

June 30, 2021

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G, Bandra Kurla 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

Re: Outcome of the meeting of the Resolution Professional held on Wednesday, 30th June 2021

Dear Sir,

This is in continuation to our letter dated June 24, 2021 informing submission of results on Wednesday, 30th June 2021.

The Stock Exchanges is aware that Ortel Communications Limited is under Corporate Insolvency Resolution Process (CIRP) and the Resolution Plan approved by the Committee of Creditors (CoC) in their meeting 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 CIRP 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.

The Resolution Professional of the Company in the meeting held on Wednesday, 30th June, 2021, inter-alia has transacted the following:-

1. Approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2021 on Wednesday, 30th June, 2021 at 02:30 PM. **A copy of each of the Audited Financial Results and Report of Statutory Auditors M/s K. Prasad & Co., Chartered Accountants, Kolkata are enclosed.**

In terms of the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results are also being published in the newspapers and placed on Company's website www.ortelcom.com.

Kindly take the results on record.

Thanking You,
For Ortel Communications Limited (under CIRP)

BIDU
BHUSAN
DASH

Digitally signed by
BIDU BHUSAN DASH
Date: 2021.06.30
14:21:44 +05'30'

Bidu Bhusan Dash
Company Secretary

Encl.: As above.

Issued with the approval of Mr. Srigoal 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. Srigoal 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)

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

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

PART I: STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. in Crores)

Particulars	Standalone					Consolidated				
	Quarter ended			Year ended		Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Income										
(a) Revenue from Operations	14.68	16.32	20.66	67.97	87.17	14.68	16.32	20.66	67.97	86.30
(b) Other Income	0.51	0.86	0.45	2.73	2.16	0.51	0.86	0.45	2.73	3.02
Total Income	15.18	17.18	21.11	70.70	89.33	15.18	17.18	21.11	70.70	89.33
2. Expenses										
(a) Programming Cost	5.14	5.69	5.55	22.02	26.15	5.14	5.69	5.55	22.02	26.15
(b) Bandwidth Cost	2.25	2.29	2.29	9.14	9.07	2.25	2.29	2.29	9.14	9.07
(c) Employee Benefits Expense	2.34	2.62	2.98	10.51	12.11	2.34	2.62	2.98	10.51	12.11
(d) Finance Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Depreciation and Amortisation Expense	6.30	6.43	6.52	25.62	26.17	6.30	6.43	6.52	25.62	26.17
(f) Property, Plant and Equipment written off	0.27	0.21	0.20	1.01	2.87	0.27	0.21	0.10	1.01	2.87
(g) Other Expenses	7.17	6.28	12.09	24.35	47.81	7.17	6.28	12.19	24.35	47.81
Total Expenses	23.48	23.52	29.63	92.66	124.18	23.48	23.52	29.63	92.66	124.19
3. Profit/(Loss) before exceptional items and tax (1-2)	(8.30)	(6.35)	(8.51)	(21.96)	(34.85)	(8.30)	(6.35)	(8.52)	(21.96)	(34.86)
4. Exceptional Items - (Income)/Expense (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Profit/(Loss) before tax (3-4)	(8.30)	(6.35)	(8.51)	(21.96)	(34.85)	(8.30)	(6.35)	(8.52)	(21.96)	(34.86)
6. Tax Expense										
- Current Tax	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
7. Profit/(Loss) after tax (5-6)	(8.30)	(6.35)	(8.51)	(21.96)	(34.85)	(8.30)	(6.35)	(8.52)	(21.96)	(34.86)
8. Other Comprehensive Income / (Expense)										
- Items that will not be reclassified to profit or loss	0.02	0.00	0.12	0.03	0.02	0.02	0.00	0.14	0.03	0.02
9. Total Comprehensive Income / (Expense) after tax (7+8)	(8.28)	(6.34)	(8.39)	(21.92)	(34.84)	(8.28)	(6.34)	(8.38)	(21.93)	(34.84)
10. Profit/(Loss) attributable to:										
(a) Owners of the Company	(8.30)	(6.35)	(8.51)	(21.96)	(34.85)	(8.30)	(6.35)	(8.52)	(21.96)	(34.86)
(b) Non-controlling Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11. Other Comprehensive Income / (Expense) attributable to:										
(a) Owners of the Company	0.02	0.00	0.12	0.03	0.02	0.02	0.00	0.14	0.03	0.02
(b) Non-controlling Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12. Total Comprehensive Income / (Expense) after tax attributable										
(a) Owners of the Company	(8.28)	(6.34)	(8.39)	(21.92)	(34.84)	(8.28)	(6.34)	(8.38)	(21.93)	(34.84)
(b) Non-controlling Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	32.98	32.98	32.98	32.98	32.98	32.98	32.98	32.98	32.98	32.98
14. Other Equity excluding Revaluation Reserves	(110.15)	(101.87)	(88.24)	(110.15)	(88.23)	(110.15)	(101.87)	(88.24)	(110.16)	(88.24)
15. Earnings per share - Basic & Diluted (in Rs.)	*(2.52)	*(1.92)	*(2.58)	*(6.66)	*(10.57)	*(2.52)	*(1.92)	*(2.52)	*(6.66)	*(10.57)

(* Not annualised)

STATEMENTS OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2021

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	(Audited)	(Audited)	(Audited)	(Audited)
A ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	293.89	318.01	293.89	318.01
(b) Capital Work-in-Progress	12.59	14.55	12.59	14.55
(c) Goodwill	2.44	2.44	2.44	2.44
(d) Other Intangible Assets	2.26	10.37	2.26	10.37
(e) Investment in Subsidiary	0.01	0.01	0.00	0.00
(f) Financial Assets			-	
(i) Investments	2.11	2.11	2.11	2.11
(ii) Loans	1.53	2.31	1.53	2.31
(iii) Other Financial Assets	0.02	0.02	0.02	0.02
(g) Other Non-Current Assets	3.53	3.72	3.53	3.71
(h) Non-Current Tax Assets (Net)	7.07	10.08	7.07	10.08
Total Non-Current Assets	325.45	363.62	325.44	363.61
2. Current Assets				
(a) Inventories	0.34	0.38	0.34	0.38
(b) Financial Assets			-	
(i) Trade Receivables	15.37	14.77	15.37	14.77
(ii) Cash and Cash Equivalents	4.07	3.88	4.07	3.88
(iii) Other Bank Balances	0.00	0.00	0.00	0.00
(iv) Loans	0.54	0.43	0.54	0.43
(v) Other Financial Assets	0.00	0.00	0.00	0.00
(c) Other Current Assets	20.56	20.45	20.56	20.45
Total Current Assets	40.87	39.90	40.88	39.91
Total Assets	366.32	403.53	366.31	403.52
B EQUITY AND LIABILITIES				
1. Equity				
(a) Equity Share Capital	32.98	32.98	32.98	32.98
(b) Other Equity	(110.15)	(88.23)	(110.16)	(88.24)
(c) Non Controlling Interest	0.00	0.00	0.00	0.00
Total Equity	(77.17)	(55.25)	(77.19)	(55.26)
2. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	141.99	141.99	141.99	141.99
(ii) Other Financial Liabilities	0.11	9.05	0.11	9.05
(b) Provisions	0.35	0.35	0.35	0.35
(c) Other Non-Current Liabilities	0.67	2.77	0.67	2.77
Total Non-Current Liabilities	143.11	154.16	143.11	154.16
3. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	33.32	33.32	33.32	33.32
(ii) Trade Payables			0.00	
a) total outstanding dues of micro enterprises and small enterprises	0.00	0.00	0.00	0.00
b) total outstanding dues of creditors other than micro enterprises and small enterprises	47.78	41.75	47.78	41.75
(iii) Other Financial Liabilities	196.35	201.27	196.36	201.27
(b) Other Current Liabilities	22.93	28.24	22.93	28.24
(c) Provisions	0.00	0.03	0.00	0.03
Total Current Liabilities	300.38	304.62	300.39	304.62
Total Equity and Liabilities	366.32	403.53	366.31	403.52

