would be recognised, finance cost, total expenses and loss for the year ended 31st March, 2019 would have been higher by Rs. 1,067.14 Lakhs having consequential impact on other current financial liability and other equity.
50. Considering the probability that the Company will collect the consideration to which it is entitled to, wef from 1st November, 2018, the Company has postponed recognition of income from channel carriage fees in respect of a party amounting to Rs. 90.28 lakhs. Due to this, loss for the year ended 31st March, 2019 is higher by Rs. 90.28 lakhs. The said income from channel carriage fees would be considered as revenue of the period in which it is properly recognised.
51. There is persistent severe strain on the working capital and operations of the Company and it is undergoing significant financial stress. It has incurred a net loss of Rs. 5,122.59 lakhs during the year ended 31st March, 2019 and, as of that date, the net worth of the Company is fully eroded. CIRP was initiated in respect of the Company wef 27th November, 2018, as explained in Note No. 1.2. The Company has material obligations towards borrowings, employee benefits expense and statutory dues, amongst others. The Company's current level of income is barely sufficient to meet all operational expenses but not the past liabilities and the debt servicing obligations regarding the financial creditors. However, the Company has assessed that considering its plans to deal with the aforesaid events or conditions, the use of the going concern assumption is appropriate in the circumstances and hence, the financial statements have been prepared on a going concern basis. Certain crucial aspects of the Company's plans in this regard are as follows:-
- Restructuring/reorganising the loss making locations to eliminate recurring operating losses;
 - Drastic reduction in overhead expenditure;
 - Reduction in manpower cost by outsourcing certain functions;
 - Introduction of new sales schemes to increase net growth in the customer base of existing locations; and
 - Obtaining new contracts for construction and maintenance of networks. The Company has already received certain orders in this regard and expects more such orders on a regular basis.
- Further, the CIRP provides for a moratorium as envisaged under Section 14(1) of IBC, with effect from 27th November, 2018 till the completion of the CIRP process, provided that at any time during the CIRP if a resolution plan is approved under Section 31(1) of IBC or an order for liquidation of the Company is passed under Section 33 of IBC, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be. CIRP is ongoing and ultimately a resolution plan needs to be presented to and approved by the CoC and further approved by the NCLT. Pending the consummation of the said process under CIRP, the financial statements have been prepared on a going concern basis.
52. The Company has issued Credit Notes amounting to Rs. 6844.75 lakhs during the year ended 31st March, 2019 towards disruption of services/deficient provision of services during the period 1st October, 2016 to 31st December, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 6844.75 lakhs and the related Service Tax/Goods and Services Tax ('GST')/Entertainment Tax liability with Rs. 1205.76 lakhs and credited 'Trade Receivables' with Rs. 8050.51 lakhs.
53. As per the IBC, the RP has to receive, collate and admit all the claims submitted by the operational and financial creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. To the extent the process for submission and reconciliation of claims remains an on-going process, no accounting impact in the books of accounts has been made in respect of excess, short or non-receipts of claims for operational and financial creditors.
54. The carrying value of Property, Plant and Equipment ('PPE'), Capital work-in-progress ('CWIP'), Goodwill and Stores and Spares as at 31st March, 2019 is Rs. 33,497.28 Lakhs, Rs. 2,201.28 Lakhs, Rs. 244.35 Lakhs and Rs. 59.61 Lakhs, respectively. As explained in Note No. 1.2, the Company is under CIRP and the RP is required to invite submission of resolution plans from potential resolution applicants, which shall be put up for necessary approvals before the CoC and the NCLT. The CIRP is not yet concluded and hence, the final outcome is yet to be ascertained. Hence, the Company has not made any assessment of impairment as required by Ind AS 36 on Impairment of Assets, if any, as at 31st March 2019 in the value of PPE, CWIP, Goodwill and Stores and Spares.

Ortel Communications Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2019

55. Previous year/period figures have been regrouped/rearranged, wherever considered necessary, to make them comparable with those of current year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Anand Kumar Jhunjhunwala
Partner
Membership No.056613
Place: Kolkata
Date: 16th August, 2019

