

September 28, 2018

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

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

SUBJECT:-SUBMISSION OF ANNUAL REPORT OF THE COMPANY APPROVED AND ADOPTED BY THE MEMBERS IN THE ANNUAL GENERAL MEETING HELD ON FRIDAY, 21ST SEPTEMBER, 2018 IN COMPLIANCE WITH REGULATION 34(1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Dear Sir/Madam;

We are enclosing herewith the Annual Report of the Company approved and adopted by the Members in the 23rd Annual General Meeting held on Friday, 21st September, 2018 at Lakshmi Pat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 in compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking You,
For Ortel Communications Ltd


Bidu Bhusan Dash
Company Secretary & Compliance Officer



Enclo.: As above



ORTEL COMMUNICATIONS LIMITED

(CIN:L74899DL1995PLC069353)

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

Website : www.ortelcom.com, Email: bidu.dash@ortelgroup.com

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting (AGM) of the members of Ortel Communications Limited shall be held on Friday, September 21, 2018 at Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016 at 10:30 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements including the Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 including the audited Balance Sheet as at March 31, 2018, together with the Reports of the Auditors' and Directors' thereon.
2. To re-appoint Director in place of Mrs. Jagi Mangat Panda, Managing Director (DIN-00304690), who retires by rotation and, being eligible, offers herself for re-appointment.

Explanation:

Pursuant to Section 149(13) of the Companies Act 2013, the independent directors are not liable to retire by rotation. Further Section 152 (6) of the Companies Act, 2013 stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the company.

To meet the requirement of provisions of Section 152 (6) of the Companies Act, 2013 and in line with the Article 149, 150, 151, 152 and 160 of the Article of Association, the Managing Director or the whole time Director shall not, while he/she continues to hold that office, be subject to retirement by rotation under Article 151 but he/she shall be subject to the provision of any contract between him/her and the Company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he/she shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he/she ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being then such of the Managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 151 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of

Directors for the time being. However, he/she shall be counted in determining the number of Directors to retire (save as otherwise provided in a contract in terms of provisions of the Act or Rules made hereunder or in a resolution passed by Board or Shareholders of the Company).

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an "Ordinary Resolution".

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the applicable Rules thereon and other applicable provisions of law, if any, Mrs. Jagi Mangat Panda, Managing Director (DIN-00304690) of the Company, who retires by rotation as Director in the Annual General Meeting, be and is hereby re-appointed as a Director of the Company at the same meeting and she shall not, by reason of such retire by rotation cease to be a Managing Director of the Company."

Special Business:

3. To ratify remuneration of Cost Auditors of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as an "Ordinary Resolution":

"RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act") and any amendments thereof, the consent of the Company be and is hereby accorded for ratification of the below remuneration to M/s NIRAN & CO., Cost Accountants, Bhubaneswar, Odisha as the Cost Auditors of the Company for the financial year 2018-19 as recommended by Audit Committee of the Board and approved by Board of Directors of the Company."

Remuneration:

Rs. 70,000/- per annum plus out of pocket expenses & tax as applicable for conducting the Cost audit of the Company.

Date: August 10, 2018

Place: Bhubaneswar

By the order of the Board
For Ortel Communication Limited

Registered Office:

B-7/122A, Safdarjung Enclave

New Delhi-110029

E-mail: bidu.dash@ortelgroup.com

Sd/-
CS Bidu Bhusan Dash
Company Secretary

NOTES:

1. At the 19th AGM, M/s Haribhakti and Co. LLP, Chartered Accountants, Kolkata, were appointed as Statutory Auditors of the Company for a term of five years until the conclusion of 24th AGM of the Company.

The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 1833(E), dated May 7, 2018 issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of the AGM Notice.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 3 set out above is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE RELEVANT PROXY FORM IS ATTACHED HEREWITH.**
4. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
5. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
6. The members/Proxies are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting.
7. Proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.
8. Proxy in prescribed **Form No. MGT-11** is enclosed herewith.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. In terms of the provisions of Section 152 of the Act, Mrs. Jagi Mangat Panda, Managing Director, retire by rotation at the Meeting. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in anyway, concerned or interested, financially or otherwise, in the Ordinary Business setout under Item No.03 of the Notice.
12. The Attendance at the meeting will be regulated through the Attendance Slip and the same will be verified with the records maintained with the Company. Members who hold shares in dematerialized form are requested to quote their DP ID and Client ID number(s) and those who hold shares in physical form are requested to quote their folio number(s) in the Attendance Slip to facilitate their identification at the Meeting.
13. The members are requested to intimate to the Company, queries, if any, at least 7 days before the date of the meeting to enable the management to keep the required information available at the meeting.
14. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain close for a period of seven days from **15th September, 2018 to 21st September, 2018 (both days inclusive)** for the purpose of Annual General Meeting.
15. Members holding shares in physical form are requested to notify any change in their address, if any, to the Registrar and Share Transfer Agent, M/s Karvy Computer share Private Limited, Hyderabad (Karvy) at their address mentioned below or to the Registered Office of the Company, quoting their Folio number (s).
16. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their email addresses, nominations, power of attorney, change of address/ name etc to their Depository Participant (DP). Any changes effected by the DP will be automatically reflected in the record maintained by the Depositories.
17. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
18. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/ variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/ d-mat form, the nomination form may be filed with the respective Depository Participant.
19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Agreements in which the directors are interested, maintained under Section

- 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
20. The Notice of the AGM and instructions for e-voting and the Annual Report of the Company for the year ended March 31, 2018 is uploaded on the Company's website www.ortelcom.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office and Corporate Office for inspection during normal business hours on working days. Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
 21. SEBI vide its circular dated 20th April, 2018 has made it mandatory for submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their D-Mat accounts and members holding shares in physical form to the Company or to RTA, the said documents duly attested.
 22. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, facility to exercise their right to vote at the 23rd Annual General Meeting by electronic means and all the items of the business may be transacted through e-voting services provided by M/s Karvy Computershare Private Limited (Karvy). The instructions for e-voting are as under:
 - i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'.
- | | |
|----------|---|
| User-ID | For Members holding shares in Demat Form:
a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
b) For CDSL :- 16 digits beneficiary ID
For Members holding shares in Physical Form:
* Event no. followed by Folio Number registered with the company |
| Password | Your Unique password is printed on the remote e-voting form / via email forwarded through the electronic notice |
| Captcha | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |
- ii) Enter the login credentials (i.e. user-id & password) mentioned on the remote e-voting Form. Your folio/DP Client ID will be your User-ID.
 - iii. Please contact Karvy's toll free No.18003454001 for any support or clarification in relation to the e-voting.
 - iv. Members can cast their vote online from **September 17, 2018 @ 10:00 A.M. to September 20, 2018 @ 5:00 P.M.**
 - v. After entering these details appropriately, click on "LOGIN".
 - vi. Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited under e- Voting platform. System will prompt you to change your password and update any contact details like mobile No., email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vii. You need to login again with the new credentials.
 - viii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
 - ix. If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
 - x. On the voting page, you will see Resolution Description and against the same the option 'FOR/ AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'
 - xi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. Corporate / Institutional Members (Corporate / Fls / Flls / Trust / Mutual Funds / Banks etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to scrutinizer@ortelgroup.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
 23. All documents referred to in the accompanying Notice and the Explanatory Statement shall be **open for inspection** at the Registered Office and Corporate Office of the Company during normal business hours (**11:00 A.M. to 04:00 P.M.**) on all

working days, up to and including the date of the Annual General Meeting of the Company.