Statement of Cash Flows

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Loss before tax	(21.96)	(34.85)	(21.96)	(34.86)
Adjustments for:				
PART-I: STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE C	33.06	34.97	33.06	34.97
Effect of amortisation of income & expenses (net)	(7.44)	(8.80)	(7.44)	(8.80)
Provision for doubtful receivables	(1.28)	3.10	(1.28)	3.10
Exceptional items				
Property, Plant and Equipment written off	1.01	2.97	1.01	2.97
Unrealised foreign exchange (gain)/loss	(2.03)	(4.54)	(2.03)	(4.54)
Interest Income	(0.01)	(0.16)	(0.01)	(0.16)
Finance Costs	0.00	0.00	0.00	0.00
Bad Debts written off	0.25	0.45	0.25	0.45
Employee Stock Option Expenses	0.00	0.00	0.00	0.00
Liabilities no longer required written back	0.00	(0.27)	0.00	(0.27)
Operating Profit before Working Capital Changes	1.62	(7.13)	1.62	(7.13)
Adjustments for:				
Trade Payables	6.03	1.58	6.03	1.58
Provisions	(0.04)	(0.01)	(0.04)	(0.01)
Other Liabilities	(9.12)	5.81	(9.11)	5.81
Financial Liabilities	(0.01)	(0.01)	(0.01)	(0.01)
Trade Receivables	0.43	(4.65)	0.43	(4.65)
Inventories	0.04	0.22	0.04	0.22
Loans and Advances	0.56	1.18	0.56	1.18
Other Assets	0.19	7.36	0.19	7.36
Cash Generated from Operations	(0.30)	4.36	(0.30)	4.35
Direct Taxes paid	3.01	(0.95)	3.01	(0.95)
Net Cash Generated from Operating Activities	2.71	3.41	2.71	3.40
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	5.41	5.46	5.41	5.46
Sale of Non Compete Fees	0.00	0.00	(0.00)	0.00
Investment in Fixed Deposits	(0.00)	(0.01)	(0.00)	(0.01)
Payment for Non Compete Fee to Local Cable Operators	(7.94)	(9.42)	(7.94)	(9.42)
Interest received	0.01	0.30	0.01	0.30
Net Cash Used in Investing Activities	(2.52)	(3.66)	(2.52)	(3.66)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Equity Shares (net)	0.00	0.00	0.00	0.00
Share Issue Expenses	0.00	0.00	0.00	0.00
Proceeds from long term borrowings	0.00	0.00	0.00	0.00
Repayment of long term borrowings	0.00	0.00	0.00	0.00
Proceeds from short term borrowings (net)	0.00	0.00	0.00	0.00
Finance cost paid	0.00	0.00	0.00	0.00
Net Cash (Used in) / Generated from Financing Activities	0.00	0.00	0.00	0.00
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	0.19	(0.25)	0.19	(0.26)
Cash and Cash Equivalents at the beginning of the year	3.88	4.13	3.88	4.14
Cash and Cash Equivalents at the end of the year (refer Note No. 12)	4.07	3.88	4.07	3.88
Notes:				
1. Reconciliation of cash and cash equivalents as per the cash flow statement:				
Cash and Cash Equivalents at the end of the year comprises of:				
Cash on hand	0.45	0.47	0.45	0.47
Cheques on hand	0.00	0.00	0.00	0.00
Balance with Banks:	0.00	0.00	0.00	0.00
- In Current Accounts	3.62	3.41	3.62	3.41
- Fixed Deposits	0.00	0.00	0.00	0.00
Bank Overdraft	0.00	0.00	0.00	0.00
Total	4.07	3.88	4.07	3.88

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	Standalone					Consolidated	
	Quarter ended			Year Ended		Year Ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue							
a) Cable TV	12.25	12.55	15.65	51.66	66.42	51.66	66.42
b) Broadband	1.05	1.13	1.09	5.83	5.31	5.83	5.31
c) Infrastructure Leasing	0.32	1.15	1.78	4.45	8.17	4.45	8.17
d) Others	1.07	1.49	3.18	6.06	7.44	6.06	7.44
Net Income from Operations	14.69	16.32	21.70	68.01	87.35	68.01	87.34
2. Segment Results							
a) Cable TV	(0.17)	3.10	3.87	8.90	2.67	8.90	2.67
b) Broadband	(0.28)	0.10	(0.45)	0.93	(0.66)	0.93	(0.66)
c) Infrastructure Leasing	(1.49)	0.88	1.47	1.86	6.53	1.86	6.53
d) Others	0.19	0.78	0.90	2.80	3.88	2.80	3.88
Total	(1.75)	4.87	5.79	14.49	12.41	14.49	12.41
Less: i) Finance Costs	0.00	0.00	0.00	0.00	0.00		0.00
ii) Other Un-allocable Expenditure net of Un-allocable Income	6.55	11.21	9.65	36.45	47.27	36.45	47.27
Total Profit/(Loss) Before Tax	(8.30)	(6.35)	(3.86)	(21.96)	(34.85)	(21.95)	(34.86)
3. Segment Assets							
a) Cable TV	255.29	260.99	279.52	255.29	279.52	255.29	279.52
b) Broadband	22.83	22.91	19.72	22.83	19.72	22.83	19.71
c) Infrastructure Leasing	16.57	18.16	18.71	16.57	18.71	16.57	18.71
d) Others	4.25	5.50	2.21	4.25	2.21	4.25	2.21
e) Unallocated	67.37	70.49	83.37	67.37	83.37	67.37	83.37
Total Segment Assets	366.32	378.04	403.53	366.32	403.53	366.32	403.52
4. Segment Liabilities							
a) Cable TV	60.22	73.44	78.47	60.22	78.47	60.22	78.47
b) Broadband	16.99	6.34	6.27	16.99	6.27	16.99	6.27
c) Infrastructure Leasing	0.61	0.63	1.66	0.61	1.66	0.61	1.66
d) Others	0.16	0.00	0.11	0.16	0.11	0.16	0.11
e) Unallocated	365.51	366.52	372.26	365.51	372.26	365.52	372.26
Total Segment Liabilities	443.49	446.93	458.78	443.49	458.78	443.50	458.77

NOTES:

1 Hon'ble National Company Law Tribunal, New Delhi Bench ("NCLT"), in the matter of C.P.No.1B-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. IBB/MPA-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/MPA-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 audited financial results were placed before the RP by the CFO and Company Secretary of the Company in the meeting held 30th June, 2021 for their consideration, approval and taken on record. Accordingly, the audited financial results were considered and recommended 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. Sanatan Dash, CFO and Mr. Bidu Bhusan Dash, Company Secretary of the Company confirming accuracy & completeness of results. These financial results have thereafter been taken on record by the RP on 30th June, 2021 for filing with the stock exchanges.