Bibhu Prasad Rath
President & CEO

For and on behalf of Ortel Communications Limited

Bibhu Bhusan Dash
CFO & Company Secretary

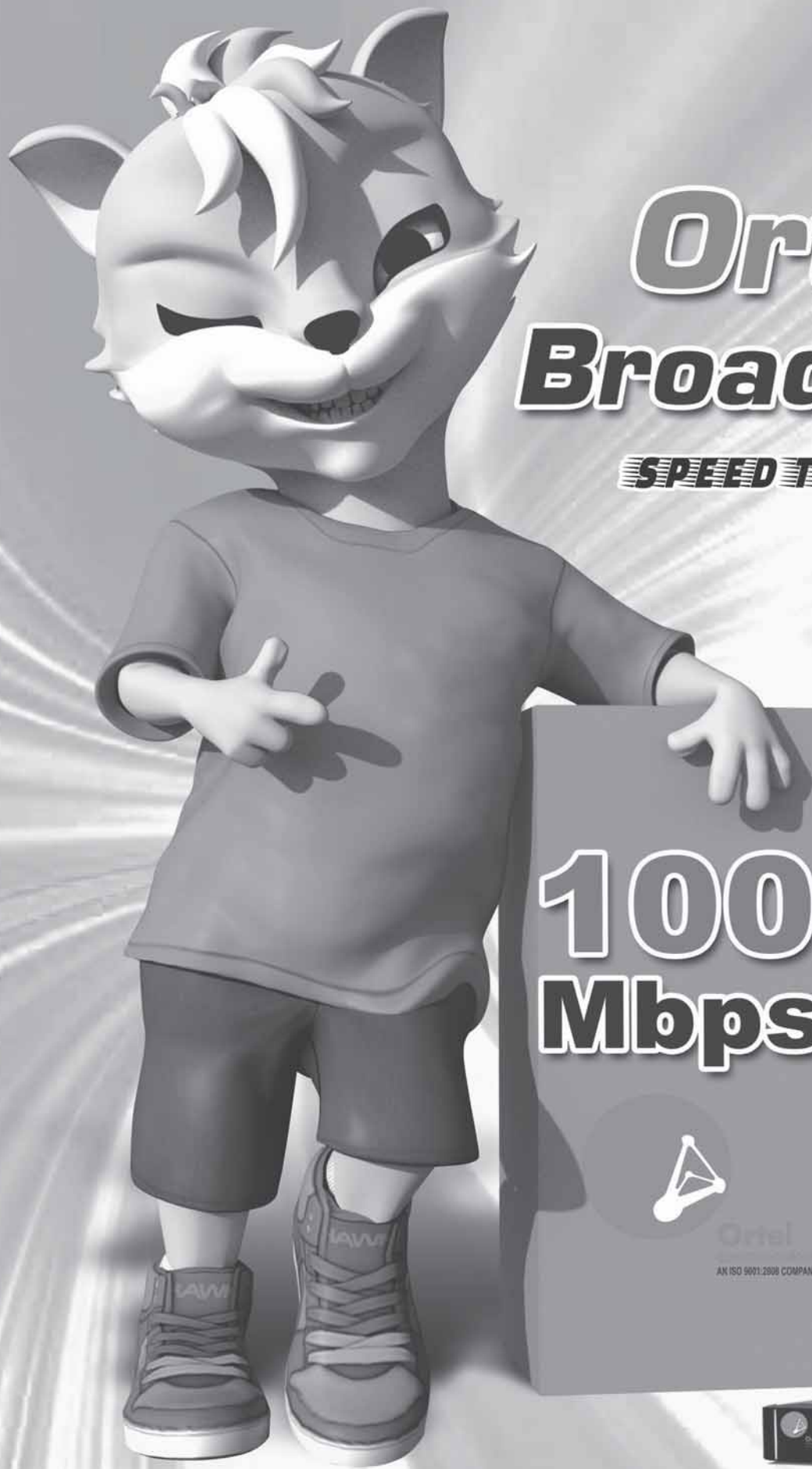
Taken on record
Srigopal Choudhary
Resolution Professional

Glossary:

<u>Abbreviation</u>	<u>Full Form</u>	<u>Abbreviation</u>	<u>Full Form</u>
Rs./ INR	Indian Rupees.	HFC	Hybrid Fibre Coaxial.
ADR	American Depository Receipt	HHTs	Hand Held Terminals.
AGM	Annual General Meeting.	HITS	Headend-in-the-sky.
ARPU	Average Revenue Per User per month.	HUF	Hindu Undivided Family.
B2B	Business to Business.	ICAI	Institute of Chartered Accountants in India.
B2C	Business to Consumer.	IPO	Initial Public Offer.
BSE	BSE Limited.	IPTV	Internet Protocol Television.
CAGR	Compound annual growth rate	IRD	Integrated Receiver cum Decoder.
CDSL	Central Depository Services (India) Limited.	ISIN	International Security Identification Number
CEO	Chief Executive Officer.	ISP	Internet Service Provider
CFO	Chief Financial Officer.	IT	Information Technology
CIN	Corporate Identity Number.	KMP	Key Managerial Personnel
CSR	Corporate Social Responsibility	LCOs	Local Cable Operators.
DAS	Digital Addressable Systems	M&E	Media and Entertainment.
Demat	Dematerialization	Mbps	Mega bytes per second.
DIN	Directors Identification Number.	MEN	Metro Ethernet Network.
DoT	The Department of Telecommunications.	MSOs	Multi System Operators.
DOCSIS	Data Over Cable Service Interface Specification	NED	Non-Executive Director
DSNG	Digital Satellite News Gathering.	NOC	Network operating centre.
DTH	Direct-to-home.	NRC	Nomination & Remuneration Committee
DVR	Digital Video Recorder.	NSDL	National Securities Depository Limited.
EAT	Earnings After Tax.	NSE	National Stock Exchange of India Limited.
EBDTA	Earnings before Depreciation, Tax and Amortisation	NVoD	Near Video on Demand.
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortisation	OFC	Optic Fibre Cable network.
EBT	Earnings Before Tax.	RGUs	Revenue Generating Units.
EoC	Ethernet over Cable	QMS	Quality management system.
EPS	Earning Per Share.	SD	Standard Definition
ESI	Employee State Insurance	SEBI	The Securities and Exchange Board of India
ESOP	Employee Stock Option Plan	STB	Set-top box.
FTTH	Fiber To The Home	TRAI	The Telecom Regulatory Authority of India
GDR	Global Depository Receipt	VoiP	Voice over Internet Protocol.
HD	High Definition.	VPN	Virtual Private Network

