

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



**Ortel**  
Communications

## Ortel Communications Ltd.

www.ortelcom.com

Bringing Convergence to India

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

December 17, 2018

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

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

**SUBJECT: UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED  
SEPTEMBER 30, 2018**

Dear Sir/Madam;

This is to inform you that Hon'ble National Company Law Tribunal, New Delhi Bench in the matter of C.P.No.IB-761/(ND)/2018 passed order dated 27.11.2018 for commencement of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) in the matter of Ortel Communications Limited (Company) based on the application filed by Sony Pictures Networks India Pvt. Ltd., an operational creditor of the Company. Mr. Anil Bhatia (Reg. No. IBBI/IPA-001/IP-P00587/2017-18/11027) has been appointed as Interim Resolution Professional (IRP) to carry on the functions as defined under the provisions of the code.

We would like to bring to your notice that as per Section 17 & 18 of the Code, from the date of commencement of CIRP, the powers of Board of Directors stand suspended and such powers as well as management of the affairs of the company vest in the IRP, until replaced by Resolution Professional (RP).

The company had called a meeting of Board of Directors on 28<sup>th</sup> November 2018 to consider and approve the unaudited financial results for the quarter and half year ended 30<sup>th</sup> September, 2018 ('results'). However, on 27<sup>th</sup> November 2018, Hon'ble NCLT had ordered for commencement of CIRP and hence the aforesaid Board meeting on 28<sup>th</sup> November 2018 could not be held. These results pertain to a period before the commencement of the CIRP and appointment of the IRP. The Board of Directors of the Company was in charge of the business and affairs of the Company until the commencement of CIRP and all operations until such date (i.e. 27<sup>th</sup> November, 2018) were being undertaken under the supervision and management of the erstwhile Board of Directors. Hence, for the purpose of approval of the results, the IRP has relied upon the results prepared, checked and confirmed by Key Managerial Personnel of the Company (Ms. Jagi Mangat Panda, Managing Director, Mr. Bibhu Prasad Rath, CEO and Mr. Satyanarayan Jena, CFO) and the representations and statements made by them with respect to the financial accounts, records and the results. It is clarified, however, that, the IRP has not conducted an independent verification of the results, in so far as it pertains to the period prior to commencement of CIRP and his appointment. The IRP has today Monday, December 17, 2018 approved the results only for the limited purpose of discharging the powers of the Board of Directors of the Company, which have been conferred upon him as per the provisions of Section 17 of the Code.

Such results have been prepared, checked and confirmed by Key Managerial Personnel of the Company (Ms. Jagi Mangat Panda, Managing Director, Mr. Bibhu Prasad Rath, CEO and Mr. Satyanarayan Jena, CFO) in a meeting called by IRP on 17.12.2018 at corporate office of the company situated at C-1, Chandrasekharpur, Near BDA Colony, Bhubaneswar-751016, Odisha. Accordingly, such results have been certified and signed by Managing Director & CFO of the company at 06:15 P.M. as authorized by IRP.



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

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



## Ortel Communications Ltd.

www.ortelcom.com

Bringing Convergence to India

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

The un-audited financial results for the quarter and half year ended 30.09.2018 of FY 2018-19 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and limited review report is enclosed herewith.

In terms of the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2017, the results are also being published in the newspaper and will also be placed on the website of the company i.e. [www.ortelcom.com](http://www.ortelcom.com).

This is for your information and record.

Thanking You,  
For Ortel Communications Ltd.



**Bidu Bhusan Dash**  
Company Secretary & Compliance Officer

Issued with the approval of Mr. Anil Bhatia (IRP) (Reg. No. IBBI/IPA-001/IP-P00587/2017-18/11027)