- The above standalone results have been reviewed by the management and subsequently approved by the Resolution Professional of the Company at the meeting held on 30th June, 2021.
- The Statutory Auditors of the Company have issued a 'Disclaimer of Opinion' on the Standalone and Consolidated financial statements of the Company for the year ended 31st March, 2021. Based on the observations pointed out, it is not practicable to give the cumulative impact of the same on Loss, Net Worth, Total Assets, Turnover/Total Income, Earning Per Share, Total Expenditure, Total liabilities or any other financial item(s) of the above audited financial results.
- 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.
- 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.2192.25 lakhs during the year ended 31st March, 2021 as compared to Rs. 3485.46 lakhs in previous year. The net worth of the Company is fully eroded since last year. 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. Certain crucial aspects of the Company's plans in this regard are as follows:
 - Ensuring self-determined cost model,
 - Analysis of the Revenue at Risk Model
 - Collection based expenses
 - 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. Pending the consummation of the said process under CIRP, the results have been prepared on a going concern basis.

- 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 ended 31st March, 2021 would have been higher and having consequential impact on other current financial liability and other equity.
- 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.
- The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the year-to-date figures upto the 3rd quarter of the respective financial year.
- Previous years/periods' figures have been rearranged/regrouped/reclassified, wherever considered necessary, to make them comparable with those of current year/period.


For Ortel Communications Limited (Under CIRP)

BIDU Digitally signed
BHUSAN by BIDU
DASH BHUSAN DASH
Date: 2021.06.30
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Bidu Bhusan Dash
Company Secretary


Sanatan Dash
Chief Financial Officer

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS


Taken on record
Srigopal Choudhary
Resolution Professional
IP Registration No. IBB/MPA-001/IP-P01238/2018-2019/11893

Place: Kolkata

Date: 30th June, 2021


(SANTANU DAS)
Partner

Membership No. F- 053226
Firm Registration No. - 303062E

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. 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").

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 audited financial results were placed before the RP by the CFO and Company Secretary of the Company in the meeting held 30th June, 2021 for their consideration, approval and taken on record. Accordingly, the audited financial results were considered and recommended 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. Sanatan Dash, CFO and Mr. Bidu Bhushan Dash, Company Secretary of the Company confirming accuracy & completeness of results. These financial results have thereafter been taken on record by the RP on 30th June, 2021 for filing with the stock exchanges.

- 2 The above standalone results have been reviewed by the management and subsequently approved by the Resolution Professional of the Company at the meeting held on 30th June, 2021.
- 3 The Statutory Auditors of the Company have issued a 'Disclaimer of Opinion' on the Standalone and Consolidated financial statements of the Company for the year ended 31st March, 2021. Based on the observations pointed out, it is not practicable to give the cumulative impact of the same on Loss, Net Worth, Total Assets, Turnover/Total Income, Earning Per Share, Total Expenditure, Total liabilities or any other financial item(s) of the above audited financial results.
- 4 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.
- 5 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.2192.25 lakhs during the year ended 31st March, 2021 as compared to Rs. 3485.46 lakhs in previous year. The net worth of the Company is fully eroded since last year. 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. Certain crucial aspects of the Company's plans in this regard are as follows:-
- a) Ensuring self-determined cost model,
 - b) Analysis of the Revenue at Risk Model
 - c) Collection based expenses
 - d) Restructuring/reorganising the loss making locations to eliminate recurring operating losses;
 - e) Drastic reduction in overhead expenditure;
 - f) Reduction in manpower cost by outsourcing certain functions;
 - g) Introduction of new sales schemes to increase net growth in the customer base of existing locations; and
 - h) 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. Pending the consummation of the said process under CIRP, the results have been prepared on a going concern basis.

- 6 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 ended 31st March, 2021 would have been higher and having consequential impact on other current financial liability and other equity.
- 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 The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the year-to-date figures upto the 3rd quarter of the respective financial year.
- 9 Previous years/periods' figures have been rearranged/regrouped/reclassified, wherever considered necessary, to make them comparable with those of current year/period.

For Ortel Communications Limited (Under CIRP)

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DASH BHUSAN DASH
Date: 2021.06.30
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Bidu Bhushan Dash
Company Secretary

Sanatan Dash
Chief Financial Officer

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS

Taken on word
Srigopal Choudhary
Resolution Professional

IP Registration No. IBB/PA-001/IP-P01238/2018-2019/11893

(SANTANU DAS)
Partner

Membership No. F- 053226
Firm Registration No.- 303062E

Place: Kolkata

Date: 30th June, 2021

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

INDEPENDENT AUDITOR'S REPORT

To the Members of

ORTEL COMMUNICATIONS LIMITED (Under CIRP)

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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 in view 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 explained by Management, the Company recognises Revenue on 2nd of every month in advance as a consistent practice. Subsequently, at the end of the month, Management reviews situation for cases where the Company could not provide its services towards disruption of services/deficient provision of services to its subscribers and issue Credit Notes for such amounts. Such Credits Notes are duly booked and charged to Standalone Statement of Profit and Loss. Accordingly, there would be no corresponding Cash Inflows for such Credit Notes issued by the Company. Hence Revenue from Operations of Rs. 6,797.07 Lac as reported in Audited Standalone Statement of Profit and Loss during the Financial Year 2020-21 is on gross basis (Previous Year-Rs. 8,716.97 Lac). However, Revenue from Operations net-off Credit Notes of Rs. 805.47 Lac (Previous Year-Rs. 1,744.73 Lac) as reported, stands Rs. 5,991.60 Lac (Previous Year-Rs. 6,972.24 Lac). During the course of our Audit, we observe that documentation, review mechanism and approval procedure for Credit Notes are unstructured and needs substantial improvement.
- b) As mentioned in Note No. 53 to the Standalone Financial Statements, no Impairment Assessment of Property, Plant and Equipment, Capital-Work-in-Progress, Goodwill and Stores & Spares in carrying values of these Assets as at 31st March, 2021, 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. Hence, we are



unable comment on the carrying value of Property, Plant and Equipments as shown in Standalone Financial Statements as at 31st March, 2021.

In Notes to Accounts No. 39, the Company has covered and assessed risks towards Market, Currency, Interest -Rate and Credit. However, considering the nature of Company's business, the Company has not carried out and assessed any Technology Risks so far, which as per our view is the backbone of the Company's business and extremely critical in a competitive market. As per our view, Technology Risk is significant considering regular disruption of Company's services to its subscribers and issuing of Credit Notes thereafter, which is negatively impacting the Cash Flow of the Company. During the last three Financial Years, the Company has issued Credit Notes for disruption of service - data for which are as follows.

Financial Year	Credit Notes Issued (Rs Crores)	Gross Revenue from Operations (Rs Crores)	% of Credit Notes / Gross Revenue from Operations
2018-19	68.45	110.56	62%
2019-20	17.45	87.17	20%
2020-21	8.06	67.97	12%

Though the amount of Credit Notes is on a decreasing trend, we still consider Technology as a major risk for the Company. We have also noted that the Company's Information Technology System for maintaining books of accounts and generating Management Information System was developed in-house with the help of Third Party Vendors in the year 2000 and no further Technological Up-gradation was made subsequently. During the course of our Audit, we noted that access restriction on IT System is not reviewed regularly in a structured way leading to unauthorised access by several past Employees. As per our view, this is also a major Risk Area for which the Company should have a back-up plan and readiness in case of any disruption.

- c) In respect of Company's Borrowings from Banks and Financial Institutions(including NBFCs) aggregating to Rs 16,644.37 Lac and Bank Balances (Current Accounts and Term Deposits) aggregating to Rs 363.54Lac, independent Balance Confirmations as at 31st March, 2021 have not been received.
- d) We have been informed by the Resolution Professional that certain information including the Minutes of Meetings of the Committee of Creditors is 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, reporting and disclosures, if any, that may have arisen if we had been provided access to those information.
- e) As a part of Corporate Insolvency Resolution Process (CIRP), Creditors were called upon to submit their claims. Till the date of our signing of the Standalone Financial Statements, claims submitted by Creditors have not been reconciled with the books of accounts of the Company. Pending such reconciliation 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 Impact of the same, if any, on the Standalone Financial Statements, (refer Note No. 52 to the Standalone Financial Statements).