Notes

Notes



Ortel Broadband

SPEED THAT THRILLS

**100
Mbps**



Ortel

AN ISO 9001:2008 COMPANY





Ortel
communications
AN ISO 9001: 2008 COMPANY



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Website: www.ortelcom.com CIN: L74899DL1995PLC069353



Ortel Communications Ltd.

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Bringing Convergence to India

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CIN: L74899DL1995PLC069353

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with
Annual Audited Financial Results
Standalone**

Statement on Impact of Audit Qualifications for the Financial Year ended 31 st March, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Lakhs*
	1.	Total income	11476.08	11476.08
	2.	Total Expense (including tax expense)	16598.67	17665.81
	3.	Net Profit/(Loss)	(5122.59)	(6189.73)
	4.	Earnings Per Share -Basic -Diluted	(15.70) (15.70)	(18.97) (18.97)
	5.	Total Assets	44454.74	44454.74
	6.	Total Liabilities	46496.20	47563.34
	7.	Net Worth	(2041.46)	(3108.60)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
* Refer comment given by Management in Item No. II (d) hereinbelow.				
Audit Qualification (each audit qualification separately):				
II.	a.	Details of Audit Qualification: Refer Annexure-A		
	b.	Type of Audit Qualification : Disclaimer of Opinion		
	c.	Frequency of qualification: First time.		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		

[Signature]

[Signature]



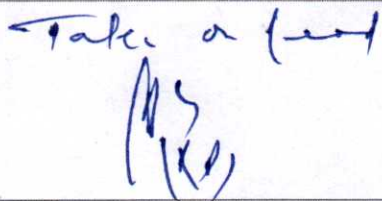
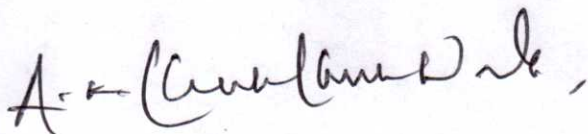
- The Statutory Auditor has quantified the impact of the audit qualification stated in point no (j) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 16th August, 2019 on the standalone financial statements of the Company. The said audit qualification is reproduced in SI No. 1(j) of Annexure-A. Refer comment given by Management in SI No. 1(j) under 'Management's view' of Annexure- A in this regards.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification:** As per the management, there is no impact of the audit qualifications, stated in point no (b),(c),(d),(e),(f),(g),(h),(i),(k),(l),(m) and (n) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 16th August,2019, on the profit, net worth, total assets, total income, earning per share, total expenditure, total liabilities or any other financial items of the audited financial statements. The said audit qualifications are reproduced in SI No. 1(b),(c),(d),(e),(f),(g),(h),(i),(k),(l),(m) and (n) of Annexure-A. Refer comment given by the management in SI No. 1(b),(c),(d),(e),(f),(g),(h),(i),(k),(l),(m) and (n) under 'Management's view' of Annexure- A in this regards.

(ii) **If management is unable to estimate the impact, reasons for the same:** As per the management, for audit qualification stated in point no (a) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 16th August,2019, the management is unable to estimate the impact, if any, on the profit, net worth, total assets, total income, earning per share, total expenditure, total liabilities or any other financial items of the audited financial statements . The said observation are reproduced in SI No. 1(a) of Annexure-A. Reasons for not being able to estimate the impact has been given by the management in SI No. 1(a) under 'Management's view' of Annexure- A.

