



# 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

November 13, 2020

To,  
The Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G  
Bandra Kurla Complex  
Bandra (E), Mumbai-400 051  
**Scrip code-ORTEL**

The Deputy General Manager  
(Corporate Services)  
**BSE Limited**  
Floor-25, Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai- 400 001  
**Scrip code-539015**

Dear Sir/Madam;

**Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2020**

This is in continuation to our intimation dated 06 November 2020, u/r 29 of LODR regarding declaration of results on 13<sup>th</sup> November, 2020.

In terms of Regulation 30, 33 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations), we are submitting herewith Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2020 and Limited Review Report of Statutory Auditors M/s K. Prasad & Co., Chartered Accountants, Kolkata. Kindly take the results on record.

The Stock Exchanges is aware that Ortel Communications Limited is under Corporate Insolvency Resolution Process and the NCLT has also declared a moratorium for the Corporate Debtor (Ortel) as per Section 14 of IBC, 2016 on the Insolvency Commencement date till the CIRP process is over. During the CIRP, Resolution Plans was received by the Resolution Professional and the Resolution Plans was placed before the CoC for approval and the approved Resolution Plan was filed with the Hon'ble NCLT, New Delhi on 26<sup>th</sup> August, 2019 for approval under Section 31 of the Code. The application filed by the Resolution Professional for approval of Resolution Plan is currently pending adjudication before the Adjudicating Authority. In terms of Section 25 of the Code, the Company is continuing to operate as a going concern. Where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.

As the Company is under CIRP, the powers of the Board of Directors continue to remain suspended and are vested with the RP and Company's affairs, business and assets are being managed by the RP. The results are also being published in the newspapers and placed on Company's website [www.ortelcom.com](http://www.ortelcom.com).

Thanking You,  
For Ortel Communications Limited (under CIRP)

**Bidu Bhusan Dash**  
CFO & Company Secretary



Issued with the approval of Mr. Srigopal Choudhary ("RP"), Registration No.IBBI/PA-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 01<sup>st</sup> February, 2019 under the provisions of the Code)

Encl.: As Above.

Registered Office : B-7/122A, Safdarjung Enclave, New Delhi-110029, India, Tel. 011-46868800/46868803, Fax : 011-46868801

## Ortel Communications Limited (Under CIRP)

CIN: L74899DL1995PLC069353

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

Corporate Office: C-1, BDA Colony, Chandrasekharpur, Bhubaneswar, Odisha - 751016

## PART-I: STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

Particulars	(Rs. in Crores)					
	Quarter ended			Half Year ended		Year ended
	30-Sep-20 (Unaudited)	30-Jun-20 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-20 (Unaudited)	30-Sep-19 (Unaudited)	31-Mar-20 (Audited)
<b>1. Income</b>						
(a) Revenue from Operations	18.79	18.18	22.93	36.97	44.23	87.17
(b) Other Income	(0.10)	1.47	1.09	1.37	1.80	2.16
<b>Total Income</b>	<b>18.69</b>	<b>19.65</b>	<b>24.02</b>	<b>38.34</b>	<b>46.03</b>	<b>89.33</b>
<b>2. Expenses</b>						
(a) Programming Cost	5.52	5.66	7.12	11.18	13.96	26.15
(b) Bandwidth Cost	2.29	2.31	2.35	4.60	4.47	9.07
(c) Employee Benefits Expense	2.77	2.78	3.04	5.55	5.93	12.11
(d) Finance Costs	0.00	0.00	0.00	0.00	0.00	0.00
(e) Depreciation and Amortisation Expense	6.46	6.43	6.56	12.90	13.09	26.17
(f) Property, Plant and Equipment written off	0.19	0.34	0.67	0.53	2.40	2.87
(g) Other Expenses	6.31	4.59	12.78	10.89	25.66	47.81
<b>Total Expenses</b>	<b>23.54</b>	<b>22.11</b>	<b>32.53</b>	<b>45.65</b>	<b>65.51</b>	<b>124.18</b>
<b>3. Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.85)</b>
<b>4. Exceptional Items - (Income)/Expense (net)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.85)</b>
<b>6. Tax Expense</b>						
- Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
- Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00
<b>7. Profit/(Loss) after tax (5-6)</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.85)</b>
<b>8. Other Comprehensive Income / (Expense)</b>						
- Items that will not be reclassified to profit or loss	0.01	0.00	(0.03)	0.01	(0.07)	0.02
<b>9. Total Comprehensive Income / (Expense) after tax (7+8)</b>	<b>(4.84)</b>	<b>(2.46)</b>	<b>(8.54)</b>	<b>(7.30)</b>	<b>(19.55)</b>	<b>(34.84)</b>
<b>10. Profit/(Loss) attributable to:</b>						
(a) Owners of the Company	(4.85)	(2.46)	(8.51)	(7.31)	(19.48)	(34.85)
(b) Non-controlling Interest	0.00	0.00	0.00	0.00	0.00	0.00
<b>11. Other Comprehensive Income / (Expense) attributable to:</b>						
(a) Owners of the Company	0.01	-	(0.03)	0.01	(0.07)	0.02
(b) Non-controlling Interest	-	-	-	-	-	-
<b>12. Total Comprehensive Income / (Expense) after tax attributable to (10+11) :</b>						
(a) Owners of the Company	(4.84)	(2.46)	(8.54)	(7.30)	(19.55)	(34.84)
(b) Non-controlling Interest	0.00	0.00	0.00	0.00	0.00	0.00
<b>13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)</b>	<b>32.98</b>	<b>32.98</b>	<b>32.98</b>	<b>32.98</b>	<b>32.98</b>	<b>32.98</b>
<b>14. Other Equity excluding Revaluation Reserves</b>	<b>(95.53)</b>	<b>(90.69)</b>	<b>(72.94)</b>	<b>(95.53)</b>	<b>(73.58)</b>	<b>(88.23)</b>
<b>15. Earnings per share - Basic &amp; Diluted (in Rs.)</b>	<b>*(1.47)</b>	<b>*(0.75)</b>	<b>*(5.46)</b>	<b>*(2.58)</b>	<b>*(5.91)</b>	<b>*(10.57)</b>

