

Date: 19<sup>th</sup> May, 2017

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

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
Scrip Code-539015

Dear Sir/Madam;

**Sub: Out Come of the Board Meeting held on 19th May, 2017.**

The Board of Directors of the Company at its meeting held on today, 19th May, 2017 discussed and approved inter alia, the following items along with other agenda items.

1. The audited financial results for the fourth quarter and financial year ended 31<sup>st</sup> March, 2017 of FY.2016-17 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements), 2015.
2. Presentation and press release to be issued to Stock Exchanges, Media and analysts.
3. Allotment of Equity Shares pursuant to ESOS 2010.

This is for your information and record.

For Ortel Communications Limited



(Jagi Mangat Panda)

Managing Director



Date: 19<sup>th</sup> May, 2017

**National Stock Exchange of India Limited**

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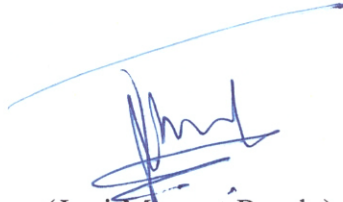
Dear Sir/Madam;

**Sub: Audited financial results of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March 2017 for FY.2016-17.**

We are enclosing herewith the audited financial results of the Company along with Auditor's Report given by Statutory Auditor for the fourth quarter and financial year ended 31<sup>st</sup> March, 2017 for FY.2016-17 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as considered and approved by the Board of Directors of the Company in its meeting held on today 19<sup>th</sup> May, 2017.

This is for your information and record.

For Ortel Communications Limited



(Jagi Mangat Panda)

Managing Director

**Encl: as above**



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Ortel Communications Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Ortel Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, its profit and its cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to Note Nos. 47(a) and (b) to the financial statements relating to changes in the basis of estimating the provision for doubtful receivables and write-off for bad debts respectively.

Our opinion is not modified in respect of these matters.

## 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. We have sought and except for the matter described in paragraph h(iv) below, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. The matters described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - f. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note Nos. 29 and 41 to the financial statements;



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- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November, 2016 to 30th December, 2016 (Refer Note No. 48 to the financial statements). Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the management except that we are unable to obtain sufficient and appropriate audit evidence regarding the break-up of the said disclosures into 'SBNs' and 'Other denomination notes'.

Further, as reported in the said Note No. 48, amounts aggregating to Rs. 327.01 lakhs have been received from transactions which are not permitted.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Anand Kumar Jhunjunwala

Partner

Membership No. 056613



Bhubaneswar

19<sup>th</sup> May, 2017

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## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2017]

- (i)
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, the Company's Management ("management") physically verifies its fixed assets annually (except a significant portion of cables and network equipment for which, as explained to us, physical verification is not practicable), which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification of fixed assets during the year.
  - (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii)
- (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.  
However, according to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed service tax dues have not been regularly deposited with the appropriate authority as there have been significant delays in depositing the same in a large number of cases.



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According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues as at 31<sup>st</sup> March, 2017 of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute, are as follows :

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest thereon for non deduction of tax at source	175.15*	2005-06, 2006-07, 2008-09 & 2010-11	Commissioner of Income Tax (Appeals), Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	1449.87	2006-07 to 2014-15	Commissioner of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	13.00	2013-14	Addl. Commissioner(Audit) of Central Excise, Customs & Service Tax, Bhubaneswar

\* Rs.60.06 lakhs has been deposited in this regard.

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government, except for the details as given below :

Particulars	Amount of default as at 31 <sup>st</sup> March, 2017 (Rs. In Lakhs)	Period of Default
Name of the Lenders :		
Karnataka Bank	124.36	Less than 90 days
UCO Bank	125.00	Less than 90 days

The Company has not issued any debentures as at the balance sheet date.

- (ix) In our opinion and according to the information and explanations given to us, moneys raised by way of initial public offer and term loans were prima facie applied for the purposes for which those were raised. The Company has not raised any money by way of 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 financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of 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.



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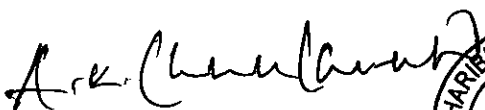

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- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Bhubaneswar

19<sup>th</sup> May, 2017



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)g 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 financial statements for the year ended 31<sup>st</sup> March, 2017]

### Report on the Internal Financial Controls over Financial Reporting 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 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

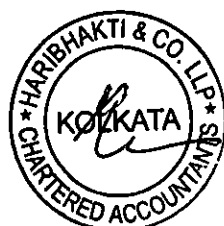
The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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 over financial reporting 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 audit opinion on the Company's internal financial controls system over financial reporting.



# HARIBHAKTI & CO. LLP

Chartered Accountants

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

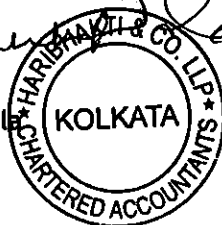
ICAI Firm Registration No.103523W/W100048



Anand Kumar Jhunjunwala

Partner

Membership No.056613



Bhubaneswar

19<sup>th</sup> May, 2017

## "DECLARATION"

[Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Ortel Communications Limited** do hereby declare and confirm that the Audit Report issued by the Statutory Auditor of the Company, Haribhakti & Co. LLP, Chartered Accountants, Kolkata (Firm Registration no. 103523W/W10008) on the Standalone Annual Audited Financial Results for the year ended 31<sup>st</sup> March 2017 is with unmodified opinion(s) and a declaration to this effect is being made pursuant to the proviso to regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification dated May 25, 2016.