(iii) **Auditors' Comments on (i) or (ii) above:** Refer Annexure -A

III.	Signatories:	
	Chief Financial Officer & Company Secretary: Mr. Bidu Bhusan Dash	 
	Resolution Professional: Mr. Srigopal Choudhary	
	Statutory Auditor: For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.: 103523W/ W100048 Anand Kumar Jhunjunwala Partner Membership No.: 056613	
	Place : Kolkata	
	Date : 16 th August,2019	

Annexure- A


Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
1.	<p>Basis for Disclaimer of Opinion</p> <p>a) As informed to us by the management, the Company has issued Credit Notes amounting to Rs 6844.75 lakhs during the year ended 31st March, 2019 towards disruption of services/deficient provision of services during the period 1st October, 2016 to 31st December, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 6844.75 lakhs and the related Service Tax/Goods and Services Tax ('GST')/Entertainment tax liability with Rs. 1205.76 lakhs and credited 'Trade Receivables' with Rs. 8050.51 lakhs. However, the Company has not provided to us sufficient appropriate audit evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 6844.75 lakhs, the internal auditor's/any other external expert's vetting regarding the due processes and checks and balances having been followed etc. Hence, we are unable to comment on the issuance of such credit notes by the Company and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>b) The Company has not provided to us for our verification GST Returns relating to the year ended 31st March, 2019 and reconciliation of such Returns with the books of accounts, along with other related documents, if any. Hence, it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>c) As per the relevant GST Act/Rules, where the recipient of goods/services fails to pay to the suppliers of goods or services or both (other than the supplies on which tax is payable on reverse charge basis) the amount towards the value of</p>	<p>a) <u>Management's View</u> It relates to various dynamism which will be known in the due course.</p> <p><u>Auditor's Comment on Management's View</u> We are unable to understand as to what exactly the management means to say by way of its aforesaid view.</p> <p>b) <u>Management's View</u> Management do not believe there is any material financial impact of the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u> Before verifying GST Returns and the reconciliation thereof with books of accounts, it would be premature to comment on the possible financial impact, if any.</p> <p>c) <u>Management's View</u> Management do not believe there is any material financial impact of the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u></p>

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Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>supply along with the tax payable thereon, within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.</p> <p>As at 31st March, 2019, the Company has material amount of outstanding payables in respect of supplies of goods and services, which, as informed to us by the management, includes dues for a period of more than 180 days from the date of issue of invoices by the relevant suppliers. However, the Company has not added to its GST output tax liability any amount towards the input tax credit availed by it in respect of such invoices raised by the relevant suppliers, together with the applicable interest. Since the Company has not provided to us the relevant details of supplies in respect of which the amount payable by the Company is due for a period of more than 180 days, it is not practicable to quantify the financial effects of the same on the standalone financial statements.</p> <p>d) The Company was having an outstanding loan of Rs. 9630.54 lakhs from a Non-Banking Financial Company ('NBFC') as at 30th June, 2018. Subsequently, during July, 2018, the Company has accounted for a new loan of Rs. 9630.54 lakhs from the same NBFC against which the actual funds received by the Company from the NBFC was Rs. 1700 lakhs (used to pay off a part of the old loan) and the balance of old loan amounting to Rs. 7930.54 lakhs (i.e. Rs. 9630.54 lakhs – Rs. 1700 lakhs) was adjusted by the Company against the new loan by way of a book entry. No confirmation or any other relevant document in this regard from the NBFC, evidencing the aforesaid 'adjustment' of old loan against the new loan, has been provided to us by the Company. In absence of such a confirmation/relevant document, we are not in a position to comment on the aforesaid unilateral adjustment of loan accounted for by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>e) We observed from the Company's bank statement that during the year ended 31st March, 2019, the Company received Rs. 4000 lakhs from the NBFC referred to in (d) above in one instance and the</p>	<p>Before verifying the relevant details in this regard, it would be premature to comment on the possible financial impact, if any.</p> <p>d) <u>Management's View</u> Management do not believe there is any financial impact on the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>In absence of corroborative audit evidence regarding the old loan getting squared off by the new loan, it is difficult to reach a conclusion whether there can be any possible financial impact.</p> <p>e) <u>Management's View</u> Management do not believe there is any</p>



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Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>amount went back to the NBFC on the same date. No accounting entry was passed in the Company's books of accounts in this respect. However, neither the transaction has been explained to us nor any relevant documents/details in this regard have been provided by the Company. Hence, we are unable to comment on the said transaction and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>f) The Company took a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited ('OBL') in July, 2018 and subsequently transferred the aforesaid loan to the credit of the NBFC referred to in (d) above by way of an accounting entry in its books of accounts. As informed to us by the management, based on an understanding between the Company, OBL and the NBFC, the aforesaid loan amount along with outstanding interest needs to be repaid by the Company to the NBFC and not to OBL. No confirmation or any other relevant documents from OBL or the NBFC has been provided to us for our verification, based on which the loan amount along with outstanding interest stands transferred as aforesaid. In absence of such a confirmation/relevant documents, we are not in a position to comment on the aforesaid accounting entry made by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>g) As mentioned in Note no. 57 to the standalone financial statements, no impairment assessment of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares in carrying values as at 31st March 2019 has been made by the Company. Therefore, we are unable to comment on the consequential impairment, if any, that is required to be made in the carrying value of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares.</p> <p>h) In respect of Company's borrowings from banks and financial institutions aggregating to Rs. 17524.90 lakhs and bank balances (current account and term deposits) aggregating Rs 59.41 lakhs, independent balance confirmations as at 31st March 2019 have not been received.</p>	<p>financial impact on the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Prima facie, it may seem that there is no financial impact but looking at the materiality of the amount involved, it is very much desirable that the Company knows for sure as to why such a material "contra entry" has appeared in its bank statement, especially when it involves one of its existing lenders.</p> <p>f) <u>Management's View</u> Management do not believe there is any financial impact on the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Prima facie, it may seem that there is no financial impact but detailed and complete documentation is required to arrive at a definitive conclusion.</p> <p>g) <u>Management's View</u> Management do not believe there is any impairment on all these assets.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>We cannot comment on the management's belief as aforesaid unless there is an independent impairment assessment done by an expert.</p> <p>h) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p>