24. The Notice of the AGM is being sent by electronic mode to all the Members, whose e-mail addresses are registered with the Depositories. For Members who have not registered their e-mail addresses with the Depositories, physical copies are being sent by the permitted modes.
25. The holders of Cumulative Redeemable Preference Shares are not entitled to vote on any item set out in the Notice.
26. Process and manner for Members opting for voting through Electronic means:
 - i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting.
 - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **Cut Off Date of September 14, 2018**, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off Date, shall treat this Notice as intimation only.
 - iii. A person who has acquired the shares and has become a Member of the Company after the despatch of the Notice of the AGM and prior to the **Cut Off Date i.e. September 14, 2018**, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through Poll at the EGM by following the procedure mentioned in this part.
- iv. The **remote e-voting** will commence on **Monday, September 17, 2018 @ 10:00 A.M. and will end on Thursday, September 20, 2018 @ 5:00 P.M.** During this period, the Members of the Company holding shares either in physical form or in De-mat form as on the **Cut-off Date i.e. September 14, 2018**, may cast their vote electronically. **The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL/CDSL thereafter.**
- v. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The facility for voting through Poll would be made available at the AGM and the Members attending the Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting through Poll. The Members who have already cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
- vii. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off Date of September 14, 2018**.
- viii. The Company has appointed Mr. Suresh Kumar Yadav, Kumar Suresh & Associates, Practicing Company Secretary (FCS No. 6452, COP No. 6711), to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll at the AGM, in a fair and transparent manner.

Date: August 10, 2018

Place: Bhubaneswar

Registered Office:

B-7/122A, Safdarjung Enclave

New Delhi-110029

E-mail: bidu.dash@ortelgroup.com

By the order of the Board
For Ortel Communication Limited

Sd/-
CS Bidu Bhusan Dash
Company Secretary

Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following Explanatory Statement pursuant to Companies Act, 2013 (hereinafter referred to as 'the Said Act') sets out all the material facts relating to the proposed Special Business.

Item No. 3:

The Board of Directors of the Company on recommendation of Audit Committee, has approved the reappointment of M/s Niran & Co., Cost Accountants, Bhubaneswar, Odisha as the Cost Auditor of the Company for the Financial Year 2018-19 with same remuneration of Rs.70,000/-per annum plus out of pocket expenses if any and

applicable tax. However, the said remuneration shall be subject to ratification by shareholders in the ensuing Annual General Meeting. Members may deliberate and approve the same as "Ordinary Resolution".

The Board of Directors recommends the Ordinary Resolution for your approval.

None of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the above resolution.

By the order of the Board
For Ortel Communication Limited

Date: August 10, 2018
Place: Bhubaneswar

Registered Office:
B-7/122A, Safdarjung Enclave
New Delhi-110029
E-mail: bidu.dash@ortelgroup.com

Sd/-
CS Bidu Bhusan Dash
Company Secretary

**Details of Director proposed for re-appointment at the Annual General Meeting
(Pursuant to Regulation 36 (3) of Listing Regulation)**

Name of the Director	Mrs. Jagi Mangat Panda
Date of Birth	06.11.1966
Date of Appointment	05.10.1995
Nature of his expertise in specific functional area	She is the founder and Managing Director of the Company. She is also the founder and Director of Odisha Television Limited. She has been awarded and recognized as the "Young Global Leader at the World Economic Forum in 2008". She is the Vice-Chairperson of CII's eastern region council for 2017-18 and she was also the Chairperson of CII Odisha State Council for 2 years (2001-02, 2002-03). She holds a Bachelors' degree in Biology and Chemistry from Osmania University and also has participated in the Middle Management Programme of the three-tire programme for management development at the Indian Institute of Management, Ahmedabad. She has more than 19 years of experience in the media and broadcasting industry.
Qualification	She holds a Bachelor's degree in Biology and Chemistry from Osmania University and also has participated in the Middle Management Programme of the three-tire programme for management development at the Indian Institute of Management, Ahmedabad.
Disclosure of relationships between Directors inter-se	There is no inter-se relationship between Directors.
Directorship in other Listed Companies	JM Financial Limited
Member/Chairman of Committee of the Board of the Listed Companies	<ol style="list-style-type: none"> 1. Member of Audit Committee of Ortel Communications Limited 2. Member of CSR Committee of Ortel Communications Limited 3. Chairperson of Finance Committee of Ortel Communications Limited 4. Chairperson of Risk Management Committee of Ortel Communications Limited 5. Member of Corporate Restructuring Committee of Ortel Communications Limited 6. Member of Share Allotment Committee of Ortel Communications Limited
Number of shares held in the Company	310448 (0.94%) no. of equity shares

Ortel Communications Limited
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110 029
CIN: L74899DL1995PLC069353, Web:www.ortelcom.com,
Email: bidu.dash@ortelgroup.com, Phone: 011-46868800
ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHARE HOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Folio No/ *DP Id No and Client Id No	No. of shares held
Shareholder_____		
Proxy_____		

I hereby record my presence at the 23rd Annual General Meeting of the Members of the Company on Friday, 21st September, 2018 at 10:30 A.M. at Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016.

*** Applicable for members holding share in electronic form.**

Revenue
Stamp

Signature of Shareholder(s)/ Proxy

Ortel Communications Limited

Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110 029

CIN: L74899DL1995PLC069353, Web: www.ortelcom.com

Email: bidu.dash@ortelgroup.com, Phone: 011-46868800

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

23rd Annual General Meeting-Friday, 21st September, 2018 at 10:30 A.M.

Name of the Member(s)	:	
Registered Address	:	
E-mail Id	:	
Folio No/ DP Id and Client Id	:	

I/We, being the member (s) of shares of the above named company, hereby appoint;

- Name:
Of Email Id:
Address:
Signature:or failing him / her
- Name:
Of Email Id:
Address:
Signature:or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company to be held on the Friday, 21st September, 2018 at 10:30 A.M. at Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Description		Optional*
		For	Against
Ordinary Business			
1	To Adopt Annual Accounts of the Company along with the Reports of Auditors and Board thereon for the FY 2017-18.		
2	To re-appoint Director in place of Mrs. Jagi Mangat Panda, Managing Director (DIN- 00304690), who retires by rotation and, being eligible, offers herself for re-appointment.		
Special Business			
3	To ratify remuneration of Cost Auditors of the Company for FY 2018-19		

Signed this day of2018

Signature of shareholder:

Signature of Proxy holder(s):

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the Proxy Form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23rd Annual General Meeting.
- *It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Revenue
Stamp

Ortel Communications Limited
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110029
CIN: L74899DL1995PLC069353, Web:www.ortelcom.com
Email: bidu.dash@ortelgroup.com, Phone: 011-46868800

E-COMMUNICATION

Dear Members,

As you all are aware that, as per the Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules issued thereunder, Companies can serve all types of communications through electronic mode to those shareholders who have registered their email address either with the company or with the depositories or with Registrar and share transfer agent.

