



Ortel Communications Ltd.

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Bringing Convergence to India

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CIN: L74899DL1995PLC069353

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

February 14, 2019

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra
(E), Mumbai-400051
Scrip- ORTEL

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Scrip code-539015

SUBJECT: OUTCOME OF THE MEETING OF THE COMPANY HELD ON 14TH FEBRUARY, 2019 FOR APPROVAL OF QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018 OF FY 2018-19

Dear Sir/Madam;

The Company at its meeting held on today, Thursday, 14th February, 2019 discussed and approved inter alia, the following items along with other agenda items:

1. The unaudited financial results of the Company for the quarter and nine months ended 31st December, 2018 of FY 2018-19 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

This is for your information and record.

Thanking You,
For Ortel Communications Ltd.



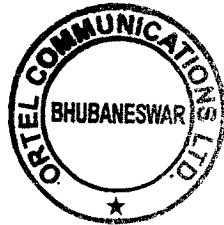
Bidu Bhusan Dash
Company Secretary & Compliance Officer

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

Ortel Communications Limited
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110029
Corporate Office: C-1, BDA Colony, Chandrasekharpur, Bhubaneswar, Odisha - 751016

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018

Particulars	(Rs. in Lakhs)					
	Quarter ended			Nine Months Ended		Year ended
	31-Dec-18 (Unaudited)	30-Sep-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Mar-18 (Audited)
1. Income						
(a) Revenue from Operations	2,541.72	3,156.13	4,670.61	8,832.83	14,416.67	18,403.56
(b) Other Income	59.77	72.58	130.86	167.94	231.38	209.74
Total Income	2,601.49	3,228.71	4,801.47	9,000.77	14,648.05	18,613.30
2. Expenses						
(a) Programming Cost	869.77	910.56	1,118.07	2,877.80	3,382.52	4,525.56
(b) Bandwidth Cost	275.91	326.77	493.12	962.14	1,366.88	1,802.81
(c) Employee Benefits Expense	317.76	463.38	522.67	1,320.44	1,575.55	2,080.25
(d) Finance Costs	813.31	679.84	719.19	2,180.74	2,153.25	2,918.85
(e) Depreciation and Amortisation Expense	711.62	718.97	696.81	2,137.31	2,022.52	2,710.02
(f) Property, Plant and Equipment written off	68.25	97.48	103.63	270.23	271.78	412.02
(g) Other Expenses	813.21	1,794.16	1,496.41	3,725.16	4,427.38	5,813.75
Total Expenses	3,869.83	4,991.16	5,149.90	13,473.82	15,199.88	20,263.26
3. Profit/(Loss) before exceptional items and tax (1-2)	(1,268.34)	(1,762.45)	(348.43)	(4,473.05)	(551.83)	(1,649.96)
4. Exceptional Items - (Income)/Expense (net)	-	-	307.95	(94.03)	964.93	7,883.13
5. Profit/(Loss) before tax (3-4)	(1,268.34)	(1,762.45)	(656.38)	(4,379.02)	(1,516.76)	(9,533.09)
6. Tax Expense						
- Current Tax	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-
7. Profit/(Loss) after tax (5-6)	(1,268.34)	(1,762.45)	(656.38)	(4,379.02)	(1,516.76)	(9,533.09)
8. Other Comprehensive Income / (Expense)						
- Items that will not be reclassified to profit or loss	1.98	112.37	2.68	165.99	11.92	78.61
9. Total Comprehensive Income / (Expense) after tax (7+8)	(1,266.36)	(1,650.08)	(653.70)	(4,213.03)	(1,504.84)	(9,454.48)
10. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	3,297.69	3,297.69	3,047.69	3,297.69	3,047.69	3,047.69
11. Other Equity excluding Revaluation Reserves						(982.70)
12. Earnings per share - Basic & Diluted (in Rs.) (* Not annualised)	*(3.90)	*(5.46)	*(2.16)	*(13.06)	*(4.98)	(31.29)



SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a) Cable TV	2,035.38	2,567.06	3,734.47	6,992.27	11,402.87	14,540.64
b) Broadband	207.14	331.21	521.45	961.02	1,824.70	2,316.21
c) Infrastructure Leasing	218.16	176.82	275.19	633.06	899.15	1,172.36
d) Others	81.04	81.04	139.50	246.48	289.95	374.35
Net Income from Operations	2,541.72	3,156.13	4,670.61	8,832.83	14,416.67	18,403.56
2. Segment Results						
a) Cable TV	265.63	602.90	1,306.36	1,778.10	4,080.43	(1,553.69)
b) Broadband	6.11	31.79	110.68	117.11	524.94	313.20
c) Infrastructure Leasing	185.93	148.19	245.76	544.49	764.45	891.61
d) Others	16.79	16.80	26.89	53.91	85.07	81.18
Total	474.46	799.68	1,689.69	2,493.61	5,454.89	(267.70)
Less: i) Finance Costs	813.31	679.84	719.19	2,180.74	2,153.25	2,918.85
ii) Other Un-allocable Expenditure net of Un-allocable Income	929.49	1,882.29	1,626.88	4,691.89	4,818.40	6,346.54
Total Profit/(Loss) Before Tax	(1,268.34)	(1,762.45)	(656.38)	(4,379.02)	(1,516.76)	(9,533.09)
3. Segment Assets						
a) Cable TV	17,037.85	17,483.66	22,838.66	17,037.85	22,838.66	16,331.65
b) Broadband	2,192.11	2,240.90	2,693.22	2,192.11	2,693.22	2,282.78
c) Infrastructure Leasing	1,942.70	1,956.64	2,218.16	1,942.70	2,218.16	1,993.90
d) Others	204.70	213.84	240.74	204.70	240.74	231.96
e) Unallocated	24,899.88	26,003.58	25,727.29	24,899.88	25,727.29	26,257.28
Total Segment Assets	46,277.24	47,898.62	53,718.07	46,277.24	53,718.07	47,097.57
4. Segment Liabilities						
a) Cable TV	10,588.97	11,574.31	10,098.54	10,588.97	10,098.54	10,006.23
b) Broadband	1,147.66	971.95	1,026.49	1,147.66	1,026.49	899.77
c) Infrastructure Leasing	648.46	723.03	1,158.85	648.46	1,158.85	948.34
d) Others	50.89	4.31	50.89	50.89	50.89	-
e) Unallocated	35,114.31	34,631.69	31,366.18	35,114.31	31,366.18	33,178.24
Total Segment Liabilities	47,550.29	47,905.29	43,700.95	47,550.29	43,700.95	45,032.58



NOTES:

- 1 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. Srīgopal 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. A part of these results 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 the results, the RP has relied upon the results prepared, checked and confirmed by Key Managerial Personnel of the Company (Ms. Jagi Mangat Panda, Managing Director, Mr. Bibhu Prasad Rath, CEO and Mr. Satyanarayan Jena, CFO) and the representations and statements made by them with respect to the financial accounts, records and the results. It is clarified, however, that, the RP has not conducted an independent verification of the results, in so far as it pertains to the period prior to commencement of CIRP. The RP has approved the results 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 17 of the IBC.
- 2 The Segment information has been prepared in line with the review of operating results by the Chief Operating Decision Maker ("CODM"), as per Ind AS 108 "Operating Segments". Accordingly, the Company's entire operations relate to three broad operating segments viz. (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing (IFL) and it operates in the domestic market only.
- 3 During the year ended 31st March, 2018, the Company had made provision for doubtful receivables amounting to Rs. 3063.76 lakhs in respect of both retail and non-retail customers, as considered necessary, based on the management's best estimate. Thereafter, the Company identified customers who had suffered disruption of services/deficient provision of services during the period 1st July, 2017 to 30th September, 2018 and during the quarter ended 31st December, 2018, the Company issued further Credit Notes amounting to Rs. 1445.05 lakhs to such customers. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 1445.05 lakhs and the related Goods and Services Tax ('GST') liability with Rs. 260.11 lakhs and credited 'Trade Receivables' with Rs. 1705.16 lakhs.
- 4 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. 4379.02 lakhs for the nine months ended 31st December, 2018 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 results have been prepared on a going concern basis. Certain crucial aspects of the Company's plans in this regard are as follows:-
 - a) Restructuring/reorganising the loss making locations to eliminate recurring operating losses.
 - b) Drastic reduction in overhead expenditure
 - c) Reduction in manpower cost by outsourcing certain functions
 - d) Introduction of new sales schemes to increase net growth in the customer base of existing locations
 - e) 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 has recently started 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 results have been prepared on a going concern basis.
- 5 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. 36.11 lakhs. Due to this, loss for the quarter and nine months ended 31st December, 2018 is higher by Rs. 36.11 lakhs. The said income from channel carriage fees would be considered as revenue of the period in which it is properly recognised.
- 6 The Company's auditors had issued a modified Limited Review Report for the quarter and half year ended 30th September, 2018 by stating therein, inter alia, the following qualifications :-
 - (i) "As informed to us by the management, the Company has issued Credit Notes amounting to Rs. 1419.72 lakhs during the quarter ended 30th September, 2018 towards disruption of services/deficient provision of services during the period 1st July, 2017 to 30th April, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 1419.72 lakhs and the related Goods and Services Tax ('GST') liability with Rs. 255.55 lakhs and credited 'Trade Receivables' with Rs. 1675.27 lakhs. However, we have been unable to obtain sufficient appropriate evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 1419.72 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 the impact of the same, if any, on the Statement cannot be ascertained."
 - (ii) "The Company has not provided to us for our verification GST Returns for the quarter and six months ended 30th September, 2018 and reconciliation of such Returns with the books of accounts, along with the related documents, if any. Hence, the impact of the same, if any, on the Statement is not ascertainable."