- f) The Company has given Advances for Supplies/Services and the amount outstanding there as at 31st March, 2021 was Rs. 1,944.32 Lac. 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 in subsequent period. 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.
- g) As at 31st March, 2021, the Company is having Liabilities against "Creditors for Capital Goods" and "Liability for Operating Expenses" amounting to Rs. 6,781.60 Lac and Rs. 4,470.05 Lac respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid Liabilities viz. Aging analysis and the basis on which the aforesaid Liabilities will be settled subsequently. 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.
- h) The Company is having a Non-Current Investment of Rs.211.28 Lac in Equity Shares of Odisha Television Limited, an Unquoted Company, as at 31st March, 2021. Original investment made by the Company was Rs. 32,50,000(3,25,000 Equity Shares of Rs.10/- each). In the absence of the Fair Valuation of the said investments at 31st March, 2021, we are unable to comment on the carrying value of such investment as at 31st March, 2021 in Standalone Financial Statements and related re-measurement gain/ loss, if any, on the said investment.
- i) As a Business Strategy, upon acquisition of LCOs in the past, the Company paid excess of Fair Value to such LCOs and treated such amount as Goodwill and disclosed Rs 244.35 Lac in the Financial Year 2018-19 (Financial Year 2017-18 :Rs 109.16 Lac). However, the Business in this case along with approved documentation and calculation of value of Goodwill so created could not be submitted to us. Before transitioning to IND-AS, the Company did not amortize the value of such Goodwill neither it did any Impairment Assessment of such Goodwill. In the absence of any documentation, clarification in Notes to Accounts by Management, we are not in a position to comment on the fairness, justification and value of Goodwill of Rs 244.35 Lac appearing in Standalone Balance Sheet as at 31st March, 2021 for acquisition of LCOs in the past.



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming of our Opinion. We have nothing to report in this regard.

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.

However, we have the following observations with regard to Company's operation:

- i. Gradual reduction in Gross Revenue from Operations. The Company's Gross Revenue from Operations for Q1, Q2, Q3 and Q4 during the Financial Year 2020-21 are Rs. 18.18 Crores, Rs. 18.79 Crores, Rs. 16.32 Crores and Rs. 14.68 Crores respectively.
- ii. Company's current Technology leads to regular disruption of services leading to dissatisfied customers, erosion of existing customer base, non-payment by Customers and finally churning out to competitors;
- iii. Continuous Cash Losses and mismatch between monthly Cash Collection and Payouts and related Credit Risks specially from Retail Customers which are more than 60 days old;
- iv. Too much dependency on Third Party Collectors with limited controls; delay in depositing collection money by Third Party Collectors;
- v. Not having formal Contracts with Agents and payment of Agency Commission for generating new Business without Contracts in place;
- vi. Absence of documented Risk & Control Matrix (RCM) Framework for significant and key processes and not having effective and structured governance mechanism for identification of frauds, irregularities and control lapses;

In view of the above, we are unable to comment on the Going Concern Concept adopted by the Company in preparing its Standalone Financial Statements for Financial Year 2020-21.

The Service of the Chief Operating Officer and Chief Financial Officer will be terminated on 1st March, 2025 and 31st October, 2021 respectively, if not extended as informed by the Company.



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

The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Branch, admitted a petition for initiation of CIRP u/s 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') filed by one of the Operational Creditor 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 Indian Bankruptcy Code, 2016('IBC'). The Committee of Creditors ('CoC') in its meeting held on 7th January, 2019 passed a Resolution proposing to replace the Interim Resolution Professional('IRP') and appoint a Resolution Professional ('RP') which was confirmed by National Company Law Tribunal('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 explained to us, the power of adoption of the Standalone Financial Statements of the Company for the year ended 31st March, 2021 vests with the Resolution Professional (refer Note No.1 to the Standalone Financial Statements).

The Company's Resolution Professional is responsible for the matters stated in section 136(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, Change in Equity and Cash Flow of the Company in accordance with Indian Accounting Standard ("IND AS") specified under section 133 of the Act read with Companies(Indian Accounting Standard)Rule,2015, as amended and Other Accounting Principle 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 judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring 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 Resolution Professional 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 Resolution Professional either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Resolution Professional is also responsible for overseeing the Company's Financial 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 issue 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 of 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 The Institute of Chartered Accountants of India (ICAI) and provisions of the Act that are relevant to our audit if the Standalone Financial Statements in India under the Act and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics issue by The Institute of Chartered Accountants of India (ICAI) and the requirements under the Act.

Other Matters

In view of the lockdown imposed in India through phased manner due to COVID-19 pandemic and imposition of travel restrictions from April, 2021 till the date of signing of Audit Report by us, physical verification of books of accounts, documents, other audit evidences and face to face discussion with Management of the Company, in person, could not be carried out by us. We have relied on documents provided to us electronically over mail. We have received the Quarterly Internal Audit Report for the first two quarters of financial year 2020-21 but due to travel restrictions we are unable to verify the observations as given by the Internal Auditors and have relied on such Reports of Internal Auditor. We could not verify physical Cash Balance as on 31st March, 2021 in different locations of the Company and have relied on the Certificate provided by the Management for the Cash Balance of Rs. 44.71Lac(Previous Year: Rs. 46.93Lac).

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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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;
 - c) 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;
 - d) As the Company is under CIRP, power of Directors are temporarily suspended, thus reporting regarding Director's Disqualifications under Section 164(2) of the Act is not required.



- e) 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;
- f) 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".
- g) 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 giving 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 transfer to the Investor Education and Protection Fund by the Company.


Others: Disclaimer of Opinion

Attention is drawn to Note No. 49 to the Standalone Financial Statements, regarding Non-Recognition of Interest subsequent to Insolvency commencement date i.e. 27th November 2018, and also for the Financial Year 2019-20 and 2020-21 on Borrowing from Banks and Financial Institutions and on 9% 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". Such charges for the Financial Year 2019-20 and 2020-21, has not been computed and disclosed in Notes to Accounts by the Company. Moreover, Rs. 1,067.14 Lac towards interest calculated during the Financial Year 2018-19 which was not considered in Audited Standalone Financial Statements relating to the Financial Year 2018-19, 2019-20 and 2020-21 Had the aforesaid Interest Expenses 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. In support of non-provision of Finance Costs for the Financial Year 2019-20 and 2020-21, the Company has obtained a Legal Opinion dated 2nd June, 2020, a copy of which has also been submitted to us. However, the Legal Opinion does not provide any specific conclusion for non-provision of "Finance Cost" in Standalone Financial Statements.

Place: Kolkata

Date: The 30th Day of June, 2021.