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Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>i) As a part of Corporate Insolvency Resolution Process ("CIRP"), creditors were called upon to submit their claims. The process of submitting claims is still going on and it is also under reconciliations with amounts as appearing in the books of accounts. Pending reconciliations and final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements. (refer Note No. 56 to the standalone financial statements.)</p> <p>j) Attention is drawn to Note No. 52 to the standalone financial statements, regarding non-recognition of interest amounting to Rs. 1067.14 lakhs, subsequent to Insolvency Commencement Date i.e. 27th November, 2018, on borrowing from banks and financial institutions and on non-convertible, redeemable cumulative preference shares, which is not in compliance with the requirements of Ind AS - 23 on "Borrowing Costs" read with Ind AS - 109 on "Financial Instruments". Had the aforesaid interest expense been recognised, finance costs, total expenses and loss for the year would have been higher by the said amount having consequential impact on other current financial liabilities and other equity.</p> <p>k) We have been informed by the Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, it is not practicable to comment on the possible financial effects on the standalone financial statements, including on</p>	<p>Receipt of independent balance confirmations is an integral audit process and provides irrefutable audit evidence. Thus, prima facie, management's views as above may be correct but as auditors we would like to derive the comfort of independent balance confirmations.</p> <p>i) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>The essence of an independent audit report is to provide a true and fair view on the financial statements. Hence, we feel that the true and fair view may be somewhat vitiated if the amounts of various liabilities as appearing in the financial statements are materially different from the actual amounts claimed/claimable and admitted or likely to be admitted, under the Corporate Insolvency Resolution Process. Our objective behind the audit qualification is to make the reader aware that we are not in a position to comment on the true and fair view regarding the liabilities appearing in the financial statements due to the ongoing CIRP.</p> <p>j) <u>Management's View</u> Quantified by the auditor.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Nothing further to comment</p> <p>k) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Cannot comment definitively until one goes through the relevant information/minutes.</p>

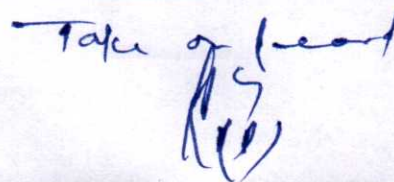
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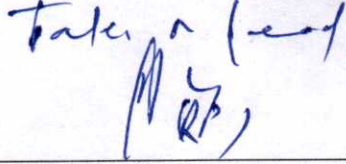
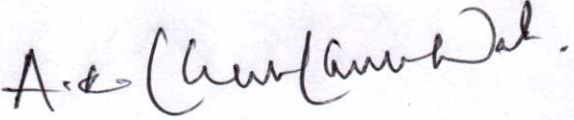


Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>presentation and disclosures, if any, that may have arisen if we had been provided access to those information.</p> <p>l) The Company has given advances for supplies/services and the amount outstanding thereagainst as at 31st March, 2019 was Rs. 1927.51 lakhs. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid advances viz. ageing analysis and the basis on which the same will be adjusted etc. Hence, we are unable to comment on the aforesaid advances and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>m) As at 31st March, 2019, the Company is having liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses' amounting to Rs. 6933.23 lakhs and Rs. 3450.64 lakhs respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid liabilities viz. ageing analysis, and the basis on which the aforesaid liabilities will be settled etc. Hence, we are unable to comment on the balances appearing under the aforesaid liabilities and it is not practicable to quantify the financial effects of the same, if any, on the standalone financial statements.</p> <p>n) The Company is having a non-current investment of Rs 211.28 lakhs in equity shares of Odisha Television Limited as at 31st March, 2019. In the absence of the fair valuation of the said investments as at 31st March, 2019, we are unable to comment on the remeasurement gain/loss, if any, on the said investment.</p> <p>Disclaimer of Opinion</p> <p>We were engaged to audit the accompanying standalone financial statements of Ortel Communications Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.</p>	<p>l) <u>Management's View</u> Management do not believe there is any material financial impact.</p> <p><u>Auditor's Comment on Management's View</u> Cannot comment definitively until one goes through the relevant information/details.</p> <p>m) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u> Cannot comment definitively until one goes through the relevant information/details.</p> <p>n) <u>Management's View</u> Management do not believe there is any material financial impact.</p> <p><u>Auditor's Comment on Management's View</u> We cannot comment on the management's belief as aforesaid unless there is an independent fair valuation done by an expert.</p>





Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.	