The objective of such initiative is to reduce paper consumption to a great extent by allowing shareholders to contribute towards a better and greener environment.

We therefore invite all our members to contribute to such a noble cause of greener initiative by filling up the below form to receive communication from the company in electronic mode.

Please note that, as a member of the Company, you will be entitled to receive all such communications in physical form upon request.

Sincerely yours;
 Bidu Bhusan Dash
 Company Secretary & Compliance Officer

E-COMMUNICATION REGISTRATION FORM

Folio No/ DP ID No. and Client Id No.:

Name of the first registered holder :

Name of the Joint holder(s) :

Registered address :

Email ID (To be registered) :

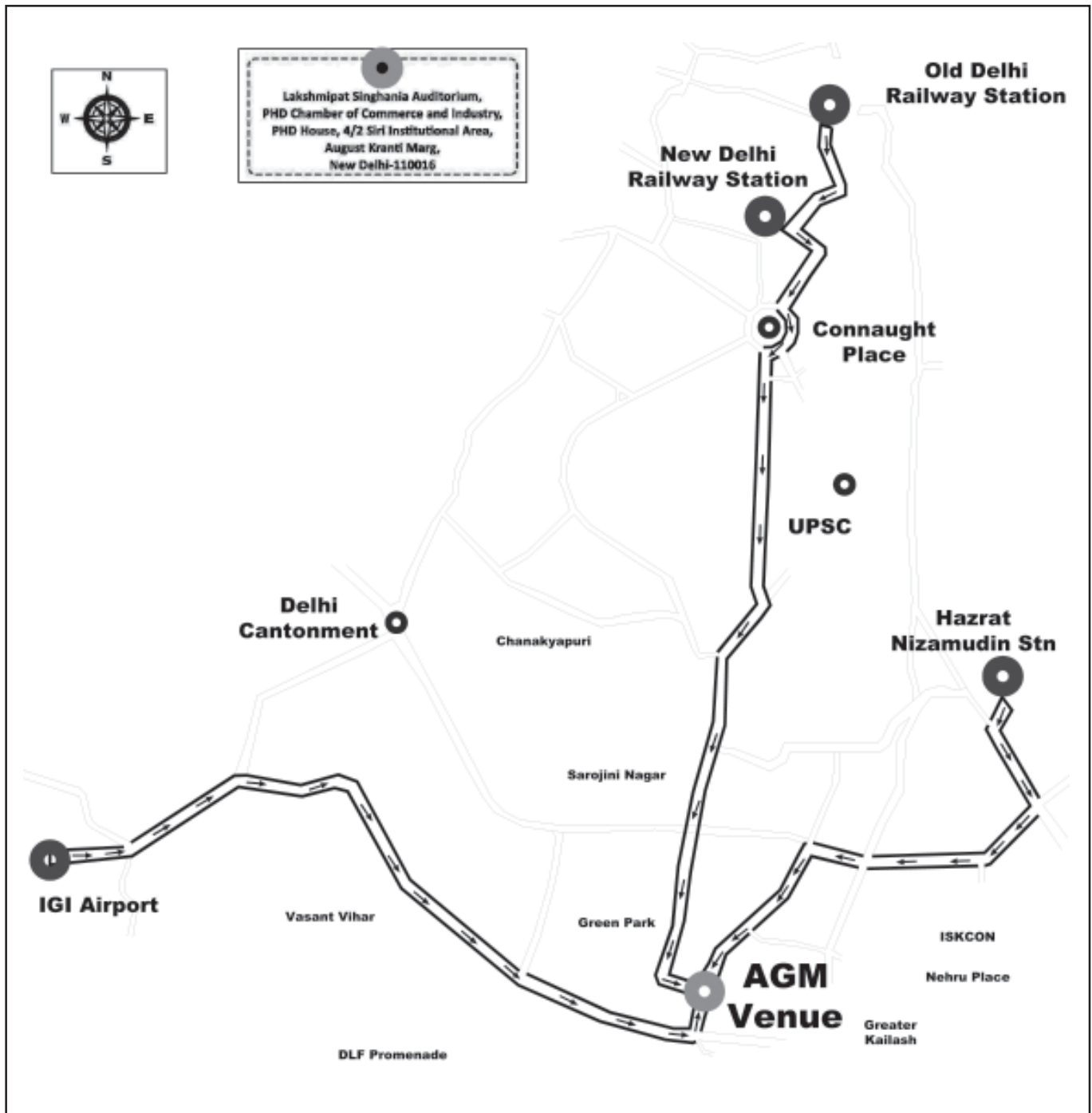
I/We Shareholder(s) of Ortel Communications Limited agree to receive communication from the Company in electronic mode. Please register my / our above E-mail ID in your records for sending all communications in electronic form.

Date:

Signature

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

Guide Map for AGM



Notes

23rd Annual Report FY 2017-18

Ortel Communications Ltd



Ortel
communications
AN ISO 9001: 2008 COMPANY

BUREAU VERITAS
Certification



008



State of the Art Network Operating Centre at Bhubaneswar

BOARD OF DIRECTORS



Mrs. Jagi Mangat Panda

Managing Director

She is the Promoter and Managing Director of the Company. She holds a bachelor's degree in biology and chemistry from Osmania University and also participated in the middle management programme of the three tier programme for management development at the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 20 years of experience in the media and broadcasting industry. She is the vice-chairperson of CII (Confederation of Indian Industries) Eastern Region Council for 2017-18.



Mr. Jyoti Bhusan Pany

Non Executive and Independent Director

He holds a bachelor's degree in chemical engineering from the, Nagpur University. Mr. Pany is currently a Director on the board of Radiant Telesystem Limited, a member of the Radiant Group of Companies, Odisha and has more than 26 years of experience in various industries including telecom manufacturing, information technology and mechanical engineering.



Mr. Debaraj Biswal

Non Executive and Independent Director

He is a fellow member of the Institute of Cost Accountants of India. He has 31 years of experience in power sector. He has also served as the chief executive officer and administrator of the CESU. He is currently acting as the Director of the Odisha Capital Market & Enterprises Limited.



Mr. Kadambi Seshasayee

Non Executive and Independent Director

He holds a master's degree in mechanical engineering from the Indian Institute of Technology, Madras. Mr. Seshasayee has over 36 years of experience in the telecom and media industry.



Dr. Gautam Sehgal

Non Executive and Independent Director

He holds a bachelor's degree in medicine and surgery from the University of Mysore and owns the Sehgal Neurological Research Institute in New Delhi. He has more than 24 years of experience in the medical profession.



Dr. Joseph Puliparambil

Non Executive and Independent Director

He holds a master's degree in science from the University of Madras. He also holds a masters' degree in business administration from St. Joseph's University, Philadelphia. He was awarded a doctorate of philosophy in electrical and computer engineering from Marquette University. He is currently serving as the director of Marian International Institute of Management, Kuttikkanam and has previously been associated with XLRI and Xavier Institute of Management, Bhubaneswar, Odisha as a professor. He was a visiting scholar at Campion Hall, Oxford University, United Kingdom in 2007.