Enclo.: As above

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

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

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a) Revenue from Operations	3,156.13	3,134.98	4,783.32	6,291.11	9,746.06	18,403.56
(b) Other Income	72.58	35.59	68.12	108.17	100.52	209.74
<b>Total Income</b>	<b>3,228.71</b>	<b>3,170.57</b>	<b>4,851.44</b>	<b>6,399.28</b>	<b>9,846.58</b>	<b>18,613.30</b>
<b>2. Expenses</b>						
(a) Programming Cost	910.56	1,097.47	1,112.27	2,008.03	2,264.45	4,525.56
(b) Bandwidth Cost	326.77	359.46	434.54	686.23	873.76	1,802.81
(c) Employee Benefits Expense	463.38	539.29	513.05	1,002.67	1,052.88	2,080.25
(d) Finance Costs	679.84	687.59	728.59	1,367.43	1,434.06	2,918.85
(e) Depreciation and Amortisation Expense	718.97	706.73	680.17	1,425.70	1,325.71	2,710.02
(f) Property, Plant and Equipment written off	97.48	104.49	86.26	201.97	168.15	412.07
(g) Other Expenses	1,794.16	1,117.79	1,498.48	2,911.95	2,930.97	5,813.75
<b>Total Expenses</b>	<b>4,991.16</b>	<b>4,612.82</b>	<b>5,053.36</b>	<b>9,603.98</b>	<b>10,049.98</b>	<b>20,263.26</b>
<b>3. Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(1,762.45)</b>	<b>(1,442.25)</b>	<b>(201.92)</b>	<b>(3,204.70)</b>	<b>(203.40)</b>	<b>(1,649.96)</b>
<b>4. Exceptional Items - (Income)/Expense (net)</b>		(94.03)	373.02	(94.03)	656.98	7,883.13
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(1,762.45)</b>	<b>(1,348.22)</b>	<b>(574.94)</b>	<b>(3,110.67)</b>	<b>(860.38)</b>	<b>(9,533.09)</b>
<b>6. Tax Expense</b>						
- Current Tax	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-
<b>7. Profit/(Loss) after tax (5-6)</b>	<b>(1,762.45)</b>	<b>(1,348.22)</b>	<b>(574.94)</b>	<b>(3,110.67)</b>	<b>(860.38)</b>	<b>(9,533.09)</b>
<b>8. Other Comprehensive Income / (Expense)</b>						
- Items that will not be reclassified to profit or loss	112.37	51.64	5.09	164.01	9.24	78.61
<b>9. Total Comprehensive Income / (Expense) after tax (7+8)</b>	<b>(1,650.08)</b>	<b>(1,296.58)</b>	<b>(569.85)</b>	<b>(2,946.66)</b>	<b>(851.14)</b>	<b>(9,454.48)</b>
<b>10. Paid-up Equity Share Capital (Face Value Rs. 10/- each)</b>	<b>3,297.69</b>	<b>3,297.69</b>	<b>3,047.69</b>	<b>3,297.69</b>	<b>3,047.69</b>	<b>3,047.69</b>
<b>11. Other Equity excluding Revaluation Reserves</b>						<b>(982.70)</b>
<b>12. Earnings per share - Basic &amp; Diluted (in Rs.)</b> (* Not annualised)	<b>*(5.46)</b>	<b>*(4.27)</b>	<b>*(1.89)</b>	<b>*(9.64)</b>	<b>*(2.83)</b>	<b>(31.29)</b>



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

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

**BALANCE SHEET**

(Rs. in Lakhs)

Particulars	As at 30-Sep-18 (Unaudited)	As at 31-Mar-18 (Audited)
<b>A ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, Plant and Equipment	34,564.02	34,694.42
(b) Capital Work-in-Progress	2,370.84	2,965.03
(c) Goodwill	244.35	109.16
(d) Other Intangible Assets	2,337.93	1,576.53
(e) Investment in Subsidiary	1.00	1.00
(f) Financial Assets		
(i) Investments	211.28	211.28
(ii) Loans	300.70	303.92
(iii) Other Financial Assets	567.32	551.07
(g) Other Non-Current Assets	384.66	433.85
(h) Non-Current Tax Assets (Net)	800.03	622.70
<b>Total Non-Current Assets</b>	<b>41,782.13</b>	<b>41,468.96</b>
<b>2. Current Assets</b>		
(a) Inventories	59.81	59.46
(b) Financial Assets		
(i) Trade Receivables	2,581.11	2,381.29
(ii) Cash and Cash Equivalents	1,014.34	350.35
(iii) Other Bank Balances	51.53	75.10
(iv) Loans	43.63	32.44
(v) Other Financial Assets	4.47	6.24
(c) Other Current Assets	2,361.60	2,723.73
<b>Total Current Assets</b>	<b>6,116.49</b>	<b>5,628.61</b>
<b>Total Assets</b>	<b>47,898.62</b>	<b>47,097.57</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity Share Capital	3,297.69	3,047.69
(b) Other Equity	(3304.36)	(982.70)
<b>Total Equity</b>	<b>(6.67)</b>	<b>2,064.99</b>
<b>2. Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	16,227.17	10,349.67
(ii) Other Financial Liabilities	1,644.34	1,029.31
(b) Provisions	68.47	68.47
(c) Other Non-Current Liabilities	1,071.25	1,205.00
<b>Total Non-Current Liabilities</b>	<b>19,011.23</b>	<b>12,652.45</b>
<b>3. Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	2,450.00	2,880.00
(ii) Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,852.34	3,482.11
(iii) Other Financial Liabilities	18,235.81	21,864.31
(b) Other Current Liabilities	4,343.18	4,152.79
(c) Provisions	12.73	0.92
<b>Total Current Liabilities</b>	<b>28,894.06</b>	<b>32,380.13</b>
<b>Total Equity and Liabilities</b>	<b>47,898.62</b>	<b>47,097.57</b>