UDIN: 21053226AAAABQ3417

For R. PRASAD & CO
CHARTERED ACCOUNTANTS

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

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, 2021.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments.
 - (b) According to the information and explanations given to us, the Company's Management ("Management") could not arrange to physically verify its Property, Plant & Equipments annually due to COVID-19 pandemic. Such physical verification needs to be conducted during Financial Year 2021-22.
 - (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 explanation given to us, the Inventories have been partially physically verified by the Management during the year due to COVID -19 pandemic. In our opinion, the frequency of verification needs to be improved. As explained to us, there were no material discrepancies on physical verification of Inventories 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 accounts, 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 (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, 2021, 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) 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, Services 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 Lac)	Period to which the amount relates
Finance Act, 1994	Services Tax	31.83	October 2016 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 August 2018
The Orissa Entertainment Tax Act, 1946	Entertainment Tax	0.12	April 2017 to June 2017
Andhra Pradesh Entertainment Tax Act, 1939	Entertainment Tax	13.38	April 2017 to June 2017
Chhattisgarh Entertainments Duty and Advertisement Tax Act, 1936	Entertainment Tax	17.76	April 2017 to June 2017
The Madhya Pradesh Entertainments Duty and Advertisement Tax Act, 1936	Entertainment Tax	1.71	April 2017 to June 2017



According to the information and explanation given to us, the dues as at 31st March, 2021 of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, VAT and GST, 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 Lac)	(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	Services Tax and Interest thereon	241.97	2006-07, 2007-08, 2009-10.	Commissioner, GST & Central Excise, Bhubaneswar
Finance Act, 1994	Service sTax and Interest thereon	1,179.29**	2010-11, 2014-15	Customs, Excise, Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Services Tax and Interest thereon	13.00	2013-14	Addl. Commissioner (Audit) of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Services Tax	338.06	2015-16	Commissioner, GST & Central Excise, Bhubaneswar
Finance Act, 1994	Services Tax	21.10***	2012-13, 2013-14	Commissioner (Appeals) GST & Central Excise and Customs
Finance Act, 1994	Services Tax	13.00	2013-14	Commissioner (Appeals) GST & Central Excise and Customs
The Orissa Entry Tax Act 2003	Entry Tax	1.00	2000-01	Hon'ble High Court of Orissa , Cuttack
The Orissa Entry Tax , 2003	Entry Tax	25.25	2011-12	Commercial Tax Department Odisha
The Orissa Entertainment Tax Act , 2006	Entertainment Tax	69.75	2006-07	Commercial Tax Department Odisha

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

**Rs. 44.22 Lac has been deposited under protest in this regard.



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

(viii) The Company is under CIRP and hence Repayment of all the Loans from Banks and FIs is on hold.

Name of the Lenders	Amount of aggregate default during the year ended 31 st March, 2018 (Rs. In Lac)	Period of Default
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

The above details have been disclosed in the Standalone Financial Statements for the year 2017-18. We have not received any evidence of the Repayment of the above Loans during the Financial Year 2020-21 in view of the ongoing of CIRP process.

Also, refer paragraph (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, 2021.

Further, 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, 2021, which mentions about the fact that the reconciliation of claims by the Financial Creditors with books of accounts is in process.

- (ix) 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 information and explanations given to us by the Management/Resolution Professional, 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/Resolution Professional. Please refer to Point No. (vi) in Disclaimer of Opinion on Going Concern in this regard.
- (xi) As the Company is under CIRP since 27th November, 2018 and subsequently the Board of Directors are discontinued, hence this clause for Managerial Remuneration is not applicable for the Company.
- (xii) The Company is not Nidhi Company.



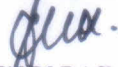
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with Related Parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the Standalone Financial Statements etc.
- (xiv) As per the information and explanations given to us, the Company has not entered into any Non-Cash Transactions during the year with former 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 45-1A of the Reserve Bank of India Act, 1934.

Place: Kolkata

Date: The 30th Day of June, 2021

UDIN: 21053226AAAABQ3417

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS



(SANTANU DAS)
Partner

Membership No. F- 053226

Firm Registration No. - 303062E

ANNEXURE II 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, 2021]

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, 2021 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 Resolution Professional 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/Resolution Professional of the Company; and (3) provide reasonable assurance regarding prevention of 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 to 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, 2021:



- a) Deficiencies in maintenance of documentation/records including non-availability of relevant documents/information records pertaining to issuance of Credit Notes [fully described in paragraph (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, 2021];
- b) Deficiencies in documentation in relation to Borrowings [fully described in paragraphs(c) and (e) 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, 2021];
- c) Ageing Analysis etc. Pertaining to Advances given for Supplies/Services[fully described in paragraph (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,2021];
- d) Ageing Analysis etc. Pertaining to Liabilities against 'Creditors for Capital Goods' and 'Liability for Operating Expenses '[fully described in paragraph (g) 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, 2021];
- e) 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 (b) and (h) 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, 2021];
- f) Considering the nature of Company's business involving multiple operating locations and the risks involved, during our course of audit, we have not come across any Risk & Control Matrix, identifying major risks impacting on Standalone Financial Statements of the Company and building an appropriate control framework to combat such risks. Hence, we are unable to comment on the accuracy and fairness of the numbers reported and disclosures made in Financial Statements.

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, 2021, 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, an 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, 2021.

We have considered the material weakness 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, 2021, 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.

Place: Kolkata

Date: The 30th Day of June, 2021.

UDIN: 21053226AAAABQ3417

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS

Santa
(SANTANU DAS)
Partner

Membership No. F- 053226
Firm Registration No. - 303062E

K. PRASAD & COMPANY

CHARTERED ACCOUNTANTS

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of

ORTEL COMMUNICATIONS LIMITED (Under CIRP)

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") which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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 Company in view 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 explained by Management, the Company recognises Revenue on 2nd of every month in advance as a consistent practice. Subsequently, at the end of the month, Management reviews situation for cases where the Company could not provide its services towards disruption of services/deficient provision of services to its subscribers and issue Credit Notes for such amounts. Such Credits Notes are duly booked and charged to Consolidated Statement of Profit and Loss. Accordingly, there would be no corresponding Cash Inflows for such Credit Notes issued by the Company. Hence Revenue from Operations of Rs. 6,797.07 Lac as reported in Audited Consolidated Statement of Profit and Loss during the Financial Year 2020-21 is on gross basis (Previous Year-Rs. 8,716.97 Lac). However, Revenue from Operations net-off Credit Notes of Rs. 805.47 Lac (Previous Year-Rs. 1,744.73 Lac) as reported, stands Rs. 5,991.60 Lac (Previous Year-Rs. 6,972.24 Lac). During the course of our Audit, we observe that documentation, review mechanism and approval procedure for Credit Notes are unstructured and needs substantial improvement.
- b) As mentioned in Note No. 53 to the Consolidated Financial Statements, no Impairment Assessment of Property, Plant and Equipment, Capital-Work-in-Progress, Goodwill and Stores & Spares in carrying values of these Assets as at 31st March, 2021, 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. Hence, we are



unable comment on the carrying value of Property, Plant and Equipments as shown in Consolidated Financial Statements as at 31st March, 2021.

In Notes to Accounts No. 39, the Company has covered and assessed risks towards Market, Currency, Interest -Rate and Credit. However, considering the nature of Company's business, the Company has not carried out and assessed any Technology Risks so far, which as per our view is the backbone of the Company's business and extremely critical in a competitive market. As per our view, Technology Risk is significant considering regular disruption of Company's services to its subscribers and issuing of Credit Notes thereafter, which is negatively impacting the Cash Flow of the Company. During the last three Financial Years, the Company has issued Credit Notes for disruption of service - data for which are as follows.

Financial Year	Credit Notes Issued (Rs Crores)	Gross Revenue from Operations (Rs Crores)	% of Credit Notes / Gross Revenue from Operations
2018-19	68.45	110.56	62%
2019-20	17.45	87.17	20%
2020-21	8.06	67.97	12%

Though the amount of Credit Notes is on a decreasing trend, we still consider Technology as a major risk for the Company. We have also noted that the Company's Information Technology System for maintaining books of accounts and generating Management Information System was developed in-house with the help of Third Party Vendors in the year 2000 and no further Technological Up-gradation was made subsequently. During the course of our Audit, we noted that access restriction on IT System is not reviewed regularly in a structured way leading to unauthorised access by several past Employees. As per our view, this is also a major Risk Area for which the Company should have a back- up plan and readiness in case of any disruption.