**For Ortel Communications Limited**



**Lalit Kumar Mohanty**  
**Company Secretary**



Date : 19<sup>th</sup> May, 2017

Place: Bhubaneswar

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

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017 (Rs. in Lakh)					
Particulars	Quarter Ended			Year Ended	
	31-Mar-17 (Audited)	31-Dec-16 (Unaudited)	31-Mar-16 (Audited)	31-Mar-17 (Audited)	31-Mar-16 (Audited)
<b>Revenue</b>					
(a) Income from Operations	4,607.42	5,115.49	5,328.04	20,337.45	18,769.50
(b) Other Income	212.13	67.52	145.17	383.83	859.65
<b>Total Revenue</b>	<b>4,819.55</b>	<b>5,183.01</b>	<b>5,473.21</b>	<b>20,721.28</b>	<b>19,629.15</b>
<b>Expenses</b>					
(a) Programming Cost	1,065.01	918.46	1,002.65	3,844.77	3,751.38
(b) Bandwidth Cost	451.93	439.14	251.92	1,699.16	831.91
(c) Employee Benefits Expense	599.69	632.14	629.72	2,456.22	2,249.70
(d) Finance Costs	624.97	646.75	616.16	2,521.32	2,356.41
(e) Depreciation and Amortisation Expense	640.39	627.62	495.02	2,404.97	1,857.27
(f) Fixed Assets Written Off	52.49	120.16	351.68	439.90	1,316.48
(g) Other Expenses	1,476.89	2,010.91	1,751.45	7,211.89	5,767.24
<b>Total Expenses</b>	<b>4,911.37</b>	<b>5,395.18</b>	<b>5,098.60</b>	<b>20,578.23</b>	<b>18,130.39</b>
<b>Profit/(Loss) before tax</b>	<b>(91.82)</b>	<b>(212.17)</b>	<b>374.61</b>	<b>143.05</b>	<b>1,498.76</b>
Tax Expense					
- Current Tax	(172.57)	65.74	98.43	-	305.92
- Deferred Tax	-	-	-	-	-
<b>Profit/(Loss) for the Period / Year</b>	<b>80.75</b>	<b>(277.91)</b>	<b>276.18</b>	<b>143.05</b>	<b>1,192.84</b>
<b>Earnings per Equity Share (in Rs.)</b> (Par Value of Rs.10/- per Equity Share)					
Basic	*0.27	*(0.92)	*0.91	0.47	3.93
Diluted	*0.27	*(0.91)	*0.91	0.47	3.91

\* Not annualised



<b>STANDALONE STATEMENT OF ASSETS AND LIABILITIES</b>		
<b>Particulars</b>	<b>(Rs. in Lakh)</b>	
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>(Audited)</b>	<b>(Audited)</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
(a) Share Capital	3,036.54	3,036.54
(b) Reserves and Surplus	11,085.80	10,912.12
	<b>14,122.34</b>	<b>13,948.66</b>
<b>Non-Current Liabilities</b>		
(a) Long-Term Borrowings	9,834.86	10,940.29
(b) Other Long Term Liabilities	1,619.33	1,359.36
(c) Long-Term Provisions	71.85	58.92
	<b>11,526.04</b>	<b>12,358.57</b>
<b>Current Liabilities</b>		
(a) Short-Term Borrowings	2,450.00	2,000.00
(b) Trade Payables		
= Due to Micro and Small Enterprises	=	=
- Due to Others	1,635.41	2,598.77
(c) Other Current Liabilities	20,156.88	14,122.84
(d) Short-Term Provisions	0.98	2.69
	<b>24,243.27</b>	<b>18,724.30</b>
<b>TOTAL</b>	<b>49,891.65</b>	<b>45,031.53</b>

<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets		
(i) Tangible Assets	33,382.00	26,085.66
(ii) Intangible Assets	2,158.96	705.52
(iii) Capital Work-In-Progress	3,158.69	6,008.44
(b) Non-Current Investments	32.55	32.55
(c) Long-Term Loans and Advances	293.11	237.31
(d) Other Non-Current Assets	293.23	539.71
	<b>39,318.54</b>	<b>33,609.19</b>
<b>Current Assets</b>		
(a) Inventories	64.20	1,300.75
(b) Trade Receivables	6,428.82	3,134.85
(c) Cash and Cash Equivalents	753.06	2,895.00
(d) Short-Term Loans and Advances	3,230.10	3,844.71
(e) Other Current Assets	96.93	247.03
	<b>10,573.11</b>	<b>11,422.34</b>
<b>TOTAL</b>	<b>49,891.65</b>	<b>45,031.53</b>



SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lakh)

Particulars	Quarter Ended			Year Ended	
	31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1. Segment Revenue</b>					
a) Cable TV	3634.51	4000.82	3914.22	15957.85	13050.00
b) Broadband	714.21	870.31	894.51	3531.24	3290.55
c) Infrastructure Leasing	183.48	169.14	444.09	547.49	2131.33
d) Unallocated	75.22	75.22	75.22	300.87	297.62
<b>Net Income from Operations</b>	<b>4607.42</b>	<b>5115.49</b>	<b>5328.04</b>	<b>20337.45</b>	<b>18769.50</b>
<b>2. Segment Results</b>					
a) Cable TV	1383.61	1595.71	1754.29	6786.16	5598.43
b) Broadband	436.76	331.21	508.64	1861.24	1994.45
c) Infrastructure Leasing	152.74	136.49	398.14	491.99	1991.39
d) Unallocated	29.06	29.08	29.08	116.27	113.70
<b>Total</b>	<b>2002.17</b>	<b>2092.49</b>	<b>2690.15</b>	<b>9255.66</b>	<b>9697.97</b>
Less: i) Finance Costs	624.97	646.75	616.16	2521.32	2356.41
ii) Other Un-allocable expenditure (net)	1469.02	1657.91	1699.37	6591.29	5842.80
iii) Un-allocable Income	-	-	-	-	-
<b>Total Profit/(Loss) Before Tax</b>	<b>(91.82)</b>	<b>(212.17)</b>	<b>374.62</b>	<b>143.05</b>	<b>1498.76</b>
<b>3. Segment Assets</b>					
a) Cable TV	18929.93	18338.90	11138.57	18929.93	11138.57
b) Broadband	2839.92	2750.12	1808.43	2839.92	1808.43
c) Infrastructure Leasing	2220.89	2119.89	2207.16	2220.89	2207.16
d) Unallocated	25900.91	25510.87	29877.37	25900.91	29877.37
<b>Total Segment Assets</b>	<b>49891.65</b>	<b>48719.78</b>	<b>45031.53</b>	<b>49891.65</b>	<b>45031.53</b>
<b>4. Segment Liabilities</b>					
a) Cable TV	6802.35	7450.23	5900.39	6802.35	5900.39
b) Broadband	559.12	428.78	348.25	559.12	348.25
c) Infrastructure Leasing	1.35	1.35	1.35	1.35	1.35
d) Unallocated	28406.49	26820.35	24832.88	28406.49	24832.88
<b>Total Segment Liabilities</b>	<b>35769.31</b>	<b>34700.71</b>	<b>31082.87</b>	<b>35769.31</b>	<b>31082.87</b>



*[Handwritten signature]*

**Notes :**

- 1 The above unaudited financial results for the quarter and year ended March 31, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors of the company at their respective meetings held on May 19, 2017. The Statutory Auditors of the Company have audited the said results.
- 2 During the financial year 2014-15, funds were raised through IPO for, interalia, expansion of network/capital expenditure on development of digital cable services and broadband services/general corporate purposes. The amount remaining unutilised as at March 31, 2017 is as follows:

Particulars	(Rs. in Lakh)
Issue Proceeds	10,860.00
Less: Issue Expenses accounted upto March 31, 2017 *	780.58
<b>Net proceeds from IPO (A)</b>	<b>10,079.42</b>
<b>Amount utilised upto March 31, 2017 :</b>	
- Expansion of network for providing video, data and telephony services	6,797.62
- Capital expenditure on development of digital cable services	1,674.01
- Capital expenditure on development of broadband services	1,050.63
- General corporate purposes	557.16
<b>Total (B)</b>	<b>10,079.42</b>
<b>Amount unutilised as at March 31, 2017 (A-B)</b>	<b>-</b>

\* excluding the share of expenses pertaining to the selling shareholder

- 3 (a) During the year, in respect of retail customers the Company has changed the basis of estimating the Provision for Doubtful Receivables. In earlier years, the Company provided for the entire amount outstanding for more than six months but now, the Company makes provision to the extent considered necessary, based on the management's best estimate. The basis of estimating the provision needed a change due to various factors like the Company venturing out into newer geographies having different market dynamics, the effect of CAS implementation on customer behavior etc. Had the Company continued with the earlier basis of estimating the provision for doubtful receivables, the Profit for the quarter and year ended 31st March, 2017 would have been lower by Rs. 942.69 Lakh and Rs. 1554.18 Lakh respectively.

(b) Further, in respect of retail customers, in addition to the earlier practice of writing off the entire outstanding dues as on the date of disconnection of service for any reason, the Company has also started writing off bad debts based on the management's best estimate. Had the Company continued with the earlier basis of estimating bad debts, the Profit for the quarter and year ended 31st March, 2017 would have been higher by Rs. 1064.86 Lakh.

- 4 Figures for the quarter ended March 31, 2017 are the balancing figures between audited figure in respect of full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- 5 Figures relating to the previous year/period have been regrouped/rearranged, wherever necessary, to make them comparable with those of the current period.

Place: Bhubaneswar

Date: May 19, 2017



For and on behalf of the Board of Directors

  
Managing Director

Date: 19th May, 2017

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

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
Scrip Code-539015

Dear Sir/Madam;

**Sub: Press Release and Presentation on Audited financial result of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March, 2017 of FY.2016-17.**

We are enclosing herewith Press Release and Presentation on audited financial result of the Company for the fourth quarter ended and financial year ended 31<sup>st</sup> March, 2017 of FY. 2016-17.

This is for your information and record.

For Ortel Communications Limited



(Lalit Kumar Mohanty)

Company Secretary and Compliance Officer

**Encl: as above**





## **Ortel Communications announces Q4 & FY2017 Results**

### **FY2017**

**Total Revenues stood at Rs. 2,072 million, up by 6%**

**Cable TV Revenues grew by 22% to Rs. 1,596 million in FY17**

**Broadband Revenues increases by 7% to Rs. 353 million in FY17**

**Bhubaneshwar, May 19, 2017:** Ortel Communications Limited (Ortel), one of the leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh, Telengana, West Bengal and Madhya Pradesh, announced its financial results for the quarter and full-year ended March 31, 2017.

#### **FY2017 performance overview compared with FY2016**

- Total Income increased to Rs. 2,072 million, from Rs. 1,963 million, up by 5.6%
- EBITDA stood at Rs. 551 million compared to Rs. 703 million
  - EBITDA margin came in at 26.6%
- Profit After Tax came in at Rs. 14 million compared to Rs. 119 million
- EPS amounted to **Rs. 0.21 per share**

#### **Q4 FY2017 performance overview compared with Q4 FY2016**

- Total Income stood at Rs. 482 million from Rs. 547 million
- EBITDA came in at Rs. 123 million compared to Rs. 184 million
  - EBITDA margin came in at 25.4%
- Net Profit stood at Rs. 8 million compared to Rs. 28 million
- EPS amounted to **Rs. 0.92 per share**

**Commenting on the performance, Mr. Bibhu Prasad Rath, President & CEO at Ortel Communications said:**

*“Second half of FY2017 has been a challenging period for the Company with key operating parameters performing below our expectations. However, I am happy to share that we have reported some improvement during Q4 and the management’s thrust in the coming quarters will be to significantly enhance the overall operational performance.*

*We have sustained the positive EBITDA momentum in the Non-Odisha Markets. As we consolidate our new subscriber base in relatively new states like Andhra and Telangana and improve key metrics, we hope to continue delivering similar results.*

*We have consciously slowed inorganic acquisitions as we look to first demonstrate the strength of owning and controlling the ‘last mile’ from the existing subscriber base. So on the back of our exceptional ‘last mile’ business model, we anticipate a marked improvement in financial and operational performance in FY18.”*

**-ENDS-**

## About Ortel Communications Limited (ORTEL)

Ortel Communications (NSE Code: ORTEL; BSE Code: 539015) is a leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telangana & West Bengal. The Company has built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control and focus over the 'Last Mile' network. Ortel has pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services. The Company has a dominant position in Orissa, with emerging presence in Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telangana & West Bengal, covering an addressable market of close to 5 million homes. The business is broadly divided into cable television services comprising of analog cable television services, digital cable television services including other value added services such as HD services, near video on demand (NVoD), gaming and local content. Other focused business segments include broadband services, leasing of fibre infrastructure and signal uplinking services.

## For further information, please contact:

**Ortel Communications Limited**

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**Web:** [www.ortelcom.com](http://www.ortelcom.com)

Anoop Poojari / Nishid Solanki

**CDR India**

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## Disclaimer:

*Certain statements made in this release may not be based on historical information or facts and may be "forward looking statements", including those relating to the business, financial performance, strategy and results of the Company and/or the industry in which it operates. The forward-looking statements contained in this release are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand and competition, can cause actual events, performance or results to differ significantly from any anticipated development. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors and do not accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.*



**Ortel**  
communications  
An ISO 9001 2008 COMPANY

**'BRINGING CONVERGENCE TO INDIA'**

**Ortel Communications Ltd.**

Q4 & FY2017 Earnings Presentation – May 19, 2017

# Disclaimer



*Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements”, including those relating to the business, financial performance, strategy and results of the Company and/or the industry in which it operates. The forward-looking statements contained in this presentation are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand and competition, can cause actual events, performance or results to differ significantly from any anticipated development. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors and do not accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.*