Mr. Bidu Bhusan Dash

Company Secretary & Compliance Officer

Audit Committee

Mr. Jyoti Bhusan Pany	- Chairperson
Mrs. Jagi Mangat Panda	- Member
Mr. Debaraj Biswal	- Member
Mr. Kadambi Seshasayee	- Member

Nomination & Remuneration Committee

Dr. Joseph Puliparambil	- Chairperson
Dr. Gautam Sehgal	- Member
Mr. Jyoti Bhusan Pany	- Member

Stakeholders' Relationship Committee

Mr. Jyoti Bhusan Pany	- Chairperson
Mr. Debaraj Biswal	- Member
Dr. Gautam Sehgal	- Member

Corporate Social Responsibility Committee

Mr. Kadambi Seshasayee	- Chairperson
Mrs. Jagi Mangat Panda	- Member
Mr. Jyoti Bhusan Pany	- Member

Risk Management Committee

Mrs. Jagi Mangat Panda	- Chairperson
Mr. Kadambi Seshasayee	- Member
Mr. Debaraj Biswal	- Member

Finance Committee

Mrs. Jagi Mangat Panda	- Chairperson
Mr. Jyoti Bhusan Pany	- Member
Mr. Debaraj Biswal	- Member

Corporate Restructuring Committee

Debaraj Biswal	- Chairperson
Jagi Mangat Panda	- Member
K V Seshasayee	- Member
Bibhu Prasad Rath	- Member

Share Allotment Committee

Mr. Debaraj Biswal	- Chairperson
Mrs. Jagi Mangat Panda	- Member
Mr. Jyoti Bhusan Pany	- Member

Statutory Auditors

M/s Haribhakti & Co.	M/s SCM & Associates
LLP, Chartered Accountants	Chartered Accountants
Kolkata	Bhubaneswar

Secretarial Auditor

M/s Kumar Suresh & Associates	M/s NIRAN & CO.
Gurgaon	Cost Accountants, BBSR

Bankers

Karnataka Bank Limited	State Bank of India
UCO Bank Limited	Axis Bank Limited
Union Bank of India	

Registrar & Share Transfer Agent (Both for physical & demat)

Karvy Computershare Private Limited

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23rd Annual General Meeting

Day	: Friday
Date	: 21 st September, 2018
Time	: 10:30 A.M.
Venue	: Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016

Important Communications to Members

- Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, issue of duplicate share certificates etc. to Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 or to the company at B-7/122A, Safdarjung Enclave, New Delhi-110029.
- The process and manner of e-voting is being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant/Share Transfer Agent for communication purpose through electronic mode. For members who have not registered their e-mail Id as above, the process and manner of e-voting is provided in a separate sheet as enclosed along with this Annual Report / e-mail separately.

Note:- As a measure of economy, copies of the Annual Report including Notice of AGM will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Registered Office

B7/122A, Safdarjung Enclave, New Delhi-110029
Telephone: +91 11 4686 8800, Facsimile: +91 11 4686 8801
Corporate Identity Number: L74899DL1995PLC069353

Corporate Office

C-1, Chandrasekharapur, Bhubaneswar-751016, Odisha
Telephone: +91 674 7107200; Facsimile: +91 674 2303 448,
Email: bidu.dash@ortelgroup.com

Website : www.ortelcom.com

Management Team



Mr. Bibhu Prasad Rath
President & CEO



Mr. Chitta Ranjan Nayak
EVP Operations



Mr. Bibhu Prasad Mohapatra
Sr VP Corporate Affairs



Mr. Jiji John
VP Broadband Business



Mr. Mihirkanta Samal
CTO



Mr. Satya Narayan Jena
CFO



Mr. Dhananjaya Sarangi
Sr GM IT & Customer Care



ORTEL AT A GLANCE

LAST MILE

Own & Operates
its network

RIGHT OF WAY

Legal "rights of way"
for entire Network

B2C

Direct customer access
leads to greater control

TWO-WAY

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

66,766*

Kilometres of cable
network

1,353,589

Estimated homes
reached

817,066

Total Subscribers

87%

Subscriber base on
'last mile' network

24%

EBITDA Margin

6%

Total broadband
subscribers

16%

Revenue contribution
from broadband

**Note: Figures high-
lighted above are for
financial year 2017-18**

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

Directors' Report

Dear Members,

Your Directors are hereby pleased to present the 23rd Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

Financial Highlights

Pursuant to notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted

the Indian Accounting Standards ("Ind AS") with effect from April 01, 2017. Accordingly, financial statements for the year ended March 31, 2018 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting standards generally accepted in India.

A summary of your Company's financial performance is given below:

Rs. In Crores

Particulars	Standalone		Consolidated
	For the year ended March 31		For the year ended March 31
	2018	2017	2018
Total Revenue	186.19	207.21	186.19
Operating Expenses	142.23	152.12	142.23
Earnings before Interest, Depreciation, Tax & Amortization (EBIDTA)	43.97	55.09	43.97
Interest and Financial Charges	29.20	25.21	29.20
Earnings before Depreciation, Tax & Amortization (EBDTA)	14.77	29.88	14.77
Depreciation, Amortization & other exceptional expenses	31.20	28.45	31.20
Earning Before Tax (EBT)	-95.26	1.43	-95.26
Tax	0.00	0	0.00
Earning After Tax (EAT)	-95.26	1.43	-95.26

State of Company's affairs and Operational Results

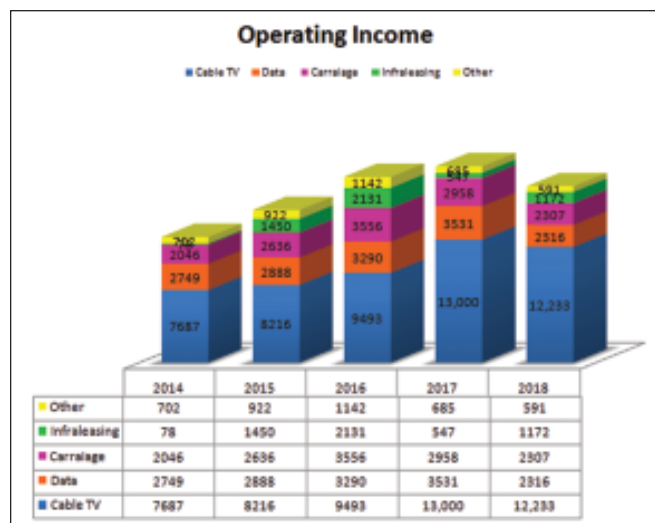
The highlights of the Company's performance are as under:

- Total revenue was Rs. 186.19 Cr compared to the previous year's total revenue of Rs. 207.21 Cr
- EBITDA stood at Rs. 43.97 Cr compared to Rs. 55.09 Cr of corresponding previous financial year.
- Earning before Tax (EBT) for the period is Rs. (95.26) Cr as compared to Rs. 1.43 Cr of last fiscal.
- Earning after Tax (EAT) stood at Rs. (95.26) Cr as compared to Rs. 1.43 Cr of last fiscal.
- EPS stood at Rs. (31.28) as compared to Rs. 0.47 of last financial year.

Business/Operational Review

The Year 2017-18 has been a challenging year for the Company due to delay in collections, higher competitive intensity in the market as well as issues pertaining to debt payment.

Notwithstanding this, your company has demonstrated healthy growth in revenues from cable TV business on a year-on-year basis (Y-o-Y) during the year under review.