- c) In respect of Company's Borrowings from Banks and Financial Institutions(including NBFCs) aggregating to Rs 16,644.37 Lac and Bank Balances (Current Accounts and Term Deposits) aggregating to Rs 363.54Lac, independent Balance Confirmations as at 31st March, 2021 have not been received.
- d) We have been informed by the Resolution Professional that certain information including the Minutes of Meetings of the Committee of Creditors is 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, reporting and disclosures, if any, that may have arisen if we had been provided access to those information.
- e) As a part of Corporate Insolvency Resolution Process (CIRP), Creditors were called upon to submit their claims. Till the date of our signing of the Consolidated Financial Statements, claims submitted by Creditors have not been reconciled with the books of accounts of the Company. Pending such reconciliation 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 Impact of the same, if any, on the Consolidated Financial Statements, (refer Note No. 52 to the Consolidated Financial Statements).

- f) The Company has given Advances for Supplies/Services and the amount outstanding there as at 31st March, 2021 was Rs. 1,944.32 Lac. 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 in subsequent period. 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.
- g) As at 31st March, 2021, the Company is having Liabilities against "Creditors for Capital Goods" and "Liability for Operating Expenses" amounting to Rs. 6,781.60 Lac and Rs. 4,470.05 Lac respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid Liabilities viz. Aging analysis and the basis on which the aforesaid Liabilities will be settled subsequently. 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.
- h) The Company is having a Non-Current Investment of Rs.211.28 Lac in Equity Shares of Odisha Television Limited, an Unquoted Company, as at 31st March, 2021. Original investment made by the Company was Rs. 32,50,000(3,25,000 Equity Shares of Rs.10/- each). In the absence of the Fair Valuation of the said investments at 31st March, 2021, we are unable to comment on the carrying value of such investment as at 31st March, 2021 in Consolidated Financial Statements and related re-measurement gain/ loss, if any, on the said investment.
- i) As a Business Strategy, upon acquisition of LCOs in the past, the Company paid excess of Fair Value to such LCOs and treated such amount as Goodwill and disclosed Rs 244.35 Lac in the Financial Year 2018-19 (Financial Year 2017-18 :Rs 109.16 Lac). However, the Business in this case along with approved documentation and calculation of value of Goodwill so created could not be submitted to us. Before transitioning to IND-AS, the Company did not amortize the value of such Goodwill neither it did any Impairment Assessment of such Goodwill. In the absence of any documentation, clarification in Notes to Accounts by Management, we are not in a position to comment on the fairness, justification and value of Goodwill of Rs 244.35 Lac appearing in Consolidated Balance Sheet as at 31st March, 2021 for acquisition of LCOs in the past.



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming of our Opinion. We have nothing to report in this regard.

Material Uncertainty Related to Going Concern

We draw attention to Note No.54 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.

However, we have the following observations with regard to Company's operation:

- i. Gradual reduction in Gross Revenue from Operations. The Company's Gross Revenue from Operations for Q1, Q2, Q3 and Q4 during the Financial Year 2020-21 are Rs. 18.18 Crores, Rs. 18.79 Crores, Rs. 16.32 Crores and Rs. 14.68 Crores respectively.
- ii. Company's current Technology leads to regular disruption of services leading to dissatisfied customers, erosion of existing customer base, non-payment by Customers and finally churning out to competitors;
- iii. Continuous Cash Losses and mismatch between monthly Cash Collection and Payouts and related Credit Risks specially from Retail Customers which are more than 60 days old;
- iv. Too much dependency on Third Party Collectors with limited controls; delay in depositing collection money by Third Party Collectors;
- v. Not having formal Contracts with Agents and payment of Agency Commission for generating new Business without Contracts in place;
- vi. Absence of documented Risk & Control Matrix (RCM) Framework for significant and key processes and not having effective and structured governance mechanism for identification of frauds, irregularities and control lapses;

In view of the above, we are unable to comment on the Going Concern Concept adopted by the Company in preparing its Consolidated Financial Statements for Financial Year 2020-21.

The Service of the Chief Operating Officer and Chief Financial Officer will be terminated on 1st March, 2025 and 31st October, 2021 respectively, if not extended as informed by the Company.



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

The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Branch, admitted a petition for initiation of CIRP u/s 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') filed by one of the Operational Creditor 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 Indian Bankruptcy Code, 2016('IBC'). The Committee of Creditors ('CoC') in its meeting held on 7th January, 2019 passed a Resolution proposing to replace the Interim Resolution Professional('IRP') and appoint a Resolution Professional ('RP') which was confirmed by National Company Law Tribunal('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 explained to us, the power of adoption of the Consolidated Financial Statements of the Company for the year ended 31st March, 2021 vests with the Resolution Professional (refer Note No.1 to the Consolidated Financial Statements).

The Company's Resolution Professional is responsible for the matters stated in section 136(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 Financial Position, Financial Performance including Other Comprehensive Income, Change in Equity and Cash Flow of the Company in accordance with Indian Accounting Standard ("IND AS") specified under section 133 of the Act read with Companies(Indian Accounting Standard)Rule,2015, as amended and Other Accounting Principle 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 judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring accuracy and completeness of the Accounting Records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Resolution Professional 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 Resolution Professional either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Resolution Professional is also responsible for overseeing the Company's Financial Process.

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

Our responsibility is to conduct an audit of the Company's Consolidated Financial Statements in accordance with Standards on Auditing issue 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 of 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 Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) and provisions of the Act that are relevant to our audit if the Consolidated Financial Statements in India under the Act and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics issue by The Institute of Chartered Accountants of India (ICAI) and the requirements under the Act.

Other Matters

In view of the lockdown imposed in India through phased manner due to COVID-19 pandemic and imposition of travel restrictions from April, 2021 till the date of signing of Audit Report by us, physical verification of books of accounts, documents, other audit evidences and face to face discussion with Management of the Company, in person, could not be carried out by us. We have relied on documents provided to us electronically over mail. We have received the Quarterly Internal Audit Report for the first two quarters of financial year 2020-21 but due to travel restrictions we are unable to verify the observations as given by the Internal Auditors and have relied on such Reports of Internal Auditor. We could not verify physical Cash Balance as on 31st March, 2021 in different locations of the Company and have relied on the Certificate provided by the Management for the Cash Balance of Rs. 44.71Lac (Previous Year: Rs. 46.93Lac).

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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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;
- c) 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;
- d) As the Company is under CIRP, power of Directors are temporarily suspended, thus reporting regarding Director's Disqualifications under Section 164(2) of the Act is not required.
- e) 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;
- f) 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".



g) 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 giving to us :

- I. The Company has disclosed the impact of pending litigations on its Financial Position in its Consolidated Financial Statements - Refer Note Nos. 38 and 47 to the Consolidated 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 transfer to the Investor Education and Protection Fund by the Company.

Others: Disclaimer of Opinion

Attention is drawn to Note No. 49 to the Consolidated Financial Statements, regarding Non-Recognition of Interest subsequent to Insolvency commencement date i.e. 27th November 2018, and also for the Financial Year 2019-20 and 2020-21 on Borrowing from Banks and Financial Institutions and on 9% 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". Such charges for the Financial Year 2019-20 and 2020-21, has not been computed and disclosed in Notes to Accounts by the Company. Moreover, Rs. 1,067.14 Lac towards interest calculated during the Financial Year 2018-19 which was not considered in Audited Consolidated Financial Statements relating to the Financial Year 2018-19, 2019-20 and 2020-21 Had the aforesaid Interest Expenses 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. In support of non-provision of Finance Costs for the Financial Year 2019-20 and 2020-21, the Company has obtained a Legal Opinion dated 2nd June, 2020, a copy of which has also been submitted to us. However, the Legal Opinion does not provide any specific conclusion for non-provision of "Finance Cost" in Consolidated Financial Statements.