**Introduction**

**Q4 & FY2017 Performance Highlights**

**Segment-wise Performance Overview**

**Region-wise Performance Overview**

**Annexures**



## LAST MILE

Owns & operates  
its network

**64,685\***

Kilometers of  
cable network

## RIGHT OF WAY

Legal 'rights of way'  
for entire network

**1,353,502**

Estimated homes  
reached

## B2C

Direct customer access  
leads to greater control

**823,558**

Total Subscribers

## TWO-WAY

Network enabled for 'Triple  
Play' (video, data and voice)

**90%**

Subscriber base  
on 'last mile' network

**27%**

EBITDA margin

**9%**

Total broadband  
subscribers

**17%**

Revenue contribution  
from broadband

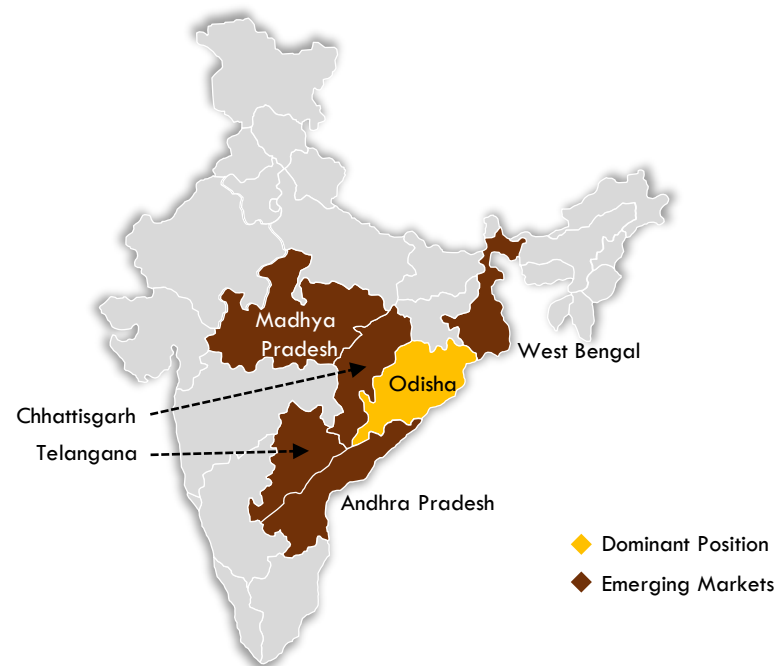
*Note: Figures highlighted above are for Financial Year 2017*

\* Total Owned Network Length also includes the last mile Drop Cable Network

# Ortel: One of the leading Players in the Cable TV and Broadband Industry with Direct to Consumer Offering



- One of the leading cable television and broadband providers focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal
  - Rapidly growing markets with maximum headroom for growth in the cable TV and broadband industry
- Direct to consumer business model with full control over the 'last mile'
  - 90% of the subscriber base under own network
- Two-way communication network for 'Triple Play' service delivery (video/ TV, data/ broadband and voice capabilities)
  - HFC network (combination of optic fibre in the backbone and coaxial cable in the downstream) with legal 'rights of way' for laying network
  - Providing broadband at speed of up to 100 mbps through use of cable modem with DOCSIS 3.0 technology
- Grown both organically and inorganically – through buyout of network equipment, infrastructure and subscribers of other MSOs and LCOs



Estimated Homes Reached	1,353,502
Total Subscribers	823,558
Cable television subscribers	750,471
Broadband subscribers	73,087

*Note: Data above is as on March 31, 2017*

***Growth through increased penetration, digitization, inorganic acquisition and increased broadband penetration***



# Differentiated Play as Compared to Peers

Operating model in-line with Global Players i.e. B2C, unlike the more prevalent B2B business model in India



## B2B business model faces several challenges

- Current business model of most MSOs in India besides Ortel, is largely based on the B2B platform whereby they operate through franchisees / LCOs and they do not deal with customers directly
- Dependence on LCOs makes MSOs vulnerable to large scale customer churn (essentially LCO churn)
- MSOs and broadcasters get less than their fair share of revenues due to under-reporting by LCOs
- With no access to end-customers, no possibilities of offering additional higher-margin services like broadband
- Over-dependence on placement fees is one of the biggest risks in the B2B business model
- Even in a digitized market, B2B players continue to face challenges on billing, collections and recoveries on investment made in placing STBs in LCO networks and head ends since the point of contact with consumers continues to be the LCO

## Ortel owns & controls the 'last mile'

- Ortel owns / operates its own network and owns 90% of its subscribers
- Ensures legally approved rights of way, superior service, minimal leakages and that the quality of network is uniformly maintained
- Control on billing of subscribers and collections
- Direct collections from customers help in controlling trade receivables and reduce bad debts resulting in better margins and cash flows
- Direct access to consumers limits large scale subscriber churn
- Tripe play network allows the Company to offer full range of services across video, data, voice and network infrastructure leasing for customer's benefit
- Ensure 100% of economics on above services accrues to the Company, thereby enabling efficient capital deployment and maximising the ROI objective

# High Quality Network Infrastructure With Legal 'Rights of Way'



Technology & Network

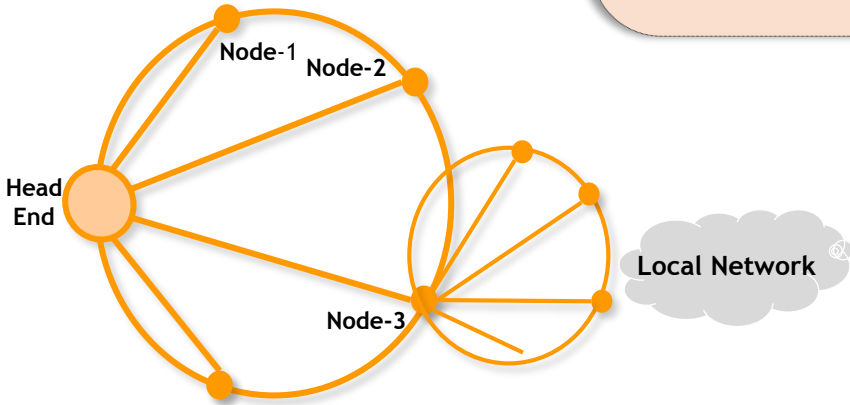
	<b>Across</b>	<b>Head end</b>	
<b>64,685*</b>	<b>78</b>	<b>57</b>	<b>12</b>
<b>Kms of cable</b>	<b>towns</b>	<b>Analog</b>	<b>Digital</b>