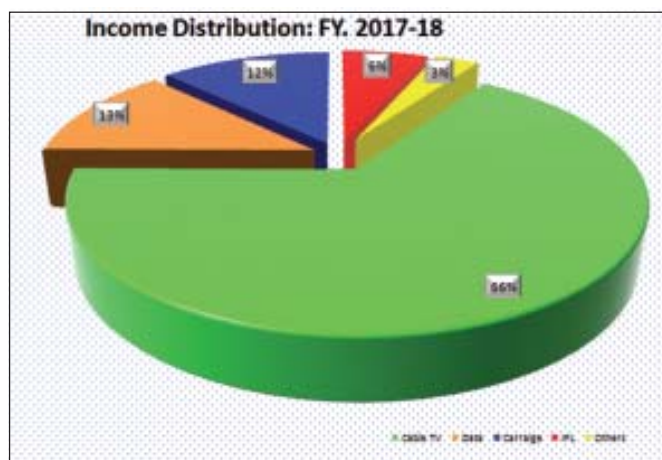
Members will be happy to know that in spite of all the difficult situations, EBITDA have been positive during the year under review.

The Management reviewed the details of receivables and took a firm step by creating provision of Rs. 679.40 million against doubtful receivables, declaring bad debts of Rs.123.60 million and issuing credit notes of Rs.162.50 million. This amount is primarily on account of disruption of services during the process of digitization and acquisition of local operators.

Segment Revenue Contribution:

The contribution of each income stream to the total revenue is as below:-

Cable TV services	: 66 %
Data Services	: 13 %
Infra-structure leasing	: 06 %
Carriage fees	: 12 %
Others	: 03 %.



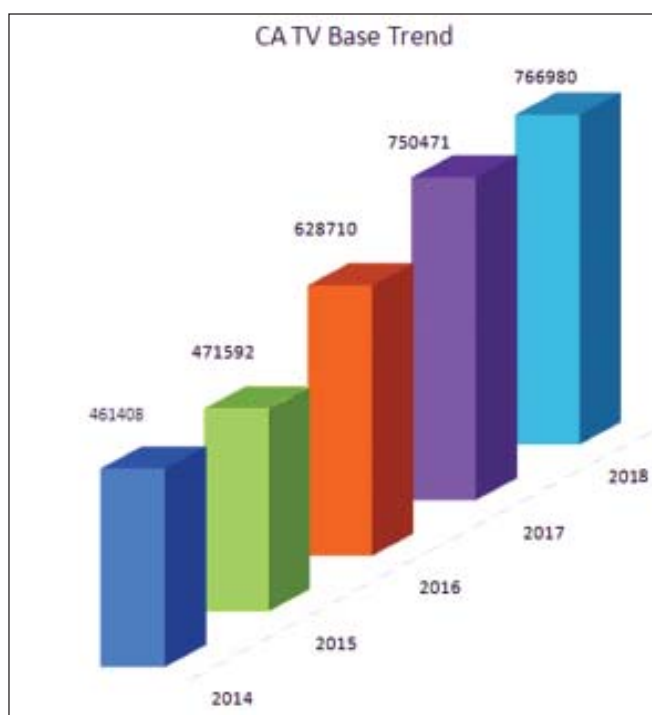
Segment wise Analysis

i) Cable TV Service

During the year under review, your company continued to be a dominant player in the Cable TV market in Odisha and has continued to consolidate its position in the states of Chhattisgarh, Andhra Pradesh and Telangana.

As on 31.03.2018, the total Cable TV customer base has been increased to 7,66,980 (Previous Year: 7,50,471) which is a 2% growth over previous year.

With internationally used "Last Mile" model implemented by your Company, digitization of entire CATV subscribers and completion of integration process in the newly acquired locations, the Company is hopeful of continuing growth in the customer base in the future.

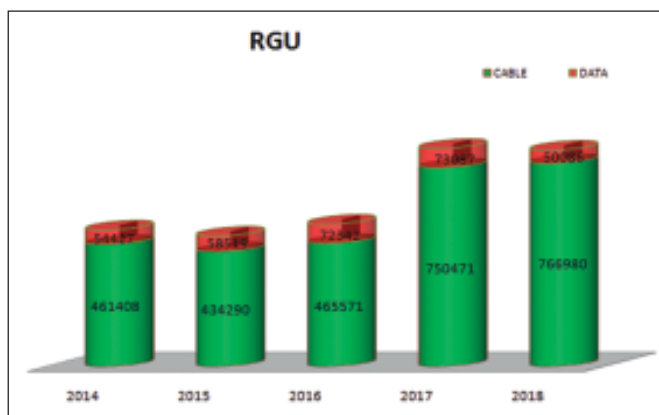


ii) Broadband Services Operation

The total Broadband subscriber base as on 31.03.2018 is 50,086 (Previous Year: 73,087). With competition across the Industry, the broadband growth reduced during the year. However, your Company is hopeful of increasing the growth trend of customer base in the coming years with the launch of new competitive plans, higher data speed and better technology including service.

Your Company has successfully launched broadband plans starting from Rs. 99 per month which will counter the plans launched by the Telecom players in the 4G and LTE space. In addition to this, the DOCSIS 3.0 plans will have speeds up to 100 Mbps with One Terabyte of usage option. To offer better experience broadband speed to the customers, your Company has withdrawn all the schemes where the download speed was below 2 Mbps. With aggressive ATL and BTL marketing, your company expects to grow the Broadband numbers in the coming financial year. Your company is using HFC network architecture, which can easily be upgraded to FTTH topology in future. Your company is currently providing FTTH for pure data usage. With the implementation of new technology, high speed data service and aggressive marketing strategy, the Company is well placed to cater to the growing demand.

Considering both cable TV and broadband together, your company has achieved total RGU base of 8,17,066 by the end of the current year (previous year 8,23,558), a de-growth of 8 %. It is important to note here that in line with your company's philosophy of operating on "Last Mile" Model, 90% company's RGUs are on its own 'last mile' network.



iii) Infrastructure leasing

Over last few years, your Company is pursuing infrastructure segment as another major revenue generating stream by leasing out its own infrastructure to corporate clients for their communication requirement and has leased out to various corporates a total of 1556 kms (Previous Year: 1878 kms) as on 31 March, 2018, a reduction of 17 % over the previous year.

Dividend

As the Company has reported losses for the year under review, no dividend has been recommended by the Board.

Transfer to Reserves

As no dividend is proposed due to losses, so no amount is recommended to be transferred to General Reserve.

Share Capital

The movement of the share capital during the year under review is as follows:

Particulars	Equity Share Capital (in Rs.)
At the beginning of the year i.e. as on April 01, 2017	30,36,54,640
Stock Options allotted during the year (ESOP) on May 19, 2017	11,14,360
At the end of the year i.e. as on March 31, 2018	30,47,69,000

Holding, Subsidiaries & Associates

During the year your Company has incorporated "Ortel Broadband Limited" as its wholly-owned subsidiary company in Delhi to provide internet services.

In accordance with the provision of Section 129(3) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Company has prepared its consolidated financial statements including its subsidiary company, which forms part of this report. The financial position and performance of the subsidiary company of the Company, is annexed to this report.