(\* Not annualised)

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## STATEMENTS OF ASSETS AND LIABILITIES AS AT 30.09.2020

(Rs. in Crores)

Particulars	As at 30-Sep-20	As at 31-Mar-20
	(UnAudited)	(Audited)
<b>A ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, Plant and Equipment	305.87	318.01
(b) Capital Work-in-Progress	13.75	14.55
(c) Goodwill	2.44	244
(d) Other Intangible Assets	6.76	10.37
(e) Investment in Subsidiary	0.01	0.01
(f) Financial Assets		
(i) Investments	2.11	2.11
(ii) Loans	2.19	2.31
(iii) Other Financial Assets	0.02	0.02
(g) Other Non-Current Assets	3.59	3.72
(h) Non-Current Tax Assets (Net)	7.11	10.08
<b>Total Non-Current Assets</b>	<b>343.86</b>	<b>363.62</b>
<b>2. Current Assets</b>		
(a) Inventories	0.43	0.38
(b) Financial Assets		
(i) Trade Receivables	15.87	14.77
(ii) Cash and Cash Equivalents	5.90	3.88
(iii) Other Bank Balances	-	-
(iv) Loans	0.56	0.43
(v) Other Financial Assets	0.00	0.00
(c) Other Current Assets	20.76	20.45
<b>Total Current Assets</b>	<b>43.52</b>	<b>39.90</b>
<b>Total Assets</b>	<b>387.38</b>	<b>403.53</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity Share Capital	32.98	32.98
(b) Other Equity	(95.53)	(88.23)
(c) Non Controlling Interest	-	-
<b>Total Equity</b>	<b>(62.55)</b>	<b>(55.25)</b>
<b>2. Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	141.99	141.99
(ii) Other Financial Liabilities	0.11	9.05
(b) Provisions	0.35	0.35
(c) Other Non-Current Liabilities	2.83	2.77
<b>Total Non-Current Liabilities</b>	<b>145.28</b>	<b>154.16</b>
<b>3. Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	33.32	33.32
(ii) Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	41.50	41.75
(iii) Other Financial Liabilities	205.65	201.27
(b) Other Current Liabilities	24.06	28.24
(c) Provisions	0.13	0.03
<b>Total Current Liabilities</b>	<b>304.66</b>	<b>304.62</b>
<b>Total Equity and Liabilities</b>	<b>387.38</b>	<b>403.53</b>

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**Statement of Cash Flows**

(Rs. in Crores)

Particulars	Period ended 30 Sep, 2020	Period ended 30 Sep, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(7.31)	(19.48)
Adjustments for:		
Depreciation and Amortisation Expense	16.20	13.09
Effect of amortisation of income & expenses (net)	(3.30)	-
Provision for doubtful receivables	(2.83)	9.24
Exceptional items	-	-
Property, Plant and Equipment written off	0.53	2.40
Unrealised foreign exchange (gain)/loss	0.98	0.25
Interest Income	(0.00)	(0.15)
Finance Costs	-	-
Bad Debts written off	0.02	0.33
Employee Stock Option Expenses	-	-
Liabilities no longer required written back	-	(0.27)
<b>Operating Profit before Working Capital Changes</b>	<b>4.28</b>	<b>5.42</b>
Adjustments for:		
Trade Payables	(0.25)	5.51
Provisions	0.09	0.09
Other Liabilities	(4.94)	(4.07)
Financial Liabilities	(0.01)	(3.19)
Trade Receivables	1.71	(8.90)
Inventories	(0.05)	0.17
Loans and Advances	(0.32)	-
Other Assets	0.12	0.68
<b>Cash Generated from Operations</b>	<b>0.63</b>	<b>(4.29)</b>
Direct Taxes paid	2.97	-
<b>Net Cash Generated from Operating Activities</b>	<b>3.61</b>	<b>(4.29)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	1.94	(4.65)
Purchase of Investments	-	-
Sale of Non Compete Fees	-	5.30
Investment in Fixed Deposits	-	6.86
Payment for Non Compete Fee to Local Cable Operators	(3.52)	(0.89)
Interest received	-	0.15
<b>Net Cash Used in Investing Activities</b>	<b>(1.58)</b>	<b>6.77</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares (net)	-	-
Share Issue Expenses	-	-
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	-	-
Proceeds from short term borrowings (net)	-	-
Finance cost paid	-	-
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>2.02</b>	<b>2.49</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>3.88</b>	<b>4.13</b>
<b>Cash and Cash Equivalents at the end of the year (refer Note No. 12)</b>	<b>5.90</b>	<b>6.62</b>
<b>Notes:</b>		
<b>1. Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and Cash Equivalents at the end of the year comprises of:		
Cash on hand	0.33	0.79
Cheques on hand	-	0.00
Balance with Banks:		
- In Current Accounts	5.57	5.82
- Fixed Deposits	-	-
Bank Overdraft	-	-
<b>Total</b>	<b>5.90</b>	<b>6.62</b>