*[Handwritten signature]*

*[Handwritten signature]*

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

**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>						
a) Cable TV	2,567.06	2,389.83	3,773.26	4,956.89	7,668.40	14,540.64
b) Broadband	331.21	422.67	598.59	753.88	1,303.25	2,316.21
c) Infrastructure Leasing	176.82	238.08	336.24	414.90	623.96	1,172.36
d) Others	81.04	84.40	75.23	165.44	150.45	374.35
<b>Net Income from Operations</b>	<b>3,156.13</b>	<b>3,134.98</b>	<b>4,783.32</b>	<b>6,291.11</b>	<b>9,746.06</b>	<b>18,403.56</b>
<b>2. Segment Results</b>						
a) Cable TV	602.90	909.57	1,216.25	1,512.47	2,774.06	(1,553.69)
b) Broadband	31.79	79.21	134.37	111.00	414.25	313.20
c) Infrastructure Leasing	148.19	210.37	254.41	358.56	518.69	891.61
d) Others	16.80	20.32	20.14	37.12	40.34	81.18
<b>Total</b>	<b>799.68</b>	<b>1,219.47</b>	<b>1,625.17</b>	<b>2,019.15</b>	<b>3,747.34</b>	<b>(267.70)</b>
Less: i) Finance Costs	679.84	687.59	728.59	1,367.43	1,434.06	2,918.85
ii) Other Un-allocable Expenditure net of Un-allocable Income	1,882.29	1,880.10	1,471.52	3,762.39	3,173.66	6,346.54
<b>Total Profit/(Loss) Before Tax</b>	<b>(1,762.45)</b>	<b>(1,348.22)</b>	<b>(574.94)</b>	<b>(3,110.67)</b>	<b>(860.38)</b>	<b>(9,533.09)</b>
<b>3. Segment Assets</b>						
a) Cable TV	17,483.66	16,287.89	22,050.17	17,483.66	22,050.17	16,331.65
b) Broadband	2,240.90	2,251.36	2,719.41	2,240.90	2,719.41	2,282.78
c) Infrastructure Leasing	1,956.64	1,945.26	2,261.47	1,956.64	2,261.47	1,993.90
d) Others	213.84	222.99	249.71	213.84	249.71	231.96
e) Unallocated	26,003.58	26,445.53	25,737.74	26,003.58	25,737.74	26,257.28
<b>Total Segment Assets</b>	<b>47,898.62</b>	<b>47,153.03</b>	<b>53,018.50</b>	<b>47,898.62</b>	<b>53,018.50</b>	<b>47,097.57</b>
<b>4. Segment Liabilities</b>						
a) Cable TV	11,574.31	10,638.40	9,674.14	11,574.31	9,674.14	10,006.23
b) Broadband	971.95	890.21	802.71	971.95	802.71	899.77
c) Infrastructure Leasing	723.03	799.40	1,314.99	723.03	1,314.99	948.34
d) Others	4.31	50.89	29.73	4.31	29.73	-
e) Unallocated	34,631.69	32,130.72	30,376.67	34,631.69	30,376.67	33,178.24
<b>Total Segment Liabilities</b>	<b>47,905.29</b>	<b>44,509.62</b>	<b>42,198.24</b>	<b>47,905.29</b>	<b>42,198.24</b>	<b>45,032.58</b>



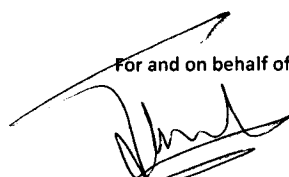
Company under Corporate Insolvency Resolution  
Process by NCLT Order, dated November 27, 2018

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

NOTES:

- 1 Hon'ble National Company Law Tribunal, New Delhi Bench ('NCLT'), in the matter of C.P.No.IB-761/ (ND)/2018 passed an Order dated 27th November, 2018 for commencement of the Corporate Insolvency Resolution Process ('CIRP') under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') in the matter of Ortel Communications Limited ('the Company') based on the application filed by Sony Pictures Networks India Pvt. Ltd., an operational creditor of the Company. Mr. Anil Bhatia (Reg. No. IBBI/IPA-001/IP-P00587/2017-18/11027) has been appointed as Interim Resolution Professional ('IRP') to carry on the functions of an IRP, as defined under the provisions of the IBC. The company had called a meeting of Board of Directors on 28th November 2018 to consider and approve the unaudited financial results for the quarter and half year ended 30th September, 2018 ('results'). However, on 27th November 2018, Hon'ble NCLT had ordered for commencement of CIRP and hence the aforesaid Board meeting on 28th November 2018 could not be held. These results pertain to a period before the commencement of the CIRP and appointment of the IRP. The Board of Directors of the Company was in charge of the business and affairs of the Company until the commencement of CIRP and all operations until such date (i.e. 27th November, 2018) were being undertaken under the supervision and management of the erstwhile Board of Directors. Hence, for the purpose of approval of the results, the IRP has relied upon the results prepared, checked and confirmed by Key Managerial Personnel of the Company (Ms. Jagi Mangat Panda, Managing Director, Mr. Bibhu Prasad Rath, CEO and Mr. Satyanarayan Jena, CFO) and the representations and statements made by them with respect to the financial accounts, records and the results. It is clarified, however, that, the IRP has not conducted an independent verification of the results, in so far as it pertains to the period prior to commencement of CIRP and his appointment. The IRP has approved the results only for the limited purpose of discharging the powers of the Board of Directors of the Company, which have been conferred upon him as per the provisions of Section 17 of the IBC.
- 2 The Segment information has been prepared in line with the review of operating results by the Chief Operating Decision Maker ("CODM"), as per Ind AS 108 "Operating Segments". Accordingly, the Company's entire operations relate to three broad operating segments viz. (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing (IFL) and it operates in the domestic market only.
- 3 During the year ended 31st March, 2018, the Company had made provision for doubtful receivables amounting to Rs. 3063.76 lakhs in respect of both retail and non-retail customers, as considered necessary, based on the management's best estimate. Thereafter, the Company identified customers who had suffered disruption of services/deficient provision of services during the period 1st July, 2017 to 30th April, 2018 and during the quarter ended 30th September, 2018, the Company issued Credit Notes amounting to Rs. 1419.72 lakhs to such customers. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 1419.72 lakhs and the related Goods and Services Tax ('GST') liability with Rs. 255.55 lakhs and credited 'Trade Receivables' with Rs. 1675.27 lakhs.
- 4 There is persistent severe strain on the working capital and operations of the Company and it is undergoing significant financial stress. It has incurred a net loss of Rs. 3110.67 lakhs for the half year ended 30th September, 2018 and, as of that date, the net worth of the Company is fully eroded. Due to, inter alia, low margin, fall in customer base and high interest cost, the Company is facing financial difficulties leading to defaulting making payments to operational creditors etc. Consequently, one of the operational creditors filed a petition before the NCLT, under Section 9 of IBC and CIRP was initiated in respect of the Company wef 27th November, 2018, as explained in Note No. 1 hereinabove. Further, the company has material obligations towards borrowings, employee benefits expense and statutory dues, amongst others. The Company's current level of income is barely sufficient to meet all operational expenses but not the past liabilities and the debt servicing obligations regarding the financial creditors. However, the Company has assessed that considering its plans to deal with the aforesaid events or conditions, the use of the going concern assumption is appropriate in the circumstances and hence, the results have been prepared on a going concern basis. Certain crucial aspects of the Company's plans in this regard are as follows:-
  - a) Restructuring/reorganising the loss making locations to eliminate recurring operating losses.
  - b) Drastic reduction in overhead expenditure
  - c) Reduction in manpower cost by outsourcing certain functions
  - d) Introduction of new sales schemes to increase net growth in the customer base of existing locations
  - e) Obtaining new contracts for construction and maintenance of networks. The Company has already received certain orders in this regard and expects more such orders on a regular basis.
  - f) The CIRP provides for a moratorium as envisaged under Section 14(1) of IBC, with effect from 27th November, 2018 till the completion of the CIRP process, provided that at any time during the CIRP if a resolution plan is approved under Section 31(1) of IBC or an order for liquidation of the Company is passed under section 33 of IBC, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be. CIRP has just started and ultimately a resolution plan needs to be presented to and approved by the Committee of Creditors (CoC). The CoC is yet to be formed. The resolution plan, which would be required to be approved by the CoC, will need to be further approved by the NCLT. Pending the consummation of the said process under CIRP, the results have been prepared on a going concern basis.
- 5 Previous years/periods' figures have been rearranged/regrouped/reclassified, wherever necessary, to make them comparable with those of current year/period.