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto has been hosted on its website www.ortelcom.com.

Any shareholder interested in obtaining a physical copy of the aforesaid financial statements may write to the Company Secretary at the Registered Office of the Company. Further, please note that the said financial statements will

also be available for inspection by the Members of the Company at the Registered Office of the Company during business hours from 10.00 A.M. to 6.00 P.M. on all working days except Sundays and National Holidays.

Change in the Nature of Business, If Any

During the year under review, there were no material changes in the nature of the business of the Company.

Consolidated Financial Statements

The Consolidated financial statements prepared and annexed in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India (SEBI) also forms part of this Annual Report.

Revision of Financial Statement

There was no revision of the financial statements for the year under review.

Extract of the Annual Return

An extract of annual return for the financial year ended on

31st March 2018 in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-1** forming part of this Report.

Statutory Auditors

M/s Haribhakti and Co. LLP, Chartered Accountants, Kolkata, were appointed as Statutory Auditors of your Company for a term of five years with effect from 19th Annual General Meeting till the conclusion of 24th Annual General Meeting of the Company subject to ratification of their appointment by the shareholders in the Annual General Meeting of the Company every year if eligible. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Observations of the Auditors

Observations of the Auditors on the Annual Accounts of the Company forms part of the "Auditors Report". The observations made in their report when read together with the relevant notes to the accounts are self-explanatory.

Secretarial Auditor

Pursuant to the provisions of Section 179 and 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Kumar Suresh & Associates, Gurugram, a firm of Practicing Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2017-18.

CS Suresh Kumar Yadav, Secretarial Auditor has given the Secretarial Audit Report in Form No. MR-3 and the same has been annexed to the Board's Report and marked as 'Annexure-2'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and is self-explanatory.

Your Board has also re-appointed M/s Kumar Suresh & Associates, Gurugram, as Secretarial Auditor for FY 2018-19 who is eligible for such reappointment to conduct Secretarial Audit of your Company.

Cost Auditor

Terms of M/s NIRAN & CO., Cost Accountants, Bhubaneswar, Odisha who were reappointed as Cost Auditor of the Company for Financial Year 2017-18 expired on 31st March, 2018.

Your Directors have approved their reappointment for FY 2018-19 and their remuneration shall be ratified by the members in the ensuing Annual General meeting.

Internal Auditor

Terms of M/s SCM & Associates, Chartered Accountants, Bhubaneswar, Odisha who were reappointed as Internal Auditor of the Company for Financial Year 2017-18 expired on 31st March, 2018.

Your Directors have approved their reappointment for financial year 2018-19.

Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Directors' Responsibility Statement

Yours Directors hereby certify that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgment and estimates that they are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit or loss of the company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws

and that such systems were adequate and operating effectively.

Particulars of Loans, Guarantees or Investments under Section 186

Your Company has not given any loans or guarantee or made any investments under Section 186 of the Companies Act, 2013.

Particulars of Loans/ Advances or Investments Outstanding During the Financial Year

Disclosure on particulars relating to loans, advances and investments outstanding during the financial year is disclosed in note no 5,6,7 & 14 under "Notes to Financial Statement" forming part of the financial statement of the Company.

Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis and were reviewed and approved by the Audit Committee and Board. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Materiality of Related Party Transactions. All the transactions made on arm's length basis are being reported in Form No. AOC - 2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as 'Annexure-3'.

The policy on dealing with Related Party Transactions can be viewed at <http://www.ortelcom.com>

Performance Evaluation of Board, Committees and Individual Directors Including Managing Director

In compliance with the Companies Act, 2013, and Regulation 17 of the Listing Regulations, the performance evaluation of the Board, its Committees and individual Directors including Managing Director were carried out during the year under review.

Independent Directors in their separate meeting evaluated performance of Board as a whole, non-independent Director and Chairperson of the Board.

Further, based on the appraisal report of the individual Directors both for self and other Directors, Board carried out evaluation of Independent Directors, Managing Director and all its committees.

The evaluation framework for assessing the performance of Directors comprises of the following parameters:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Contribution at meetings
- iii. Guidance/support to Management
- iv. Relationship with Board and Committees
- v. Degree of participation etc.

Risk Management

Risk management has always been an integral part of the corporate strategy which complements the organizational capabilities with business opportunities, robust planning and execution. The Company through a process of management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation practice, manages the potential risks. A detailed regular exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risks. A Risk Management Committee of the Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same.

More details on Risk Management indicating development and implementation of Risk Management policy including identification of elements of risk and their mitigation are covered in Management's Discussion and Analysis section, which forms part of this Report.

Deposits

Your Company has not accepted any deposit from the public during the year under review.

Declaration given by Independent Directors

All the Independent Directors have given declaration of their independence in terms of Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Number of Meetings of Board of Directors

Seven meetings of the Board of Directors were held during the year under review. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

Material Changes and Commitments, If any

There were no significant material changes and commitments, affecting the financial position of the Company which has occurred between the end of the Financial Year of the Com-

pany to which the Financial Statement relate and the date of its report

Employee Stock Option Scheme

During the year under review, the Company has allotted 111436 Equity Shares of face value Rs.10/- each at an issue price of Rs. 140/- per Equity Share including premium of Rs. 130/- per Equity Share to eligible employees of the Company under 'Ortel Employee Stock Option Scheme, 2015' ("ESOS 2015") and As per ESOS 2015, an Ortel Employee Welfare Trust was executed by the Company to acquire shares of the Company from Secondary market for offering them to the eligible employees in future as per the direction of Nomination & Remuneration Committee of the Board. During the year under review, the Trust has acquired 10000 shares of the Company. The details of disclosure form part of the Corporate Governance.

Directors

During the year under review, the following changes took place in the composition of Board of Directors of the Company:

1. Mr. Baijayant Panda, has been resigned from the post of Non-Executive Director cum Chairman with effect from the close of business hours on Friday, March 30, 2018. The Board acknowledges the valuable contributions rendered by Mr Baijayant Panda during his tenure as Non-Executive Director cum Chairman of the Company and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/Committees.
2. Mr. Subhrakant Panda, has been resigned from the post of Non-Executive Director with effect from the close of business hours on Friday, March 30, 2018. The Board acknowledges the valuable contributions rendered by Mr Subhrakant Panda during his tenure as Non-Executive Director cum Chairman of the Company and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/Committees.
3. Major (Retd.) Rabi Narayan Misra, has been resigned from the post of Non-Executive and Independent Director with effect from the close of business hours on Friday, March 30, 2018. The Board acknowledges the valuable contributions rendered by Major (Retd.) Rabi Narayan Misra during his tenure as Non-Executive Director cum Chairman of the Company and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/Committees.

4. Mr. Gautam Buddha Mukherjee, has been resigned from the post of Non-Executive and Independent Director with effect from November 15, 2017. The Board acknowledges the valuable contributions rendered by Mr Gautam Buddha Mukherji during his tenure as Non-Executive Director cum Chairman of the Company and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/Committees.

Pursuant to Section 149(13) of the Companies Act, 2013, the independent directors are not liable to retire by rotation. Further Section 152 (6) of the Companies Act, 2013 stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the company.