Network as on March 31, 2017

- Two-way enabled communication network that can provide triple play services of video, data and voice
- Network ready for deployment of digital services without further up gradation
- Legal 'rights of way' for entire network
- Stringent network design parameters and constant upgradation of technology to maintain a high quality of service

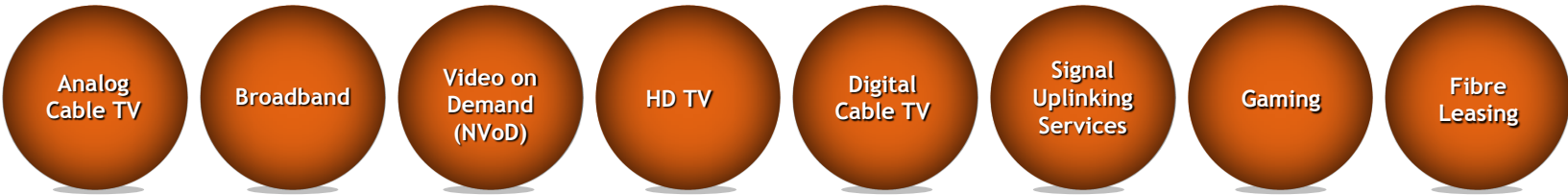
Strong Infrastructure in place...