Place: Kolkata

Date: The 30th Day of June, 2021.

UDIN: 21053226AAAABR1116





**For K. PRASAD & CO.
CHARTERED ACCOUNTANTS**


(SANTANU DAS)

Partner
Membership No. F- 053226
Firm Registration No.- 303062E

**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 31st March, 2021				
[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 Crores	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Crores*
	1.	Total income	70.70	70.70
	2.	Total Expense (including tax expense)	92.66	92.66
	3.	Net Profit/(Loss)	(21.96)	(21.96)
	4.	Earnings Per Share		
		-Basic	(6.66)	(6.66)
		-Diluted	(6.66)	(6.66)
	5.	Total Assets	366.32	366.32
	6.	Total Liabilities	443.49	443.49
	7.	Net Worth	(77.17)	(77.17)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<p>Note: Finance Costs for the year has not been computed and disclosed being the Company is under CIRP since 27th November, 2018 and the same is under moratorium under section 17 of IBC, 2016.</p> <p>* Refer comment given by Management in Item No .II (d) herein below.</p> <p><u>Audit Qualification (each audit qualification separately):</u></p> <p>a. Details of Audit Qualification: Refer Annexure-A</p> <p>b. Type of Audit Qualification : Disclaimer of Opinion</p> <p>c. Frequency of qualification: Third time.</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(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 (a),(b),(c),(d),(e),(f),(g),(h)and (i) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 30th June 2021, 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 Sl No. 1(a),(b),(c),(d),(e),(f),(g),(h) and (i) of Annexure-A. Refer comment given by the management in Sl No. 1(a),(b),(c),(d),(e),(f),(g),(h)and (i) under 'Management's view' of Annexure- A in this regards.</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(iii) Auditors' Comments on (i) or (ii) above: Refer Annexure -A</p>			

III.	Signatories:	
	Resolution Professional: Mr. Srigopal Choudhary	
	Chief Financial Officer: Mr. Sanatan Dash	
	Company Secretary: Mr. Bidu Bhusan Dash	 BIDU BHUSAN DASH
	Statutory Auditor: Mr. Santanu Das	 SANTANU DAS
Place : Kolkata		
Date : 30th June,2021		



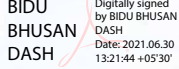

Annexure- A

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
01.	<p>Basis for Disclaimer of Opinion</p> <p>a. As explained by Management, the Company recognizes Revenue on 2nd of every month in advance - as a consistent practice. Subsequently, at the end of the month, management reviews situation for cases where the Company could not provide its services towards disruption of services/deficient provision of services to its subscribers and issue Credit Notes for such amounts. Such Credits Notes are duly booked and charged to Standalone Statement of Profit and Loss. Accordingly, there would be no corresponding Cash Inflows for such Credit Notes issued by the Company. Hence Revenue from Operations of Rs. 6,797.07 Lac as reported in Statement of Audited Standalone Profit and Loss during the Financial Year 2020-21 is on Gross Basis (Previous Year-Rs. 8,716.97 Lac). However, Revenue from Operations net-off Credit Notes Rs. 805.47 Lac (Previous Year-Rs.1,744.73 Lac) as reported, stands Rs.5,991.60 Lac (Previous Year-Rs.6,972.24 Lac).</p>	<p>a. Management's View This is part and partial in company's nature of business. Efforts are on to control over this process and significant improvement already in place and further to come in coming period.</p> <p>Auditor's Comment on Management's View Documentation, review mechanism and approval procedure for Credit Notes are unstructured and needs substantial improvement.</p>
02.	<p>b. As mentioned in Note No. 53 to the Standalone Financial Statements, no Impairment Assessment of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores of & Spares in carrying values of these Assets as at 31st March, 2021, 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</p>	<p>b. Management's View Management do not believe there is any impairment on all these assets.</p> <p>Auditor's Comment on Management's View We cannot comment on the management's belief as aforesaid unless there is an independent impairment assessment done by an expert.</p>

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares. Hence we are unable comment on the carrying value of Property, Plant and shown in Standalone Financial Statements as at 31 st March, 2021.	
03.	c. In respect of Company's Borrowings from Banks and Financial Institutions (including NBFCs) aggregating to Rs 16,644.37 Lac and Bank Balances (Current Accounts and Term Deposits) aggregating to Rs 363.54 Lac, independent Balance Confirmations as at 31 st March, 2021 have not been received.	<p>c. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View 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>
04.	d. 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, reporting and disclosures, if any, that may have arisen if we had been provided access to those information.	<p>d. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View Cannot comment definitively until one goes through the relevant information/minutes.</p>
05.	e. As a part of Corporate Insolvency Resolution Process (CIRP), creditors were called upon to submit their claims. Till the date of our signing of the standalone financial statements, claims submitted by creditors have not been reconciled with the books of accounts of the Company. Pending such reconciliation 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 impact of the same, if any, on the standalone financial statements, (refer Note No. 52 to the standalone financial statements).	<p>e. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View 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>


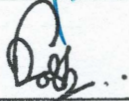


Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
06.	f. The Company has given advances for supplies / services and the amount outstanding there as at 31 st March, 2021 was Rs. 1,928.34 lakhs. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid advances viz ageing analysis and the basis on which the same will be adjusted in subsequent period. 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>f. Management's View Management do not believe there is any material financial impact.</p> <p>Auditor's Comment on Management's View Cannot comment definitively until one goes through the relevant information/details.</p>
07.	g. As at 31 st March, 2021, the Company is having Liabilities against "Creditors for Capital Goods" and "Liability for Operating Expenses" amounting to Rs. 6,781.60 Lac and Rs. 4,470.05 Lac respectively. However, we have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid Liabilities viz. Aging analysis and the basis on which the aforesaid Liabilities will be settled subsequently. 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>g. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View Cannot comment definitively until one goes through the relevant information/details.</p>
08.	h. The Company is having a Non-Current Investment of Rs.211.28 Lac in Equity Shares of Odisha Television Limited, an Unquoted Company, as at 31 st March, 2021. Original investment made by the Company was Rs. 32,50,000(3,25,000 Equity Shares of Rs.10/- each). In the absence of the Fair Valuation of the said investments at 31 st March, 2021, we are unable to comment on the carrying value of such investment as at 31 st March, 2021 in Standalone Financial Statements and related re-measurement gain/ loss, if any, on the said investment.	<p>h. Management's View Management do not believe there is any material financial impact.</p> <p>Auditor's Comment on Management's View We cannot comment on the management's belief as aforesaid unless there is an independent fair valuation done by an expert.</p>
09.	i. As a business strategy, upon acquisition of LCOs in the past, the Company paid excess of fair value to such LCOs and treated such amount as goodwill and disclosed Rs 244.35 lacs in Balance Sheet as at 31 st March, 2019. (PY: Rs 109.16 lacs). However, the business case along with approved documentation and calculation of value of goodwill so created could not be submitted to us. Before transitioning to Ind-AS, the Company did not amortize the value of such goodwill neither it did any impairment assessment of such goodwill.	<p>i. Management's View Management do not believe there is any material financial impact.</p> <p>Auditor's Comment on Management's View In the absence of any documentation, clarification in notes to accounts by management, we are not in a position to comment on the fairness, justification and value of goodwill of Rs 244.35 lacs appearing in Balance Sheet as at 31st March, 2021 for acquisition of LCOs in the past.</p>