<u>Signatories:</u>	
Chief Financial Officer & Company Secretary: Mr. Bidu Bhusan Dash	 
Resolution Professional: Mr. Srigopal Choudhary	
Statutory Auditor: For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.: 103523W/ W100048 Anand Kumar Jhunjhunwala Partner Membership No.: 056613	
Place : Kolkata Date : 16 th August, 2019	



Ortel Communications Ltd.

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email - nodal@ortelgroup.com
CIN: L74899DL1995PLC069353

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended 31 st March, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Lakhs*
	1.	Total income	11476.08	11476.08
	2.	Total Expense (including tax expense)	16598.92	17666.06
	3.	Net Profit/(Loss)	(5122.84)	(6189.98)
	4.	Earnings Per Share		
		-Basic	(15.70)	(18.97)
		-Diluted	(15.70)	(18.97)
	5.	Total Assets	44454.45	44454.45
	6.	Total Liabilities	46496.49	47563.63
	7.	Net Worth	(2042.04)	(3109.18)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
* Refer comment given by Management in Item No .II (d) hereinbelow.				
<u>Audit Qualification (each audit qualification separately):</u>				
II.	a.	Details of Audit Qualification: Refer Annexure-A		
	b.	Type of Audit Qualification : Disclaimer of Opinion		
	c.	Frequency of qualification: First time.		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		
		- The Statutory Auditor has quantified the impact of the audit qualification stated in point no (j) of the		

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'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 16th August, 2019 on the consolidated financial statements of the Company. The said audit qualification is reproduced in SI No. 1(j) of Annexure-A. Refer comment given by Management in SI No. 1(j) under 'Management's view' of Annexure- A in this regards.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** As per the management, there is no impact of the audit qualifications, stated in point no (b),(c),(d),(e),(f),(g),(h),(i),(k),(l),(m) and (n) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 16th August,2019, on the profit, net worth, total assets, total income, earning per share, total expenditure, total liabilities or any other financial items of the audited financial statements. The said audit qualifications are reproduced in SI No. 1(b),(c),(d),(e),(f),(g),(h),(i),(k),(l),(m) and (n) of Annexure-A. Refer comment given by the management in SI No. 1(b),(c),(d),(e),(f),(g),(h),(i),(k),(l),(m) and (n) under 'Management's view' of Annexure- A in this regards.

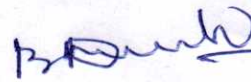
(ii) **If management is unable to estimate the impact, reasons for the same:** As per the management, for audit qualification stated in point no (a) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 16th August,2019, the management is unable to estimate the impact, if any, on the profit, net worth, total assets, total income, earning per share, total expenditure, total liabilities or any other financial items of the audited financial statements . The said observation are reproduced in SI No. 1(a) of Annexure-A. Reasons for not being able to estimate the impact has been given by the management in SI No. 1(a) under 'Management's view' of Annexure- A.

(iii) **Auditors' Comments on (i) or (ii) above:** Refer Annexure -A

III. Signatories:

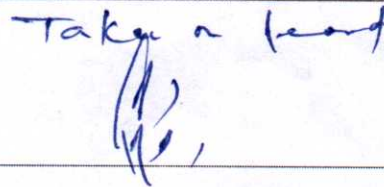
Chief Financial Officer & Company Secretary:

Mr. Bidu Bhusan Dash




Resolution Professional:

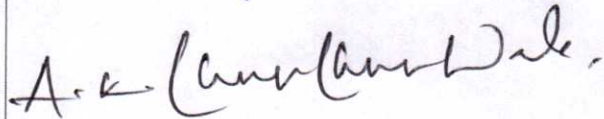
Mr. Srigopal Choudhary



Statutory Auditor:

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W/ W100048

Anand Kumar Jhunjunwala
Partner
Membership No.: 056613



Place : Kolkata

Date : 16th August,2019

Annexure- A

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
1.	<p>Basis for Disclaimer of Opinion</p> <p>a) As informed to us by the management, the Company has issued Credit Notes amounting to Rs 6844.75 lakhs during the year ended 31st March, 2019 towards disruption of services/ deficient provision of services during the period 1st October, 2016 to 31st December, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 6844.75 lakhs and the related Service Tax/Goods and Services Tax ('GST')/Entertainment tax liability with Rs. 1205.76 lakhs and credited 'Trade Receivables' with Rs. 8050.51 lakhs. However, the Company has not provided to us sufficient appropriate audit evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 6844.75 lakhs, the internal auditor's/any other external expert's vetting regarding the due processes and checks and balances having been followed etc. Hence, we are unable to comment on the issuance of such credit notes by the Company and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>b) The Company has not provided to us for our verification GST Returns relating to the year ended 31st March, 2019 and reconciliation of such Returns with the books of accounts, along with other related documents, if any. Hence, it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>c) As per the relevant GST Act/Rules, where the recipient of goods/services fails to pay to the suppliers of goods or services or both (other than the supplies on which tax is payable on reverse charge basis) the amount towards the value of</p>	<p>a) <u>Management's View</u> It relates to various dynamism which will be known in the due course.</p> <p><u>Auditor's Comment on Management's View</u> We are unable to understand as to what exactly the management means to say by way of its aforesaid view.</p> <p>b) <u>Management's View</u> Management do not believe there is any material financial impact of the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u> Before verifying GST Returns and the reconciliation thereof with books of accounts, it would be premature to comment on the possible financial impact, if any.</p> <p>c) <u>Management's View</u> Management do not believe there is any material financial impact of the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u> Before verifying the relevant details in this regard, it would be premature to comment on the possible financial impact, if any.</p>



Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>supply along with the tax payable thereon, within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.</p> <p>As at 31st March, 2019, the Company has material amount of outstanding payables in respect of supplies of goods and services, which, as informed to us by the management, includes dues for a period of more than 180 days from the date of issue of invoices by the relevant suppliers. However, the Company has not added to its GST output tax liability any amount towards the input tax credit availed by it in respect of such invoices raised by the relevant suppliers, together with the applicable interest. Since the Company has not provided to us the relevant details of supplies in respect of which the amount payable by the Company is due for a period of more than 180 days, it is not practicable to quantify the financial effects of the same on the consolidated financial statements.</p> <p>d) The Company was having an outstanding loan of Rs. 9630.54 lakhs from a Non-Banking Financial Company ('NBFC') as at 30th June, 2018. Subsequently, during July, 2018, the Company has accounted for a new loan of Rs. 9630.54 lakhs from the same NBFC against which the actual funds received by the Company from the NBFC was Rs. 1700 lakhs (used to pay off a part of the old loan) and the balance of old loan amounting to Rs. 7930.54 lakhs (i.e. Rs. 9630.54 lakhs – Rs. 1700 lakhs) was adjusted by the Company against the new loan by way of a book entry. No confirmation or any other relevant document in this regard from the NBFC, evidencing the aforesaid 'adjustment' of old loan against the new loan, has been provided to us by the Company. In absence of such a confirmation/relevant document, we are not in a position to comment on the aforesaid unilateral adjustment of loan accounted for by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>e) We observed from the Company's bank statement</p>	<p>d) <u>Management's View</u> Management do not believe there is any financial impact on the audit qualification.</p> <p><u>Auditor's Comment on Management's View</u> In absence of corroborative audit evidence regarding the old loan getting squared off by the new loan, it is difficult to reach a conclusion whether there can be any possible financial impact.</p> <p>e) <u>Management's View</u></p>

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Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>that during the year ended 31st March, 2019, the Company received Rs. 4000 lakhs from the NBFC referred to in (d) above in one instance and the amount went back to the NBFC on the same date. No accounting entry was passed in the Company's books of accounts in this respect. However, neither the transaction has been explained to us nor any relevant documents/details in this regard have been provided by the Company. Hence, we are unable to comment on the said transaction and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>f) The Company took a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited ('OBL') in July, 2018 and subsequently transferred the aforesaid loan to the credit of the NBFC referred to in (d) above by way of an accounting entry in its books of accounts. As informed to us by the management, based on an understanding between the Company, OBL and the NBFC, the aforesaid loan amount along with outstanding interest needs to be repaid by the Company to the NBFC and not to OBL. No confirmation or any other relevant documents from OBL or the NBFC has been provided to us for our verification, based on which the loan amount along with outstanding interest stands transferred as aforesaid. In absence of such a confirmation/relevant documents, we are not in a position to comment on the aforesaid accounting entry made by the Company in its books of accounts and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>g) As mentioned in Note no. 54 to the consolidated financial statements, no impairment assessment of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares in carrying values as at 31st March 2019 has been made by the Company. Therefore, we are unable to comment on the consequential impairment, if any, that is required to be made in the carrying value of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares.</p> <p>h) In respect of Company's borrowings from banks and financial institutions aggregating to Rs. 17524.90 lakhs and bank balances (current account and term deposits) aggregating Rs 59.41 lakhs, independent balance confirmations as at 31st March 2019 have not been received.</p>	<p>Management do not believe there is any financial impact on the audit qualification. <u>Auditor's Comment on Management's View</u></p> <p>Prima facie, it may seem that there is no financial impact but looking at the materiality of the amount involved, it is very much desirable that the Company knows for sure as to why such a material "contra entry" has appeared in its bank statement, especially when it involves one of its existing lenders.</p> <p>f) <u>Management's View</u> Management do not believe there is any financial impact on the audit qualification. <u>Auditor's Comment on Management's View</u></p> <p>Prima facie, it may seem that there is no financial impact but detailed and complete documentation is required to arrive at a definitive conclusion.</p> <p>g) <u>Management's View</u> Management do not believe there is any impairment on all these assets. <u>Auditor's Comment on Management's View</u></p> <p>We cannot comment on the management's belief as aforesaid unless there is an independent impairment assessment done by an expert.</p> <p>h) <u>Management's View</u> Management do not believe there is any financial impact. <u>Auditor's Comment on Management's View</u></p>