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## PART II : SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	Quarter ended			Half Year ended		Year Ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>						
a) Cable TV	13.00	13.86	17.44	26.86	34.24	66.42
b) Broadband	2.59	1.06	1.41	3.65	2.87	5.31
c) Infrastructure Leasing	1.38	1.61	2.20	2.99	4.42	8.17
d) Others	1.82	1.68	1.89	3.50	2.70	7.44
<b>Net Income from Operations</b>	<b>18.79</b>	<b>18.21</b>	<b>22.93</b>	<b>37.00</b>	<b>44.23</b>	<b>87.35</b>
<b>2. Segment Results</b>						
a) Cable TV	2.42	3.55	(0.01)	5.97	(0.92)	2.67
b) Broadband	1.12	(0.01)	(0.90)	1.11	(0.78)	(0.66)
c) Infrastructure Leasing	1.11	1.35	1.96	2.46	3.55	6.53
d) Others	0.97	0.87	1.28	1.84	1.47	3.88
<b>Total</b>	<b>5.62</b>	<b>5.76</b>	<b>2.33</b>	<b>11.38</b>	<b>3.31</b>	<b>12.41</b>
Less: i) Finance Costs	-	-	-	-	-	0.00
ii) Other Un-allocable Expenditure net of Un-allocable Income	10.47	8.22	10.83	18.69	22.79	47.27
<b>Total Profit/(Loss) Before Tax</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.85)</b>
<b>3. Segment Assets</b>						
a) Cable TV	(6.36)	274.30	144.01	267.93	144.01	279.52
b) Broadband	4.17	19.20	24.58	23.36	24.58	19.72
c) Infrastructure Leasing	0.32	18.09	17.97	18.41	17.97	18.71
d) Others	3.31	2.64	1.80	5.94	1.80	2.21
e) Unallocated	(12.30)	84.04	235.00	71.74	235.00	83.37
<b>Total Segment Assets</b>	<b>(10.88)</b>	<b>398.26</b>	<b>423.36</b>	<b>387.38</b>	<b>423.36</b>	<b>403.53</b>
<b>4. Segment Liabilities</b>						
a) Cable TV	(2.48)	77.25	104.41	74.77	104.41	78.47
b) Broadband	(0.57)	6.94	10.23	6.37	10.23	6.27
c) Infrastructure Leasing	(0.35)	1.10	3.29	0.75	3.29	1.66
d) Others	(0.13)	0.13	0.01	-	0.01	0.11
e) Unallocated	(2.52)	370.56	345.37	368.04	345.37	372.26
<b>Total Segment Liabilities</b>	<b>(6.04)</b>	<b>455.98</b>	<b>463.31</b>	<b>449.93</b>	<b>463.31</b>	<b>458.78</b>

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## 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/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. IBBI/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").

As per the Corporate Insolvency Resolution Process (CIRP), resolution plans ("Resolution Plan") was received by the Resolution Professional and the Resolution Plan was placed before the CoC for approval and the approved Resolution Plan was filed with the Hon'ble NCLT, New Delhi on 26th August, 2019 for approval under Section 31 of the Code. The application filed by the Resolution Professional for approval of Resolution Plan is currently pending adjudication before the Adjudicating Authority. In terms of Section 25 of the Code, the Company is continuing to operate as a going concern. Where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be. These financial statements pertain to a period post the CIRP and all operations were being undertaken under the supervision of RP and management of the Company. As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, these unaudited financial results were placed before the RP by the CEO, GM (F&A), DGM (F&A) and CFO & Company Secretary of the Company in the meeting held 13th November, 2020 for their consideration. Accordingly, the unaudited financial results for the quarter and half yearly ended 30.09.2020 were discussed and approved in the meeting. 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 23 of the IBC and the same have been signed by Mr. Bidu Bhusan Dash, CFO & Company Secretary of the Company confirming completeness of results. These financial results have thereafter been taken on record by the RP on Friday, November 13th, 2020 for filing with the stock exchanges. The above results (standalone & consolidated) results have been reviewed by the management of the Company, Statutory Auditors and subsequently approved/taken on record by the Resolution Professional of the Company in meeting held on 13th November, 2020.