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	<p>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, 2021, 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>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.</p>	

	Signatories:	
	Resolution Professional: Mr. Srigopal Choudhary	
	Chief Financial Officer: Mr. Sanatan Dash	
	Company Secretary: Mr. Bidu Bhusan Dash	
	Statutory Auditor: Mr. Santanu Das	
	Place : Kolkata Date : 30th June,2021	

**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 31st March, 2021				
[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 Crores	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Crores*
	1.	Total income	70.70	70.70
	2.	Total Expense (including tax expense)	92.66	92.66
	3.	Net Profit/(Loss)	(21.96)	(21.96)
	4.	Earnings Per Share		
		-Basic	(6.66)	(6.66)
		-Diluted	(6.66)	(6.66)
	5.	Total Assets	366.32	366.32
	6.	Total Liabilities	443.49	443.49
	7.	Net Worth	(77.17)	(77.17)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<p>Note: Finance Costs for the year has not been computed and disclosed being the Company is under CIRP since 27th November, 2018 and the same is under moratorium under section 17 of IBC, 2016.</p> <p>* Refer comment given by Management in Item No .II (d) herein below.</p> <p><u>Audit Qualification (each audit qualification separately):</u></p> <p>a. Details of Audit Qualification: Refer Annexure-A</p> <p>b. Type of Audit Qualification : Disclaimer of Opinion</p> <p>c. Frequency of qualification: Third time.</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(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 (a),(b),(c),(d),(e),(f),(g),(h)and (i) of the 'Basis for Disclaimer of Opinion' paragraph of the Independent Auditor's Report dated 30th June 2021, 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 Sl No. 1(a),(b),(c),(d),(e),(f),(g),(h) and (i) of Annexure-A. Refer comment given by the management in Sl No. 1(a),(b),(c),(d),(e),(f),(g),(h)and (i) under 'Management's view' of Annexure- A in this regards.</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(iii) Auditors' Comments on (i) or (ii) above: Refer Annexure -A</p>			

III.	Signatories:	
	Resolution Professional: Mr. Srigopal Choudhary	
	Chief Financial Officer: Mr. Sanatan Dash	
	Company Secretary: Mr. Bidu Bhusan Dash	 BIDU BHUSAN DASH Digitally signed by BIDU BHUSAN DASH Date: 2021.06.30 13:55:30 +05'30'
	Statutory Auditor: Mr. Santanu Das	 SANTANU DAS Digitally signed by SANTANU DAS Date: 2021.06.30 13:55:30 +05'30'
	Place : Kolkata Date : 30th June,2021	

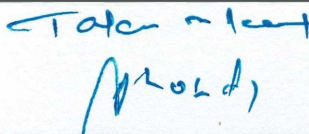



Annexure- A

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
01.	<p>Basis for Disclaimer of Opinion</p> <p>a. As explained by Management, the Company recognizes Revenue on 2nd of every month in advance - as a consistent practice. Subsequently, at the end of the month, management reviews situation for cases where the Company could not provide its services towards disruption of services/deficient provision of services to its subscribers and issue Credit Notes for such amounts. Such Credits Notes are duly booked and charged to Consolidated Statement of Profit and Loss. Accordingly, there would be no corresponding Cash Inflows for such Credit Notes issued by the Company. Hence Revenue from Operations of Rs. 6,797.07 Lac as reported in Statement of Audited Consolidated Profit and Loss during the Financial Year 2020-21 is on Gross Basis (Previous Year-Rs. 8,716.97 Lac). However, Revenue from Operations net-off Credit Notes Rs. 805.47 Lac (Previous Year-Rs.1,744.73 Lac) as reported, stands Rs.5,991.60 Lac (Previous Year-Rs.6,972.24 Lac).</p>	<p>a. Management's View This is part and partial in company's nature of business. Efforts are on to control over this process and significant improvement already in place and further to come in coming period.</p> <p>Auditor's Comment on Management's View Documentation, review mechanism and approval procedure for Credit Notes are unstructured and needs substantial improvement.</p>
02.	<p>b. As mentioned in Note No. 53 to the Consolidated Financial Statements, no Impairment Assessment of Property, Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores of & Spares in carrying values of these Assets as at 31st March, 2021, has been made by the Company. Therefore, we are unable to <u>comment on the consequential impairment, if any, that is required to be made in the carrying value of Property,</u></p>	<p>b. Management's View Management do not believe there is any impairment on all these assets.</p> <p>Auditor's Comment on Management's View We cannot comment on the management's belief as aforesaid unless there is an independent impairment assessment done by an expert.</p>

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
	Plant and Equipment, Capital Work-in-Progress, Goodwill and Stores & Spares. Hence we are unable comment on the carrying value of Property, Plant and shown in Consolidated Financial Statements as at 31 st March, 2021.	
03.	c. In respect of Company's Borrowings from Banks and Financial Institutions (including NBFCs) aggregating to Rs 16,644.37 Lac and Bank Balances (Current Accounts and Term Deposits) aggregating to Rs 363.54 Lac, independent Balance Confirmations as at 31 st March, 2021 have not been received.	<p>c. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View 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>
04.	d. 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, reporting and disclosures, if any, that may have arisen if we had been provided access to those information.	<p>d. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View Cannot comment definitively until one goes through the relevant information/minutes.</p>
05.	e. As a part of Corporate Insolvency Resolution Process (CIRP), creditors were called upon to submit their claims. Till the date of our signing of the consolidated financial statements, claims submitted by creditors have not been reconciled with the books of accounts of the Company. Pending such reconciliation 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 impact of the same, if any, on the consolidated financial statements, (refer Note No. 52 to the consolidated financial statements).	<p>e. Management's View Management do not believe there is any financial impact.</p> <p>Auditor's Comment on Management's View 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>

Sl. No	Details of Audit Qualification (s)	Management's Views & Auditor's comment thereon
06.		f. Management's View
	<p>f. The Company has given advances for supplies / services and the amount outstanding there as at 31st March, 2021 was Rs. 1,928.34 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 in subsequent period. 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>Management do not believe there is any material financial impact.</p> <p>Auditor's Comment on Management's View Cannot comment definitively until one goes through the relevant information/details.</p>
07.		g. Management's View
08.		h. Management's View
09.		i. Management's View
	<p>i. As a business strategy, upon acquisition of LCOs in the past, the Company paid excess of fair value to such LCOs and treated such amount as goodwill and disclosed Rs 244.35 lacs in Balance Sheet as at 31st March, 2019. (PY: Rs 109.16 lacs). However, the business case along with approved documentation and calculation of value of goodwill so created could not be submitted to us. Before transitioning to Ind-AS, the Company did not amortize the value of such goodwill neither it did any impairment assessment of such goodwill.</p>	<p>Management do not believe there is any material financial impact.</p> <p>Auditor's Comment on Management's View In the absence of any documentation, clarification in notes to accounts by management, we are not in a position to comment on the fairness, justification and value of goodwill of Rs 244.35 lacs appearing in Balance Sheet as at 31st March, 2021 for acquisition of LCOs in the past.</p>

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	<p>Disclaimer of Opinion: We were engaged to audit the accompanying consolidated financial statements of Ortel Communications Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, 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>We do not express an opinion on the accompanying consolidated 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 consolidated financial statements.</p>	

	Signatories:	
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	Statutory Auditor: Mr. Santanu Das	
	Place : Kolkata Date : 30th June, 2021	