Fibre optic cable used as a network backbone

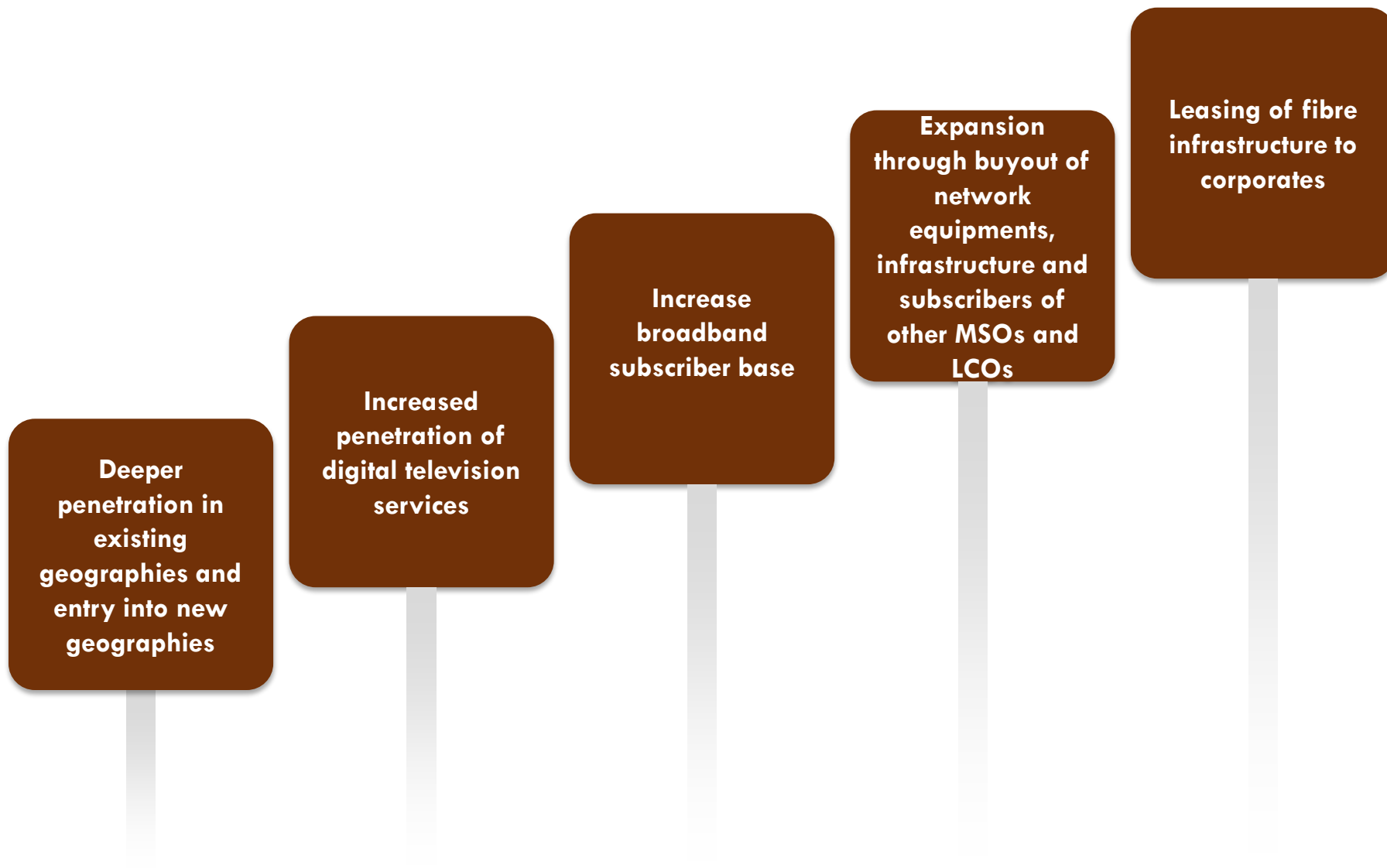


Coaxial cable is used downstream for broadband data and cable systems

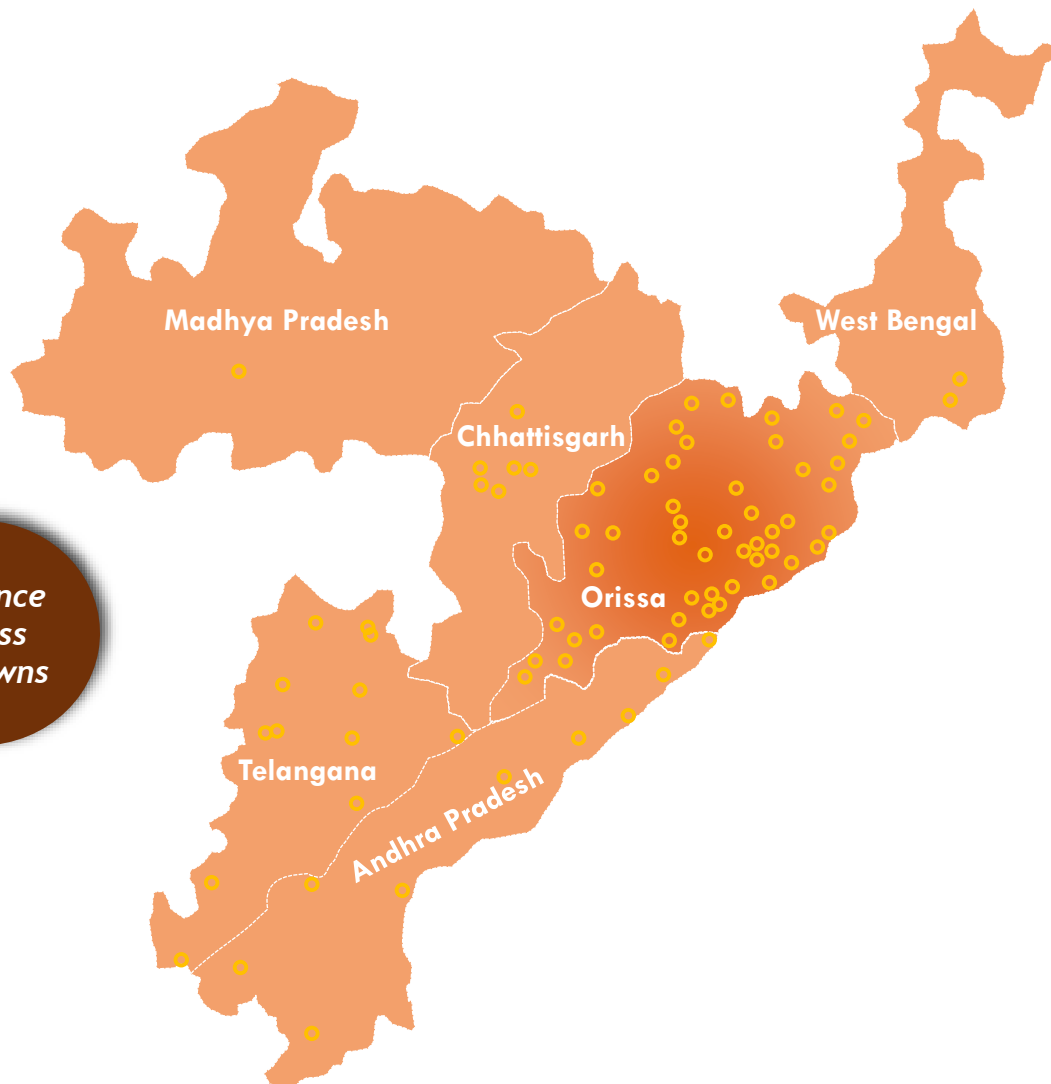
...multiple streams of revenues with marginal additional capex



\* Total Owned Network Length also includes the last mile Drop Cable Network



# Strong Traction in Markets outside Odisha



Presence across 78 Towns

Total Subscribers	823,558
- Odisha	538,032
- Outside Odisha	285,526
- Ratio	65 : 35
Subscribers added in FY17	
- Odisha	2,906
- Outside Odisha	119,460
- Ratio	2 : 98

*Note: As on March 31, 2017*

- The Company's Local Cable Operator (LCO) buy-out strategy receiving strong response in states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh
  - 98% of new subscribers added in FY17 outside Odisha
- Robust growth outside Odisha to continue in FY18

***Establishing strong Multi-State presence***

# Key Operating Highlights



Particulars	Unit	FY16	FY17	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Total Homes Passed	Nos.	1,182,132	1,353,502	1,182,132	1,289,637	1,336,427	1,353,356	1,353,502
Total Subscribers	Nos.	701,192	823,558	701,192	770,141	804,889	811,466	823,558
Subscriber Penetration Ratio	%	59.3%	60.8%	59.3%	59.7%	60.2%	60.0%	60.8%
Inactive Subscribers as a % of Total Subscribers	Nos.	1.9%	3.0%	1.9%	1.7%	3.0%	3.3%	3.0%
Organic Growth (Net of Churn)	%	5.30%	-3.60%	5.90%	-2.40%	-1.00%	-1.00%	0.70%
<b>Total Cable TV Subscribers</b>	<b>Nos.</b>	<b>628,710</b>	<b>750,471</b>	<b>628,710</b>	<b>692,532</b>	<b>725,707</b>	<b>738,963</b>	<b>750,471</b>
<b>Broadband Subscribers (Primary)</b>	<b>Nos.</b>	<b>72,482</b>	<b>73,087</b>	<b>72,482</b>	<b>77,609</b>	<b>79,182</b>	<b>72,503</b>	<b>73,087</b>
Total owned network length*	Kms	55,535	64,685	55,535	58,516	61,988	64,065	64,685
Towns covered	Nos.	70	78	70	74	78	78	78

\* Total Owned Network Length also includes the last mile Drop Cable Network

# Key Operating Highlights (Cont'd.)



Particulars	Unit	FY16	FY17	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cable TV ARPU (Primary)	INR/ Sub/ Month	151	147	151	152	153	150	147
Broadband ARPU	INR/ Sub/ Month	398	375	398	401	406	394	375
Average employees	Nos.	1,309	1801	1,567	1,730	1,742	1,778	1,880
Per user per month data usage	MB	3,915	4,133	4,653	5,329	4,562	5,415	4,133
Pay Channel cost per cable TV customer	INR/ Sub/ Month	56.82	46.46	56.29	50.31	40.62	41.81	47.67
Pay Channel cost as a % of cable TV subscription	%	43.3%	33.1%	40.4%	36.0%	29.1%	30.6%	36.8%