(iii) "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 30th September, 2018, the Company has material amount of outstanding payables in respect of supplies of goods and services, which 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 provided to us the relevant details of suppliers for whom the amount payable is due for a period of more than 180 days and has not added to its GST output tax liability any amount towards the input tax credit availed by it in respect of the invoices raised by such suppliers, together with the applicable interest. The impact of the same, if any, on the Statement cannot be ascertained."

(iv) "The Company was having an outstanding loan of Rs. 9630.54 lakhs from an NBFC as at 30th June, 2018. During the quarter ended 30th September, 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 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 from the NBFC has been provided to us for our verification, which evidences the fact that part of the new loan amounting to Rs. 7930.54 lakhs is adjustable towards extinguishment of the old loan by way of a book entry. 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 the impact of the same, if any, on the Statement is not ascertainable."

(v) "The Company has taken a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited, during the quarter ended 30th September, 2018 and provided interest of Rs. 36.72 lakhs @ 14.50% p.a. upto the said date, thereby reflecting a total outstanding of Rs. 1096.72 lakhs against the said loan as at that date. However, relevant loan agreement/documents evidencing the terms and conditions w.r.t the said loan were not provided to us for our verification and thus the impact of the same, if any, on the Statement cannot be ascertained."

The qualifications as aforesaid in Note No. 6(i),(ii),(iii) and (iv) subsists in their Limited Review Report dated 14th February, 2019 for the quarter and nine months ended 31st December, 2018 and the Company is in the process of collating and providing the necessary evidences/ documents/ details/ explanations etc. as required by the Company's auditors.

The qualification as aforesaid in Note No. 6(v) has been resolved during the quarter ended 31st December, 2018 as the relevant loan agreement was provided to the Company's auditors.

- 7 As per the IBC, the RP has to receive, collate and admit all the claims submitted by the 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. The RP is in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the IBC. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the aforesaid results.
- 8 Previous years/periods' figures have been rearranged/regrouped/reclassified, wherever considered necessary, to make them comparable with those of current year/period.

Place: Bhubaneswar
Date: 14th February, 2019



For and on behalf of Ortel Communications Limited


Mangat Panda
Managing Director
DIN - 00304690


Satya Narayan Jena
Chief Financial Officer

LIMITED REVIEW REPORT

**Review Report to
Resolution Professional
Ortel Communications Limited**

1. The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, admitted a petition for initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') filed by one of the operational creditors of Ortel Communications Limited ("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 7th 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 Board of Directors and as explained to us, the power of adoption of the Statement of Standalone Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2018 ('the Statement'), vests with the RP.
2. We have reviewed the Statement, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated 30th November, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This Statement, which is the responsibility of the Company's Management and approved by the RP (refer Note No. 1 to the Statement), has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4.
 - (a) (i) We had qualified our conclusion on the Company's financial results for the quarter and half year ended 30th September, 2018 by stating, inter alia, the following in the Limited Review Report: "As informed to us by the management, the Company has issued Credit Notes



amounting to Rs. 1419.72 lakhs during the quarter ended 30th September, 2018 towards disruption of services/deficient provision of services during the period 1st July, 2017 to 30th April, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 1419.72 lakhs and the related Goods and Services Tax ('GST') liability with Rs. 255.55 lakhs and credited 'Trade Receivables' with Rs. 1675.27 lakhs. However, we have been unable to obtain sufficient appropriate evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 1419.72 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 the impact of the same, if any, on the Statement cannot be ascertained".