To meet the requirement of provisions of Section 152 (6) of the Companies Act, 2013 and Article 149, 150, 151 and 152 of the Article of Association, the Managing Director or the whole time Director shall not, while he/she continues to hold that office, be subject to retirement by rotation under Article 151 but he/she shall be subject to the provision of any contract between him/her and the Company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he/she shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he/she ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors (including the managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being then such of the Managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 151 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. However, he/she shall be counted in determining the number of Directors to retire (save as otherwise provided in a contract in terms of provisions of the Act or Rules made hereunder or in a resolution passed by Board or Shareholders of the Company).

In view of the above Mrs. Jagi Mangat Panda, Managing Director of the Company is retiring at the ensuing Annual General Meeting. Your Directors have recommended her reappointment in the ensuing AGM.

During the year, no other changes took place in the composition of the Board of Directors of the Company. The composition of the Board of Directors of the Company is in compliance with the applicable norms.

Declaration of Independence

All the independent Directors of the Company have given their respective declarations stating that they meet the criteria prescribed for independence under the applicable laws and in the opinion of the Board, all the independent Directors of the Company meet the said criteria.

Key Managerial Personnel

1. Mr. Lalit Kumar Mohanty, has been resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 24th June, 2017. The Board acknowledges the invaluable contributions rendered by Mr. Lalit Kumar Mohanty during his tenure as Company Secretary and Compliance Officer of the Company and places on record its deep appreciation and the Board considered and approved Mr. Bidu Bhusan Dash as Company Secretary and Compliance Officer of the Company with effect from 05th September, 2017 in place of Mr. Lalit Kumar Mohanty.

2. Mr. Manoj Kumar Patra has been resigned from the post of Chief Financial Officer of the Company, with effect from 05th September, 2017. The Board acknowledges the invaluable contributions rendered by Mr. Manoj Kumar Patra during his tenure as Chief Financial Officer of the Company and places on record its deep appreciation and the Board considered and approved Mr. Satyanarayan Jena as Chief Financial Officer of the Company with effect from 05th September, 2017 in place of Mr. Manoj Kumar Patra.

During the year, no other changes took place in the composition of the key managerial personnel of the Company.

Disclosure with respect to Unclaimed Suspense Account

Pursuant to Listing Regulations details in respect of the shares lying in the Ortel Communications Limited-Unclaimed Suspense Account till 31st March 2018 are as under:

Sl. No.	Description	No of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense 7009account lying as on 1st April, 2017	0	0
(ii)	Number of shareholders who approached the Company for transfer of shares from unclaimed 24 suspense account during the year 2017-18	0	0
(iii)	Number of shareholders to whom shares were transferred from unclaimed suspense account 24 during the year 2017-2018	0	0
(iv)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 31st March 2018	1	75

Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern Status and Company's operations in future

No such significant and material order have been passed by any Regulator/ Court/ Tribunal against the Company which will impact the Going Concern status and company's operation in future. In those matters which are pending before various regulators or courts or tribunals, your company has strong reasons to succeed in all the said disputed matters

Particulars of Employees

Information as per section 197 and Rule 5(1) & 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided as 'Annexure-4'.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the Listing Regulations, Management Discussion and Analysis, Certificate regarding Compliance of conditions of Corporate Governance and Certificate by CEO & CFO forms an integral part of this Report as Annexures.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The Company is a Multi System Operator (MSO) and is carrying on business of, inter alia, providing Cable TV and Broadband service along with other value added services. Since this does not involve any manufacturing activity, most of the

Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are nil / not applicable.

Further, your Company, being a service provider, requires minimal energy consumption and Company takes all possible

measures to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. Following are the energy conservation measures being taken by Company over a period of time to ensure minimum energy consumption and technology absorption:

Conservation of Energy:

<ol style="list-style-type: none"> 1. The steps taken or impact or conservation of energy. 2. The steps taken by the company for utilizing alternate sources of energy. 3. The capital investment on energy conservation equipment. 	<ul style="list-style-type: none"> • Conservation of RF, Optical, Electrical and fuel energy is being accomplished by your company in economically responsible and beneficial ways by using power efficient equipment, broadband HFC network, provisioning system, ergonomics in the cable layout, cleanest and state of art technologies. • Increasing more deeper fiber by using Broadband HFC network in star structure has resulted less power consumption. • Applying the strongest feasible energy efficiency standards to network upto electronics, RF products and signal quality.
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Technology Absorption:

<ol style="list-style-type: none"> 1. The efforts made towards technology absorption. 2. The benefits derived like product improvement, cost reduction, product development or import substitution. 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):- <ol style="list-style-type: none"> a. the details of technology imported; b. the year of import; c. whether the technology been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; e. The expenditure incurred on Research and Development 	<ul style="list-style-type: none"> • Your company is one of the MSOs in India which has started Triple Play services over Broadband HFC network. It has chosen best, economical and state of art technologies. • Your company uses Cable Modem Technology for high speed Internet access. The Company is also using Metro Ethernet ("MEN") and Ethernet over Cable (EoC) technology which engages different network topology for providing high speed data service at a lower cost. • Your company has also adopted digital video technology to deliver qualitative video and audio using MPEG-2 and MPEG-4 Technology. Your company has also started HD TV services and offers HD channels to its subscribers in select markets. • Your Company has also introduced high speed broadband technologies such as DOCSIS 3.0 to cater to subscribers who have increased Video led Internet Consumption. HD video content viewings as well as increased download speeds are the main benefits of DOCSIS 3.0 technology. DOCSIS 3.0 allows for a much higher throughput compared to the earlier versions by using multi-channel bonding simultaneously for download/upload. This technology has been widely used in Europe and USA by leading ISPs. • Your company is also using HFC architecture, which can easily be converted or upgraded to FTTH. Your company is currently undertaking trial with FTTH for pure data usage.
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Foreign Exchange Earnings & Outgo

Your Company does not have any foreign exchange earnings during the year under review.

Certifications

Your company has been certified and recertified by Bureau Veritas Certification (India) Pvt. Ltd. (BVQI) to confirm with ISO 9001:2008 standardization for both cable and data services for Bhubaneswar, Cuttack, Rourkela and Sambalpur operational sites.

Your company has also received certification from BECIL (TRAI appointed Certifying Agency) for its digital Encryption and Subscriber Management System of digital services. Your company is the first of its kind in India to receive such certification.

Corporate Social Responsibility

During the year under review, your company is committed to contribute towards social well-being of the communities through various Corporate Social Responsibility ("CSR") initiatives. Company has been undertaking various social works as part of its CSR activities over a period of time. It invests in Social programs for the under privileged child, contributes towards their overall learning and personal growth, opens employment avenues and also it attempts to bring about significant and sustainable improvements in their standard of living and also promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects. Your company's flagship CSR activity known as 'Ortel Dayitwa' provides financial support to girl children for college education. Ortel Dayitwa encourages girls to pursue education after secondary education with an objective to reduce dropouts after secondary education and also conducts various education awareness programs from time to time.

After mandatory applicability of provisions of Section 135 of the Companies Act, 2013 to the Company in FY2015-16, the Company has constituted a Corporate Social Responsibility Committee of the Board ("CSR Committee").