For and on behalf of Ortel Communications Limited  
  
Jagi Mangat Panda  
Managing Director  
DIN - 00304690

  
Satya Narayan Jena  
Chief Financial Officer

Place: Bhubaneswar  
Date: 17th December, 2018

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

## LIMITED REVIEW REPORT

Review Report to  
Interim Resolution Professional  
Ortel Communications Limited

1. The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, admitted a petition for initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') filed by one of the operational creditors of Ortel Communications Limited ("the Company"), vide order dated 27<sup>th</sup> November, 2018 and appointed an Interim Resolution Professional ('IRP') to manage the affairs of the Company in accordance with the provisions of IBC. In view of pendency of the CIRP and in view of suspension of powers of Board of Directors and as explained to us, the power of adoption of the Statement of Standalone Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2018 ('the Statement'), vests with the IRP
2. We have reviewed the Statement, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated 30<sup>th</sup> November, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. This Statement, which is the responsibility of the Company's Management and approved by the IRP (refer Note No. 1 to the Statement), has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4.
  - (a) As informed to us by the management, the Company has issued Credit Notes amounting to Rs. 1419.72 lakhs during the quarter ended 30<sup>th</sup> September, 2018 towards disruption of services/deficient provision of services during the period 1<sup>st</sup> July, 2017 to 30<sup>th</sup> April, 2018. Accordingly, the Company has debited 'Provision for doubtful receivables' with Rs. 1419.72 lakhs and the related Goods and Services Tax ('GST') liability with Rs. 255.55 lakhs and credited 'Trade



# HARIBHAKTI & CO. LLP

Chartered Accountants

Receivables' with Rs. 1675.27 lakhs. However, we have been unable to obtain sufficient appropriate evidence regarding the appropriateness of issuance of such credit notes viz. the monthwise /areawise /analog or digital wise break-up of Rs. 1419.72 lakhs, the internal auditor's/any other external expert's vetting regarding the due processes and checks and balances having been followed etc. Hence, we are unable to comment on the issuance of such Credit Notes by the Company and the impact of the same, if any, on the Statement cannot be ascertained.

- (b) The Company has not provided to us for our verification GST Returns for the quarter and six months ended 30<sup>th</sup> September, 2018 and reconciliation of such Returns with the books of accounts, along with the related documents, if any. Hence, the impact of the same, if any, on the Statement is not ascertainable.
- (c) As per the relevant GST Act/Rules, where the recipient of goods/services fails to pay to the suppliers of goods or services or both ( other than the supplies on which tax is payable on reverse charge basis ), the amount towards the value of supply along with the tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.

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

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

5.

- (a) The Company has taken a loan of Rs. 1060 lakhs from its wholly-owned subsidiary, Ortel Broadband Limited, during the quarter ended 30th September, 2018 and provided interest of Rs. 36.72 lakhs @ 14.50% p.a, upto the said date, thereby reflecting a total outstanding of Rs. 1096.72 lakhs against the said loan as at that date. However, relevant loan agreement/documents evidencing the terms and conditions w.r.t the said loan were not provided to us for our verification and thus the impact of the same, if any, on the Statement cannot be ascertained.
- (b) The Company was having an outstanding loan of Rs. 9630.54 lakhs from an NBFC as at 30th June, 2018. During the quarter ended 30th September, 2018, the Company has accounted for a new loan of Rs. 9630.54 lakhs from the same NBFC against which the actual funds received by the Company





# HARIBHAKTI & CO. LLP

Chartered Accountants

was Rs. 1700 lakhs (used to pay off a part of the old loan) and the balance of old loan amounting to Rs. 7930.54 lakhs (i.e. Rs. 9630.54 lakhs - Rs. 1700 lakhs) was adjusted by the Company against the new loan by way of a book entry. No confirmation or any other relevant document from the NBFC has been provided to us for our verification, which evidences the fact that part of the new loan amounting to Rs. 7930.54 lakhs is adjustable towards extinguishment of the old loan by way of a book entry. In absence of such a confirmation/relevant document, we are not in a position to comment on the aforesaid unilateral adjustment of loan accounted for by the Company in its books of accounts and the impact of the same, if any, on the Statement is not ascertainable.

Our conclusion is qualified in respect of the matters stated in paragraphs 5 (a) and (b) above.

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

## Material Uncertainty Related to Going Concern

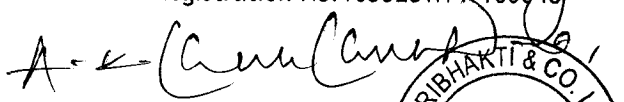
7. We draw attention to Note No.4 to the Statement which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Statement has been prepared on a going concern basis for the reasons stated in the said Note.

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

  
Anand Kumar Jhunjhunwala  
Partner  
Membership No.: 056613



Bhubaneswar

17<sup>th</sup> December, 2018