Since we have not yet been provided with sufficient appropriate evidence with regard to the aforesaid matter, the impact of the same, if any, on the Statement cannot be ascertained.

(ii) As informed to us by the management, the Company has issued further Credit Notes amounting to Rs. 1445.05 lakhs during the quarter ended 31st December, 2018 towards disruption of services/deficient provision of services during the period 1st July, 2017 to 30th September, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 1445.05 lakhs and the related Goods and Services Tax ('GST') liability with Rs. 260.11 lakhs and credited 'Trade Receivables' with Rs. 1705.16 lakhs. However, we have been unable to obtain sufficient appropriate evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 1445.05 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 the impact of the same, if any, on the Statement cannot be ascertained.

- (b) The Company has not provided to us for our verification GST Returns relating to the quarter and nine months ended 31st December, 2018 and reconciliation of such Returns with the books of accounts, along with the related documents, if any. Hence, the impact of the same, if any, on the Statement is not ascertainable.

Our Limited Review Report for the quarter and six months ended 30th September, 2018 was similarly qualified in this regard.

- (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 December, 2018, the Company has material amount of outstanding payables in respect of supplies of goods and services, which 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 provided to us the relevant details of suppliers for whom the amount payable is due for a period of more than 180 days and has not added to its GST output tax liability any amount towards the input tax credit availed by it in respect of the invoices raised by such suppliers, together with the applicable interest. The impact of the same, if any, on the Statement cannot be ascertained.

Our Limited Review Report for the quarter and six months ended 30th September, 2018 was similarly qualified in this regard.

Our conclusion is qualified in respect of the matters stated in paragraphs 4 (a), (b) and (c) above.

5. We had qualified our conclusion on the Company's financial results for the quarter and half year ended 30th September, 2018 by stating, inter alia, the following in the Limited Review report: "The Company was having an outstanding loan of Rs. 9630.54 lakhs from an NBFC as at 30th June, 2018. During the quarter ended 30th September, 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 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 from the NBFC has been provided to us for our verification, which evidences the fact that part of the new loan amounting to Rs. 7930.54 lakhs is adjustable towards extinguishment of the old loan by way of a book entry. 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 the impact of the same, if any, on the Statement is not ascertainable."

Since no confirmation/relevant documents/details has yet been provided to us for our verification/review, with regard to the aforesaid matter, the impact of the same, if any, on the Statement cannot be ascertained and our conclusion is qualified in respect of the matter as stated above.

6.

- (a) During the quarter ended 31st December, 2018, the Company has received Rs. 4000 lakhs from an existing financial creditor ('FC') and the amount was repaid back to the FC on the same date on which the amount was received. However, the transaction has not been explained to us and the Company has not provided to us the relevant documents/details in this regard.

Hence, we are unable to comment on the said transaction and the impact of the same, if any, on the Statement cannot be ascertained.



- (b) The Company had taken a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited ('OBL'), during the quarter ended 30th September, 2018. During the quarter ended 31st December, 2018, the Company has passed an accounting entry in the books of accounts to transfer the aforesaid loan along with the outstanding interest to the credit of FC. As informed to us by the management, based on the understanding between the Company, OBL and FC, the aforesaid loan amount along with outstanding interest/future interest needs to be repaid by the Company to the FC and not to OBL. No confirmation or any other relevant document from OBL or FC has been provided to us for our verification, based on which the loan amount payable 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 the impact of the same, if any, on the Statement is not ascertainable.

Our conclusion is qualified in respect of the matters stated in paragraphs 6 (a) and (b) above.

7. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraphs 4, 5 and 6 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated 30th November, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed or that it contains any material misstatement.

8. We draw attention to the following notes to the Statement :-

- (a) Note No. 5 relating to non-recognition of income from channel carriage fees.
- (b) Note No. 7 in respect of various claims submitted/to be submitted by the creditors of the Company to the IRP/ RP pursuant to the IBC. Pending verification and admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement.

Our conclusion is not modified in respect of the aforesaid matters.

Material Uncertainty Related to Going Concern

9. We draw attention to Note No.4 to the Statement 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



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and discharge its liabilities in the normal course of business. However, the Statement has been prepared on a going concern basis for the reasons stated in the said Note.

Our conclusion is not modified in respect of the aforesaid matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Anand Kumar Jhunjunwala

Partner

Membership No.: 056613

Kolkata

14th February, 2019