2. The Statutory Auditors of the Company have issued a 'Disclaimer of Opinion' on the financial statements (standalone and consolidated) of the Company for the quarter and half year ended 30th September, 2020.
3. 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 four broad operating segments viz. (i) Cable TV (ii) Broadband Service (iii) Infrastructure Leasing (IFL) (iv) Others and it operates in the domestic market only (refer PART II).

Other income includes:

- (i) Receipt of insurance claim of Rs NIL crores and Rs. 0.3349 crores for the quarter and half year ended 30th September, 2020 respectively.
- (ii) Rs.0.0366 crores for the quarter and half year ended 30th September, 2020 towards for Other Miscellaneous Income.

4. There is strain on the working capital and operations of the Company and it is undergoing financial stress. It has incurred a net loss of Rs. (7.302) Crores during the quarter and half year ended 30th September, 2020 as compared to Rs.(19.476) Crores quarter and half year ended 30th September, 2019. The net worth of the Company is fully eroded since last quarter. CIRP was initiated in respect of the Company w.e.f 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.

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. Pending the consummation of the said process under CIRP, the results have been prepared on a going concern basis.

- 5 5. 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. 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 quarter and half year ended 30th November, 2020 would have been higher and having consequential impact on other current financial liability and other equity.
- 6 6. The qualifications as mentioned in respective Notes have not yet been resolved and form part of the 'Basis for Disclaimer of Opinion' in their Independent Auditor's Reports dated 31st July, 2020 for the year ended 31st March, 2020 on the standalone & consolidated financial statements. The Company is in the process of collating and providing the necessary evidences/documents/ details/explanations etc. as required by the Company's auditors.
- 7 7. 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 Hon'ble NCLT. 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.
- 8 8. Previous years / period's figures have been rearranged / regrouped / reclassified, wherever considered necessary, to make them comparable with those of current year / period

For and on behalf of Ortel Communications Limited

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**Bidu Bhusan Dash**  
**Chief Financial Officer &**  
**Company Secretary**

Taken on hand  
Loudly

**Srigopal Choudhary**  
**Resolution Professional**  
**IP Registration No. IBB/PA-001/IP-**  
**P01238/2018-2019/11893**

Place: Kolkata

Date: 13th Nov, 2020

# K. PRASAD & COMPANY

CHARTERED ACCOUNTANTS

24, R. N. MUKHERJEE ROAD, KOLKATA-700 001

PH : (033) 2248-0268, 2248-4654, 2248-6667, Email : kr12@kprasad.in, Website : www.kprasad.in

## LIMITED REVIEW REPORT

**Review Report to  
The Resolution Professional  
ORTEL COMMUNICATIONS LIMITED (Under CIRP)**

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 27<sup>th</sup> November, 2018 and in accordance with the provisions of IBC. In view of pendency of the CIRP and suspension of powers of Board of Directors as explained to us, the power of adoption of the Statement of Standalone Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2020 (the Statement), vests with the Resolution Professional.
2. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **ORTEL COMMUNICATIONS LIMITED** ("the Company") for the quarter and half year ended 30<sup>th</sup> September, 2020 ("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 30<sup>th</sup> November, 2015 and Circular No. CIB/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This statement, which is the responsibility of the Company's Management and approved by the Resolution Professional in its meeting held on 13<sup>th</sup> November, 2020, 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 of Unaudited Standalone Financial Results 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 inquire 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. As explained by the Management, the Company recognizes Revenue on 2<sup>nd</sup> of every month in advance – as a consistence practice. Subsequently, at the end of the month, Management reviews situation for cases where the Company could not provide its services due to technical / other reasons to its subscribers and issue credit notes for such amounts. Such credit notes are duly booked and charged to Standalone Profit & Loss Account. Accordingly, there would be no corresponding cash inflow for such credit notes issued by the Company. Hence Revenue from operation of Rs.3,697.08 lakhs as reported in Statement of Unaudited Standalone Profit & Loss Accounts for the period ended September, 2020 is on gross basis (P/P Rs. 4,423.19 Lakhs). However, Revenue from Operations net-off Credit Notes Rs. 524.03 Lakhs (P/P Rs. 453.59 Lakhs) as reported, stands Rs.3,173.05 Lakhs (P/P Rs. 3,969.60 lakhs). The documentation and approval procedure for Credit Notes need to be improved.
5. Inventory figure of Rs. 42.94 lakhs as reported in Statement of Unaudited Standalone Balance sheet as on 30<sup>th</sup> September, 2020 (P/P : Rs. 42.78 lakhs) include items of Rs. 10.36 lakhs which are more than one year old as per data provide by the Management. As per practice, inventories are physically verified by internal staff of Stores Department and once in a year by internal auditor. However we have been explained by the Management that due to the current pandemic situation no physical verification could be conducted during the period from April to September, 2020. We have received a certificate from Management that all items which are more than one year, can be put to use as and when required. Accordingly, no provision has been made for the quarter and half year ending September, 2020 for items which are slow and non-moving. The position would be re-assessed for next quarter and necessary effects would be given in books of accounts as required.
6. We are yet to receive a plan from Management for physical verification of cash, inventory and property, plant & equipment for the FY 2020-21. This plan needs to be finalized keeping in mind the current pandemic situation.
7. The Company has reported Rs. 244.35 lakhs as Goodwill in Statement of Unaudited Standalone Balance Sheet as at 30<sup>th</sup> September, 2020 which was created on earlier years at the time of acquisition of Local Cable Operators (LCOs). Thereafter, no post calculation of such acquisition has been conducted by management based on actual / revised cash flow projections and existing business situation / revised assumptions and no impairment has been done. Hence, we are unable to comment on the carrying value of Goodwill as reported in Unaudited Standalone Balance Sheet as at 30<sup>th</sup> September, 2020.