# Consolidated Summarized Profit & Loss Statement



Particulars (Rs. million)	FY17	FY16	Y-o-Y Growth	Q4 FY17	Q4 FY16	Y-o-Y Growth	Q3 FY17	Q-o-Q Growth
Revenues from operations	2,034	1,877	8.4%	461	533	-13.5%	512	-9.9%
Other Income	38	86	-55.4%	21	15	46.1%	7	214.2%
Total Revenue	2,072	1,963	5.6%	482	547	-11.9%	518	-7.0%
Total Expenditure	1,521	1,260	20.7%	359	364	-1.2%	400	-10.2%
- Programming Cost	384	375	2.5%	107	100	6.2%	92	16.0%
- Bandwidth Cost (Broadband)	101	59	71.3%	26	17	50.7%	27	-2.6%
- Bandwidth Cost (Digital)	51	6	751.2%	14	3	359.5%	12	16.0%
- Employee Benefit Expenses	246	225	9.2%	60	63	-4.8%	63	-5.1%
- Bad Debt & Provisions	249	160	55.7%	42	54	-23.5%	83	-50.0%
- Other Expenses	491	435	12.8%	111	125	-11.7%	122	-9.6%
EBITDA (Excluding Other Income)	513	617	-16.9%	101	169	-40.1%	111	-9.1%
EBITDA (Including Other Income)	551	703	-21.6%	123	184	-33.3%	118	3.7%
EBITDA margin (Excluding Other Income)	25.2%	32.9%	-23.3%	22.0%	31.8%	-30.7%	21.8%	1.0%
EBITDA margin (Including Other Income)	26.6%	35.8%	-25.8%	25.4%	33.6%	-24.2%	22.8%	11.5%
Finance Costs	252	236	7.0%	62	62	1.4%	65	-3.4%
Depreciation and Fixed Assets written off	256	282	-9.1%	64	77	-17.2%	67	-3.9%
Amortization Expense	28	35	-20.6%	5	7	-28.1%	8	-35.2%
<b>PBT</b>	14	150	-90.5%	-9	37	-124.5%	-21	-56.7%
<b>PAT</b>	14	119	-88.0%	8	28	-70.8%	-28	-129.0%
PAT Margin	0.7%	6.1%	-88.6%	1.7%	5.0%	-66.8%	-5.4%	-131.2%

# Balance Sheet and Cash Flow Snapshot



Particulars (Rs. million)	As on Mar. 31, 2017	As on Dec. 31, 2016	As on Sept. 30, 2016	As on March 31, 2016
<b>Assets</b>				
Non-current assets	3,932	3,927	3,909	3,360
Current assets	1,057	945	885	1,142
<b>Total assets</b>	<b>4,989</b>	<b>4,872</b>	<b>4,794</b>	<b>4,503</b>
<b>Liabilities</b>				
Shareholders' Funds	1,412	1,402	1,430	1,395
Non-current liabilities	1,153	1,257	1,316	1,236
Current liabilities	2,424	2,213	2,048	1,872
<b>Total Liabilities</b>	<b>4,989</b>	<b>4,872</b>	<b>4,794</b>	<b>4,503</b>
CAPEX	482	431	439	1,230
Gross Debt	1,747	1,776	1,802	1,719
Net Debt	1,672	1,718	1,729	1,430
Networth	1,412	1,402	1,436	1,395



# Key Financial Ratios



Particulars	FY16	FY17	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cable TV gross margin*	71%	73%	74%	73%	77%	74%	67%
Broadband gross margin	82%	71%	80%	77%	74%	69%	63%
EBITDA Margin excluding Other Income	32.9%	25.2%	31.8%	25.5%	30.9%	21.8%	22.0%
EBITDA Margin including Other Income	35.8%	26.6%	33.6%	26.3%	31.5%	22.8%	25.4%
PAT Margin	6.1%	0.7%	5.0%	1.6%	4.7%	-5.4%	1.7%
Net debt to Equity	1	1.2	1	1.2	1.2	1.2	1.2
Net Debt to EBITDA (LTM)	2	3	7.8	5.1	3.5	2.8	13.6
Return on shareholder's equity	8.9%	1.0%	7.9%	2.5%	7.2%	NM	2.3%
Return on Capital Employed (pre tax)	13.2%	8.5%	13.6%	9.0%	12.3%	5.4%	6.7%
Receivable Days	61	115	61	65	81	102	115

**Notes:**

1. Return on Shareholder's Equity is calculated as: PAT/ Average Networth. PAT annualized for quarterly calculation.
2. Return on Capital Employed is calculated as: EBIT/ Average Capital Employed. EBIT annualized for quarterly calculation.
3. "NM" denotes Not Measurable

\*Calculation includes intercity carrying cost for expansion of digital services

# Segment-wise Revenue break-up



Particulars (Rs. million)	FY17	FY16	Y-o-Y Growth	Q4 FY17	Q4 FY16	Y-o-Y Growth	Q3 FY17	Q-o-Q Growth
Connection Fees – Cable TV	138	84	64.7%	24	60	-59.6%	25	-2.5%
Cable Subscription Fees	1,162	866	34.3%	289	248	16.4%	300	-3.6%
Channel Carriage Fees	296	356	-16.8%	50	83	-39.6%	75	-33.6%
<b>Total Cable TV Services Revenue</b>	<b>1,596</b>	<b>1,305</b>	<b>22.3%</b>	<b>363</b>	<b>391</b>	<b>-7.1%</b>	<b>400</b>	<b>-9.2%</b>
Connection Fees – Internet	16	26	-39.9%	2	7	-76.0%	2	-36.2%
Internet Subscription Fees	338	303	11.4%	70	83	-15.8%	85	-17.4%
<b>Total Broadband Services Revenue</b>	<b>353</b>	<b>329</b>	<b>7.3%</b>	<b>71</b>	<b>89</b>	<b>-20.2%</b>	<b>87</b>	<b>-17.9%</b>
Income from Infrastructure Leasing	55	213	-74.3%	18	44	-58.7%	17	8.5%
Other operating income	30	30	1.1%	8	8	0.0%	8	0.0%
<b>Total Revenue from Operations</b>	<b>2,034</b>	<b>1,877</b>	<b>8.4%</b>	<b>461</b>	<b>533</b>	<b>-13.5%</b>	<b>512</b>	<b>-9.9%</b>

# Region-wise Summarized Statement of Operations



## Core Market (Odisha)

Particulars	FY17	FY16	Y-o-Y Growth	Q4 FY17	Q4 FY16	Y-o-Y Growth	Q3 FY17	Q-o-Q Growth
Total revenues	1,544	1,676	-7.9%	327	446	-26.7%	379	-13.6%
EBITDA	556	779	-28.7%	74	201	-63.3%	136	-45.5%
EBIDTA Margin	36.0%	46.5%	-10.5%	22.6%	45.1%	-22.5%	35.8%	-13.2%
Closing Homes Passed	838,134	803,568	34,566	838,134	803,568	34,566	837,988	146
Closing Subscribers	538,032	535,126	2,906	538,032	535,126	2,906	539,229	-1,197

## Emerging Markets (Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal)

Particulars	FY17	FY16	Y-o-Y Growth	Q4 FY17	Q4 FY16	Y-o-Y Growth	Q3 FY17	Q-o-Q Growth
Total revenues	476	190	150.7%	133	84	59.1%	128	4.1%
EBITDA	58	-57	NM	51	-7	NM	6	812.7%
EBIDTA Margin	12.2%	-29.9%	42.0%	38.3%	-8.2%	46.5%	4.4%	33.9%
Closing Homes Passed	515,368	378,564	136,804	515,368	378,564	136,804	515,368	0
Closing Subscribers	285,526	166,066	119,460	285,526	166,066	119,460	272,237	13,289