B. D. Srinivas

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(K)

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>i) As a part of Corporate Insolvency Resolution Process ('CIRP'), creditors were called upon to submit their claims. The process of submitting claims is still going on and it is also under reconciliations with amounts as appearing in the books of accounts. Pending reconciliations and final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements. (refer Note No. 53 to the consolidated financial statements).</p> <p>j) Attention is drawn to Note No. 49 to the consolidated financial statements, regarding non-recognition of interest amounting to Rs. 1067.14 lakhs, subsequent to Insolvency Commencement Date i.e. 27th November, 2018, on borrowing from banks and financial institutions and on non-convertible, redeemable cumulative preference shares, which is not in compliance with the requirements of Ind AS - 23 on "Borrowing Costs" read with Ind AS - 109 on "Financial Instruments". Had the aforesaid interest expense been recognised, finance costs, total expenses and loss for the year would have been higher by the said amount having consequential impact on other current financial liabilities and other equity.</p> <p>k) We have been informed by the Resolution Professional that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, it is not practicable to</p>	<p>Receipt of independent balance confirmations is an integral audit process and provides irrefutable audit evidence. Thus, prima facie, management's views as above may be correct but as auditors we would like to derive the comfort of independent balance confirmations.</p> <p>i) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>The essence of an independent audit report is to provide a true and fair view on the financial statements. Hence, we feel that the true and fair view may be somewhat vitiated if the amounts of various liabilities as appearing in the financial statements are materially different from the actual amounts claimed/claimable and admitted or likely to be admitted, under the Corporate Insolvency Resolution Process. Our objective behind the audit qualification is to make the reader aware that we are not in a position to comment on the true and fair view regarding the liabilities appearing in the financial statements due to the ongoing CIRP.</p> <p>j) <u>Management's View</u> Quantified by the auditor.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Nothing further to comment</p> <p>k) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p>

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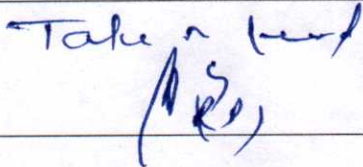
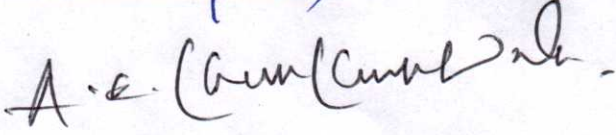
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Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>comment on the possible financial effects on the consolidated financial statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to those information.</p> <p>l) The Company has given advances for supplies/services and the amount outstanding thereagainst as at 31st March, 2019 was Rs. 1927.51 lakhs. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid advances viz. ageing analysis and the basis on which the same will be adjusted etc. Hence, we are unable to comment on the aforesaid advances and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>m) As at 31st March, 2019, the Company is having liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses' amounting to Rs. 6933.23 lakhs and Rs. 3450.64 lakhs respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid liabilities viz. ageing analysis, and the basis on which the aforesaid liabilities will be settled etc. Hence, we are unable to comment on the balances appearing under the aforesaid liabilities and it is not practicable to quantify the financial effects of the same, if any, on the consolidated financial statements.</p> <p>n) The Company is having a non-current investment of Rs 211.28 lakhs in equity shares of Odisha Television Limited as at 31st March, 2019. In the absence of the fair valuation of the said investments as at 31st March, 2019, we are unable to comment on the remeasurement gain/loss, if any, on the said investment.</p> <p>Disclaimer of Opinion</p> <p>We were engaged to audit the accompanying consolidated financial statements of Ortel Communications Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss</p>	<p>Cannot comment definitively until one goes through the relevant information/minutes.</p> <p>l) <u>Management's View</u> Management do not believe there is any material financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Cannot comment definitively until one goes through the relevant information/details.</p> <p>m) <u>Management's View</u> Management do not believe there is any financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>Cannot comment definitively until one goes through the relevant information/details.</p> <p>n) <u>Management's View</u> Management do not believe there is any material financial impact.</p> <p><u>Auditor's Comment on Management's View</u></p> <p>We cannot comment on the management's belief as aforesaid unless there is an independent fair valuation done by an expert.</p>

B. Prasad

Take a look
(10)

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>(including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.</p> <p>We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.</p>	

<u>Signatories:</u>	
Chief Financial Officer & Company Secretary: Mr. Bidu Bhusan Dash	 
Resolution Professional: Mr. Srigopal Choudhary	
Statutory Auditor: For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.: 103523W/ W100048 Anand Kumar Jhunjunwala Partner Membership No.: 056613	
Place : Kolkata Date : 16 th August, 2019	