8. Finance Costs has not been provided for in Statement of Standalone Unaudited Financial Results for the quarter and half year ending 30<sup>th</sup> September, 2020. This treatment of not providing Finance Costs is based on the Moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016, when the Corporate Resolution Process has been initiated against the companies, the relief of moratorium to book any interest expenses on existing loan. Had provision for interest being recognised, finance cost, total expenses and loss for the quarter ended 30<sup>th</sup> September, 2020 would have increased, the extent of which have not been assessed by the company.
9. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraphs 4 to 8 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 recognized 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 30<sup>th</sup> November, 2015 and Circular No. CIR / CFD / FAC / 62 / 2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed or that it contains any material misstatement.

**Material Uncertainty Related to Going Concern :**

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. 7.30 Crores during the quarter and half year ended 30<sup>th</sup> September, 2020 and as of the date the net worth of the company is fully eroded. CIRP was initiated in respect of the company wef 27<sup>th</sup> November, 2018. The company has material obligation towards borrowings, employee benefit expenses (both past & present) 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 debt servicing obligation regarding financial creditors. However the company has assessed that considering its plan to deal with the aforesaid events or conditions, the use of 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:

- 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 sale schemes to increase net growth in the customer base of existing location;



Pending the consummation of the said process under CIRP, the unaudited Standalone financial statements have been prepared on a going concern basis for quarter and half year ending 30<sup>th</sup> September, 2020.

For K. PRASAD & CO.  
CHARTERED ACCOUNTANTS

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(SANTANU DAS)  
Membership No. F 053226  
Firm Registration No. 303062E

Place: Kolkata

Date: The 13<sup>th</sup> day of November, 2020.

UDIN: 20053226AAAABE9072

Ortel Communications Limited (Under CIRP)

CIN: L74899DL1995PLC069353

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

Corporate Office: C-1, BDA Colony, Chandrasekharpur, Bhubaneswar, Odisha - 751016

PART-I: STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

(Rs. in Crores)

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a) Revenue from Operations	18.79	18.18	22.93	36.97	44.23	87.17
(b) Other Income	(0.10)	1.47	1.09	1.37	1.80	2.16
<b>Total Income</b>	<b>18.69</b>	<b>19.65</b>	<b>24.02</b>	<b>38.34</b>	<b>46.03</b>	<b>89.33</b>
<b>2. Expenses</b>						
(a) Programming Cost	5.52	5.66	7.12	11.18	13.96	26.15
(b) Bandwidth Cost	2.29	2.31	2.35	4.60	4.47	9.07
(c) Employee Benefits Expense	2.77	2.78	3.04	5.55	5.93	12.11
(d) Finance Costs	-	0.00	0.00	0.00	-	-
(e) Depreciation and Amortisation Expense	6.46	6.43	6.56	12.90	13.09	26.17
(f) Property, Plant and Equipment written off	0.19	0.34	0.67	0.53	2.40	2.87
(g) Other Expenses	6.31	4.59	12.78	10.90	25.66	47.81
<b>Total Expenses</b>	<b>23.54</b>	<b>22.11</b>	<b>32.53</b>	<b>45.65</b>	<b>65.51</b>	<b>124.19</b>
<b>3. Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.86)</b>
<b>4. Exceptional Items - (Income)/Expense (net)</b>	-	-	-	-	-	-
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.86)</b>
<b>6. Tax Expense</b>						
- Current Tax	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-
<b>7. Profit/(Loss) after tax (5-6)</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.86)</b>
<b>8. Other Comprehensive Income / (Expense)</b>						
- Items that will not be reclassified to profit or loss	0.01	-	(0.03)	0.01	(0.07)	0.02
<b>9. Total Comprehensive Income / (Expense) after tax (7+8)</b>	<b>(4.84)</b>	<b>(2.46)</b>	<b>(8.54)</b>	<b>(7.30)</b>	<b>(19.55)</b>	<b>(34.84)</b>
<b>10. Profit/(Loss) attributable to:</b>						
(a) Owners of the Company	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.51)</b>	<b>(7.31)</b>	<b>(19.48)</b>	<b>(34.86)</b>
(b) Non-controlling Interest	-	-	-	-	-	-
<b>11. Other Comprehensive Income / (Expense) attributable to:</b>						
(a) Owners of the Company	0.01	-	(0.03)	0.01	(0.07)	0.02
(b) Non-controlling Interest	-	-	-	-	-	-
<b>12. Total Comprehensive Income / (Expense) after tax attributable to (10+11) :</b>						
(a) Owners of the Company	<b>(4.84)</b>	<b>(2.46)</b>	<b>(8.54)</b>	<b>(7.30)</b>	<b>(19.55)</b>	<b>(34.84)</b>
(b) Non-controlling Interest	-	-	-	-	-	-
13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	32.98	32.99	32.99	32.99	32.99	32.98
14. Other Equity excluding Revaluation Reserves	(95.53)	(90.69)	(72.94)	(95.54)	(73.58)	(88.23)
<b>15. Earnings per share - Basic &amp; Diluted (in Rs.)</b>	<b>*(1.47)</b>	<b>*(0.75)</b>	<b>*(5.46)</b>	<b>*(2.58)</b>	<b>*(5.91)</b>	<b>*(10.57)</b>