**Note:** The financial figures are before apportionment of corporate common service expenses/revenue

# Management Thrust for Financial Year 2018



<p><b>Reducing Bad Debts &amp; Provisions</b></p>	<ul style="list-style-type: none"> <li>• Bad Debts are expected to come down significantly in FY18 due to initiatives undertaken by the management in the past few quarters like putting in place manpower, systems and related infrastructure etc. on ground for timely collections as well as improving the overall operating efficiencies</li> <li>• This will be further controlled as a result of full digitisation</li> </ul>	<p><b>Organic Growth in Cable TV Subs / Improving the Penetration Ratio</b></p>	<ul style="list-style-type: none"> <li>• Improving the growth through aggressive organic acquisition in the Cable TV segment remains a key focus area for the management in FY18</li> <li>• Pace of inorganic acquisitions would be slowed down during FY18</li> </ul>
<p><b>Stable Cable TV ARPUs</b></p>	<ul style="list-style-type: none"> <li>• Cable TV ARPUs is expected remain stable in FY18 inspite of digitization in the lower ARPU markets. The Company would increase the ARPUs in a phased manner going forward which would be compensated by digitization in the markets where ARPUs are much lower</li> </ul>	<p><b>Lower Receivable Days</b></p>	<ul style="list-style-type: none"> <li>• Steps are being taken to ensure that Receivable Days does not increase further</li> </ul>
<p><b>Overall Cost Control</b></p>	<ul style="list-style-type: none"> <li>• Cost Control through focus on controlling the other expenses and improving the overall efficiency would be a key thrust for the management in FY18</li> <li>• This would be further supported by lower pay channel cost per sub, which has already declined from Rs. 57 in FY16 to Rs. 46 in FY17</li> </ul>	<p><b>Growth in Broadband Subscribers</b></p>	<ul style="list-style-type: none"> <li>• Attractively bundled broadband packages will help compete with the newer entrant, which will thereby result in healthy broadband additions in the ensuing year</li> <li>• Also Broadband will be launched in new markets during the year</li> </ul>



- Total revenues increased by 6% to Rs. 2,072 million
  - Growth in Cable TV Revenues stood at 22%, while Broadband Revenues reported a growth of 7%
- Total expenditure stood at Rs. 1,521 million, higher by 21% Y-o-Y
  - Programming cost increased to Rs. 384 million from Rs. 375 million in FY16
  - Bandwidth cost (digital) increased to Rs. 51 million vis-à-vis Rs. 6 million in FY16 as a result of higher intercity carrying costs for expansion of digital services
  - Employee expenses increased to Rs. 246 million, higher by 9%
  - Bad Debt & Provisions stood at Rs. 249 million
- EBITDA (including other income) came in at Rs. 551 million
  - EBITDA Margin stood at 26.6%
- Profit after tax came in at Rs. 14 million as compared to Rs. 119 million in the previous year



## **Commenting on the performance, Mr. Bibhu Prasad Rath, President & CEO at Ortel Communications said:**

*“Second half of FY2017 has been a challenging period for the Company with key operating parameters performing below our expectations. However, I am happy to share that we have reported some improvement during Q4 and the management’s thrust in the coming quarters will be to significantly enhance the overall operational performance.*

*We have sustained the positive EBITDA momentum in the Non-Odisha Markets. As we consolidate our new subscriber base in relatively new states like Andhra and Telangana and improve key metrics, we hope to continue delivering similar results.*

*We have consciously slowed inorganic acquisitions as we look to first demonstrate the strength of owning and controlling the ‘last mile’ from the existing subscriber base. So on the back of our exceptional ‘last mile’ business model, we anticipate a marked improvement in financial and operational performance in FY18.”*



<b>ARPU</b>	Average Revenue Per User Per Month
<b>B2B</b>	Business to Business
<b>B2C</b>	Business to Consumer
<b>CAGR</b>	Compounded Annual Growth Rate
<b>DOCSIS</b>	Data Over Cable Service Interface Specification
<b>DTH</b>	Direct-to-Home
<b>HFC</b>	Hybrid Fibre Coaxial
<b>LCOs</b>	Local Cable Operator
<b>MSOs</b>	Multi System Operators
<b>NVoD</b>	Near Video on Demand
<b>VoD</b>	Video on Demand denotes Not Meaningful
<b>NM</b>	Not Measurable



## Ortel Communications' Q4 & FY2017 Earnings Conference Call

Time • 02.00 pm IST on Monday, May 22, 2017

Conference dial-in number • +91 22 3938 1071

Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- UK – London: 4420 3478 5524
- USA: 1 866 746 2133
- USA – Los Angeles: 1 323 386 8721





## Ortel Communications Limited (ORTEL)

Ortel Communications (NSE Code: ORTEL; BSE Code: 539015) is a leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal. The Company has built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control and focus over the 'last mile' network. Ortel has pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services. The Company has a dominant position in Orissa, with emerging presence in Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana and West Bengal, covering an addressable market of close to 5 million homes. The business is broadly divided into cable television services comprising of analog cable television services, digital cable television services including other value added services such as HD services, near video on demand (NVoD), gaming and local content. Other focused business segments include broadband services, leasing of fibre infrastructure and signal uplinking services.

### For further information, please contact:

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# ***Presentation Follows.....***

Date: 19<sup>th</sup> May, 2017

**National Stock Exchange of India Limited**

Exchange Plaza

Bandra Kurla Complex , Bandra (E)

Mumbai -400051

**Scrip Code: ORTEL**

**BSE LIMITED**

Phiroze Jeejeebhoy Tower

Dalal Steet, Mumbai -400001

**Scrip Code:539015**

Dear Sir/Madam;

**Sub.: Allotment of Equity Shares under Ortel Employee Stock Option Scheme-2010.**

This is to inform that the Board of Director ("Board") of the Company at its meeting held on today, 19 May, 2017, have allotted 111,436 no. of equity shares of face value of Rs.10/- each at an issue price of Rs. 140/- each to the selected eligible employees of the Company who have exercised their stock options pursuant to the Ortel Employee Stock Option Scheme-2010 ("ESOS 2010").

These equity shares issued now will rank pari-passu in all respects with the existing equity shares.

This is for your information and record.

Thanking You

For Ortel Communications Ltd



Lalit Kumar Mohanty

(Company Secretary and Compliance Officer)