(\* Not annualised)

SANTANU DAS

Chartered Accountant (Firm Reg. No. 124578/2010)  
Firm: M/S. SANTANU DAS & CO., Chartered Accountants  
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## Statement of Cash Flows

(Rs. in Crores)

Particulars	Period ended 30 Sep, 2020	Period ended 30 Sep, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	(7.31)	(19.48)
Adjustments for:		
Depreciation and Amortisation Expense	16.20	13.09
Effect of amortisation of income & expenses (net)	(3.30)	-
Provision for doubtful receivables	(2.83)	9.24
Credit Note		
Exceptional items	-	-
Property, Plant and Equipment written off	0.53	2.40
Unrealised foreign exchange (gain)/loss	0.98	0.25
Interest Income	(0.00)	(0.15)
Finance Costs	-	-
Bad Debts written off	0.02	0.33
Employee Stock Option Expenses	-	-
Liabilities no longer required written back	-	(0.27)
<b>Operating Profit before Working Capital Changes</b>	<b>4.28</b>	<b>5.42</b>
Adjustments for:		
Trade Payables	(0.25)	5.51
Provisions	0.09	0.09
Other Liabilities	(4.94)	(4.07)
Financial Liabilities	(0.01)	(3.19)
Trade Receivables	1.71	(8.90)
Inventories	(0.05)	0.17
Loans and Advances	(0.32)	-
Other Assets	0.12	0.68
<b>Cash Generated from Operations</b>	<b>0.63</b>	<b>(4.27)</b>
Direct Taxes paid	2.97	-
<b>Net Cash Generated from Operating Activities</b>	<b>3.61</b>	<b>(4.27)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	1.94	(4.65)
Sale of Non Compete Fees	-	5.30
Investment in Fixed Deposits	-	6.86
Payment for Non Compete Fee to Local Cable Operators	(3.52)	(0.89)
Interest received	-	0.15
<b>Net Cash Used in Investing Activities</b>	<b>(1.58)</b>	<b>6.77</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares (net)	-	-
Share Issue Expenses	-	-
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	-	-
Proceeds from short term borrowings (net)	-	-
Finance cost paid	-	-
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>2.02</b>	<b>2.49</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>3.88</b>	<b>4.13</b>
<b>Cash and Cash Equivalents at the end of the year (refer Note No. 12)</b>	<b>5.90</b>	<b>6.62</b>
<b>Notes:</b>		
<b>1. Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and Cash Equivalents at the end of the year comprises of:		
Cash on hand	0.33	0.79
Cheques on hand	-	0.00
Balance with Banks:		
- In Current Accounts	5.57	5.82
- Fixed Deposits	-	-
Bank Overdraft	-	-
<b>Total</b>	<b>5.90</b>	<b>6.62</b>

**SANTANU DAS**

**BIDU BHUSA N DASH**

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SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	Quarter ended			Half Year ended		Year Ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>						
a) Cable TV	13.00	13.86	17.44	26.86	34.24	66.42
b) Broadband	2.59	1.06	1.41	3.65	2.87	5.31
c) Infrastructure Leasing	1.38	1.61	2.20	2.99	4.42	8.17
d) Others	1.82	1.68	1.89	3.50	2.70	7.44
<b>Net Income from Operations</b>	<b>18.79</b>	<b>18.21</b>	<b>18.18</b>	<b>37.00</b>	<b>44.23</b>	<b>87.35</b>
<b>2. Segment Results</b>			<b>1.4651601</b>			
a) Cable TV	2.42	3.55	(0.01)	5.97	(0.92)	2.67
b) Broadband	1.12	(0.01)	(0.90)	1.11	(0.78)	(0.66)
c) Infrastructure Leasing	1.11	1.35	1.96	2.46	3.55	6.53
d) Others	0.97	0.87	1.28	1.84	1.47	3.88
<b>Total</b>	<b>5.62</b>	<b>5.76</b>	<b>2.34</b>	<b>11.38</b>	<b>3.32</b>	<b>12.41</b>
Less: i) Finance Costs	-	-	-	-	-	0.00
ii) Other Un-allocable Expenditure net of Un-allocable Income	10.47	8.22	10.83	18.69	22.79	47.27
<b>Total Profit/(Loss) Before Tax</b>	<b>(4.85)</b>	<b>(2.46)</b>	<b>(8.50)</b>	<b>(7.31)</b>	<b>(19.47)</b>	<b>(34.86)</b>
<b>3. Segment Assets</b>						
a) Cable TV	(6.36)	274.30	144.01	267.93	144.01	279.52
b) Broadband	4.17	19.20	24.58	23.36	24.58	19.72
c) Infrastructure Leasing	0.32	18.09	17.97	18.41	17.97	18.71
d) Others	3.31	2.64	1.80	5.94	1.80	2.21
e) Unallocated	(12.30)	84.04	235.00	71.74	235.01	83.37
<b>Total Segment Assets</b>	<b>(10.88)</b>	<b>398.26</b>	<b>423.36</b>	<b>387.38</b>	<b>423.36</b>	<b>403.53</b>
<b>4. Segment Liabilities</b>						
a) Cable TV	(2.48)	77.25	104.41	74.77	104.41	78.47
b) Broadband	(0.57)	6.94	10.23	6.37	10.23	6.27
c) Infrastructure Leasing	(0.35)	1.10	3.29	0.75	3.29	1.66
d) Others	(0.13)	0.13	0.01	-	0.01	0.11
e) Unallocated	(2.52)	370.56	345.37	368.04	345.38	372.26
<b>Total Segment Liabilities</b>	<b>(6.04)</b>	<b>455.98</b>	<b>463.32</b>	<b>449.93</b>	<b>463.32</b>	<b>458.77</b>

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## 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. 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").

As per the Corporate Insolvency Resolution Process (CIRP), resolution plans ("Resolution Plan") was received by the Resolution Professional and the Resolution Plan was placed before the CoC for approval and the approved Resolution Plan was filed with the Hon'ble NCLT, New Delhi on 26th August, 2019 for approval under Section 31 of the Code. The application filed by the Resolution Professional for approval of Resolution Plan is currently pending adjudication before the Adjudicating Authority. In terms of Section 25 of the Code, the Company is continuing to operate as a going concern. Where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be. These financial statements pertain to a period post the CIRP and all operations were being undertaken under the supervision of RP and management of the Company. As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, these unaudited financial results were placed before the RP by the CEO, GM (F&A), DGM (F&A) and CFO & Company Secretary of the Company in the meeting held 13th November, 2020 for their consideration. Accordingly, the unaudited financial results for the quarter and half yearly ended 30.09.2020 were discussed and approved in the meeting. 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 23 of the IBC and the same have been signed by Mr. Bidu Bhushan Dash, CFO & Company Secretary of the Company confirming completeness of results. These financial results have thereafter been taken on record by the RP on Friday, November 13th, 2020 for filing with the stock exchanges. The above results (standalone & consolidated) results have been reviewed by the management of the Company, Statutory Auditors and subsequently approved/taken on record by the Resolution Professional of the Company in meeting held on 13th November, 2020.

2. The Statutory Auditors of the Company have issued a 'Disclaimer of Opinion' on the financial statements (standalone and consolidated) of the Company for the quarter and half year ended 30th September, 2020.
3. 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 four broad operating segments viz. (i) Cable TV (ii) Broadband Service (iii) Infrastructure Leasing (IFL) (iv) Others and it operates in the domestic market only (refer PART II).

Other income includes:

- (i) Receipt of insurance claim of Rs NIL crores and Rs. 0.3349 crores for the quarter and half year ended 30th September, 2020 respectively.
- (ii) Rs.0.0366 crores for the quarter and half year ended 30th September, 2020 towards for Other Miscellaneous Income.

4. There is strain on the working capital and operations of the Company and it is undergoing financial stress. It has incurred a net loss of Rs. (7.302) Crores during the quarter and half year ended 30th September, 2020 as compared to Rs.(19.476) Crores quarter and half year ended 30th September, 2019. The net worth of the Company is fully eroded since last quarter. CIRP was initiated in respect of the Company w.e.f 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.

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. Pending the consummation of the said process under CIRP, the results have been prepared on a going concern basis.



5. 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. 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 quarter and half year ended 30th November, 2020 would have been higher and having consequential impact on other current financial liability and other equity.
6. The qualifications as mentioned in respective Notes have not yet been resolved and form part of the 'Basis for Disclaimer of Opinion' in their Independent Auditor's Reports dated 31st July, 2020 for the year ended 31st March, 2020 on the standalone & consolidated financial statements. The Company is in the process of collating and providing the necessary evidences/documents/ details/explanations etc. as required by the Company's auditors.
7. 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 Hon'ble NCLT. 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.
8. Previous years / period's figures have been rearranged / regrouped / reclassified, wherever considered necessary, to make them comparable with those of current year / period

**For and on behalf of Ortel Communications Limited**

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**Bidu Bhusan Dash  
Chief Financial Officer &  
Company Secretary**

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*Shoufly*

**Srigopal Choudhary  
Resolution Professional  
IP Registration No. IBBI/IPA-001/IP-  
P01238/2018-2019/11893**

**Place: Kolkata**

**Date: 13th Nov, 2020**

# K. PRASAD & COMPANY

CHARTERED ACCOUNTANTS

24, R. N. MUKHERJEE ROAD, KOLKATA-700 001

PH : (033) 2248-0268, 2248-4654, 2248-6667, Email : kr12@kprasad.in, Website : www.kprasad.in

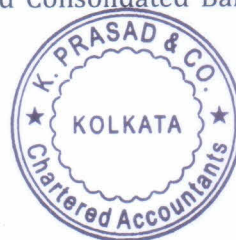
## LIMITED REVIEW REPORT

**Review Report to  
The Resolution Professional  
ORTEL COMMUNICATIONS LIMITED (Under CIRP)**

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 27<sup>th</sup> November, 2018 and in accordance with the provisions of IBC. In view of pendency of the CIRP and suspension of powers of Board of Directors as explained to us, the power of adoption of the Statement of Consolidated Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2020 (the Statement), vests with the Resolution Professional.
2. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **ORTEL COMMUNICATIONS LIMITED** ("the Company") for the quarter and half year ended 30<sup>th</sup> September, 2020 ("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 30<sup>th</sup> November, 2015 and Circular No. CIB/CFD/FAC/62/ 2016 dated 5<sup>th</sup> July, 2016. This statement, which is the responsibility of the Company's Management and approved by the Resolution Professional in its meeting held on 13<sup>th</sup> November, 2020, 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 of Unaudited Consolidated Financial Results 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 inquire 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. As explained by the Management, the Company recognizes Revenue on 2<sup>nd</sup> of every month in advance – as a consistence practice. Subsequently, at the end of the month, Management reviews situation for cases where the Company could not provide its services due to technical / other reasons to its subscribers and issue credit notes for such amounts. Such credit notes are duly booked and charged to Consolidated Profit & Loss Account. Accordingly, there would be no corresponding cash inflow for such credit notes issued by the Company. Hence Revenue from operation of Rs.3,697.08 lakhs as reported in Statement of Unaudited Consolidated Profit & Loss Accounts for the period ended September, 2020 is on gross basis (P/P Rs. 4,423.19 Lakhs). However, Revenue from Operations net-off Credit Notes Rs. 524.03 Lakhs (P/P Rs. 453.59 Lakhs) as reported, stands Rs.3,173.05 Lakhs (P/P Rs. 3,969.60 lakhs). The documentation and approval procedure for Credit Notes need to be improved.
5. Inventory figure of Rs. 42.94 lakhs as reported in Statement of Unaudited Consolidated Balance sheet as on 30<sup>th</sup> September, 2020 (P/P : Rs. 42.78 lakhs) include items of Rs. 10.36 lakhs which are more than one year old as per data provide by the Management. As per practice, inventories are physically verified by internal staff of Stores Department and once in a year by internal auditor. However we have been explained by the Management that due to the current pandemic situation no physical verification could be conducted during the period from April to September, 2020. We have received a certificate from Management that all items which are more than one year, can be put to use as and when required. Accordingly, no provision has been made for the quarter and half year ending September, 2020 for items which are slow and non-moving. The position would be re-assessed for next quarter and necessary effects would be given in books of accounts as required.
6. We are yet to receive a plan from Management for physical verification of cash, inventory and property, plant & equipment for the FY 2020-21. This plan needs to be finalized keeping in mind the current pandemic situation.
7. The Company has reported Rs. 244.35 lakhs as Goodwill in Statement of Unaudited Consolidated Balance Sheet as at 30<sup>th</sup> September, 2020 which was created on earlier years at the time of acquisition of Local Cable Operators (LCOs). Thereafter, no post calculation of such acquisition has been conducted by management based on actual / revised cash flow projections and existing business situation / revised assumptions and no impairment has been done. Hence, we are unable to comment on the carrying value of Goodwill as reported in Unaudited Consolidated Balance Sheet as at 30<sup>th</sup> September, 2020.



8. Finance Costs has not been provided for in Statement of Consolidated Unaudited Financial Results for the quarter and half year ending 30<sup>th</sup> September, 2020. This treatment of not providing Finance Costs is based on the Moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016, when the Corporate Resolution Process has been initiated against the companies, the relief of moratorium to book any interest expenses on existing loan. Had provision for interest being recognised, finance cost, total expenses and loss for the quarter ended 30<sup>th</sup> September, 2020 would have increased, the extent of which have not been assessed by the company.
9. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraphs 4 to 8 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 recognized 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 30<sup>th</sup> November, 2015 and Circular No. CIR / CFD / FAC / 62 / 2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed or that it contains any material misstatement.

**Material Uncertainty Related to Going Concern :**

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. 7.30 Crores during the quarter and half year ended 30<sup>th</sup> September, 2020 and as of the date the net worth of the company is fully eroded. CIRP was initiated in respect of the company wef 27<sup>th</sup> November, 2018. The company has material obligation towards borrowings, employee benefit expenses (both past & present) 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 debt servicing obligation regarding financial creditors. However the company has assessed that considering its plan to deal with the aforesaid events or conditions, the use of 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:

- 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 sale schemes to increase net growth in the customer base of existing location;





Pending the consummation of the said process under CIRP, the unaudited consolidated financial statements have been prepared on a going concern basis for quarter and half year ending 30<sup>th</sup> September, 2020.

For K. PRASAD & CO.  
CHARTERED ACCOUNTANTS

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Firm Registration No. 303062E



Place: Kolkata

Date: The 13<sup>th</sup> day of November, 2020.

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