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link www.ortelcom.com

As per the criteria specified under Section 135 of the Companies Act, 2013 ("Act"), the Company was mandatorily required to contribute and spent at least Rs. 15.67 lac constituting 2% of average net profit towards CSR activities during FY 2017-18. However, Your Company has contributed and spent Rs.16.00 lacs towards education of poor and under privileged girl child, Computer and Internet education and related programs and towards peripheral and environmental development. As required under Section 134 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, statement containing the details of CSR expenditure is disclosed as 'Annexure -5'.

The Company continues and shall continue to contribute towards social well beingwell-being in future.

The Company has identified following focus areas for CSR engagement:

- Education of poor and under privileged child
- Computer and Internet education and related programs
- Peripheral and Environmental development

Internal Financial Control

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The Company has a well laid down, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

The Board of Directors has appointed M/s SCM & Associates, Chartered Accountants as the Internal Auditor of the Company. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Internal Auditors findings are discussed on a

quarterly basis and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

The Company has also its own Internal Audit Department. Internal Audit team under the guidance of head of Internal Audit conduct various checks, audit and submit their report to the management and is responsible for implementing adequacy of internal control both in terms of financial and operational control.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy that aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

Personnel & Industrial Relations

Personnel & industrial relations during the year were cordial & harmonious.

General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor any Directors of the Company receive any remuneration or commission from its subsidiary.

Acknowledgement

The Board of Directors would like to express their sincere appreciation for the assistance, co-operation and continued support received from the shareholders, financial institutions, banks, Government authorities, customers, vendors and other business associates during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by all employees of your company and workers.

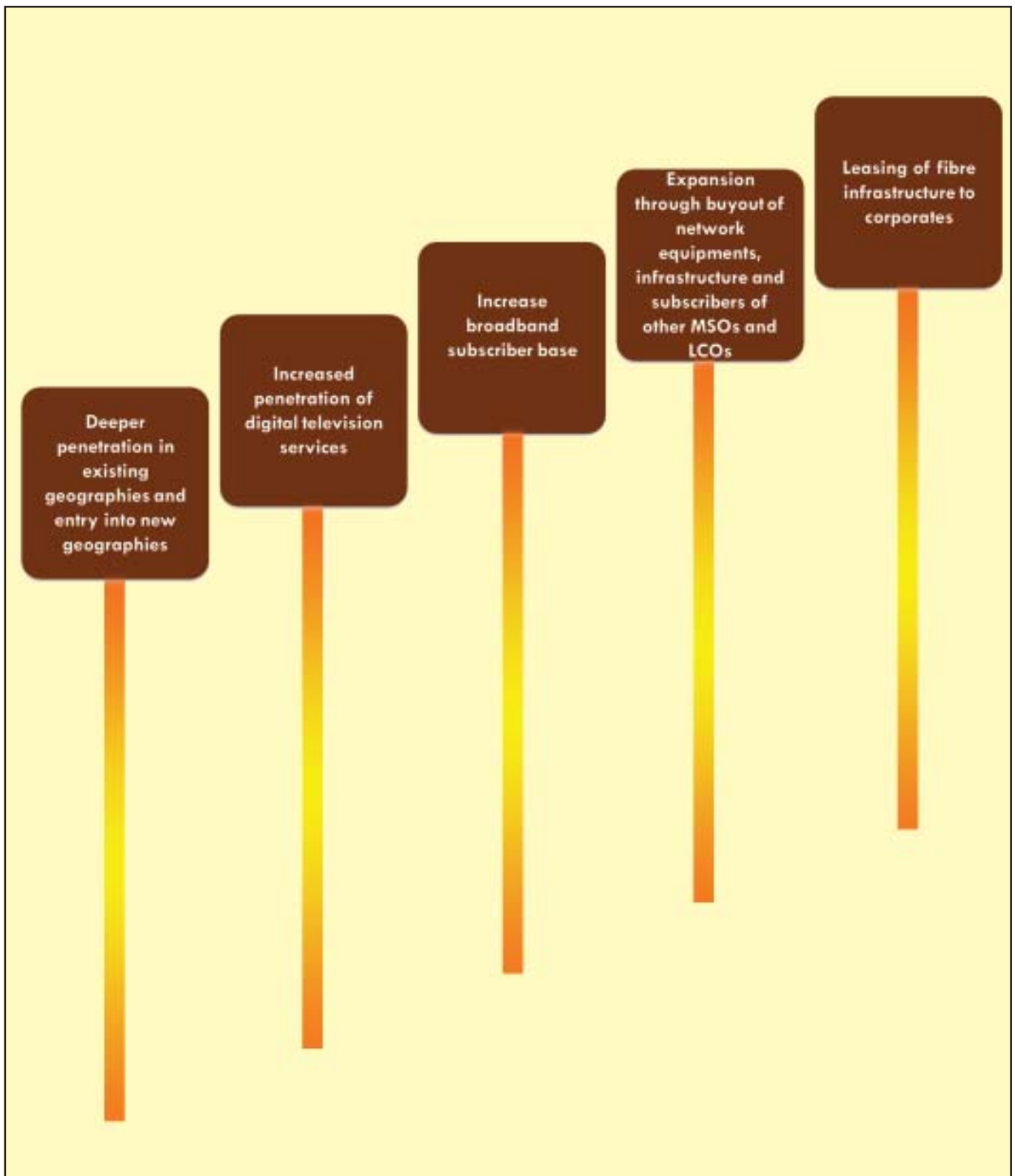
**On behalf of the Board of Directors
For Ortel Communications Ltd**

**Sd/-
Jagi Mangat Panda
Managing Director**

**Sd/-
Jyoti Bhusan Pany
Director**

**Place: Bhubaneswar
Date: 10th August, 2018**

GROWTH STRATEGY



MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic overview

The global economy has been sluggish with a very poor growth hampered by slow pick up in US economy and slowdown in the growth rate in China. In this uncertain global economic scenario, the Indian economy has been one of the brightest spots with an expected growth of 7.4 percent in FY 2018 despite the impact on account of demonetisation and GST. Further domestic consumptions have remained strong accounting for around 73 percent of gross domestic product (GDP) in FY 2018. In FY 2018', the GDP is expected to continue to grow above 7 percent while in the long term both demonetisation and Goods and Service Tax are likely to provide a further boost to the Country's GDP.

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, implementation of Goods and Services Tax (GST) and demonetisation of the two highest denomination notes. The GST is expected to create a uniform common Indian market, improve tax compliance and governance and boost investment and growth in long term paving way for brighter GDP and stronger economy. Further as a reform measure, it was also a bold new experiment in the governance of India's cooperative federalism by way of demonetisation of Specified Bank Notes. Demonetisation has had short-term costs and inconvenience but holds the potential for long term benefits. Besides, follow-up actions and measures have been put in place to minimize the costs and maximise the benefits including; fast and demand-driven, remonetisation, further tax reforms including bringing land and real estate into the GST, reducing tax rates and stamp duties and acting to allay anxieties about over-zealous tax administration. These actions would definitely allow growth to return to trend in 2018-19 following a temporary decline in 2017-18.

In the aftermath of demonetisation and at a time of gathering gloom about globalisation, articulating and embracing those ideational shifts will be critical to ensuring that India's sweet spot is enduring not evanescent.

Industry overview

Media and Entertainment Industry

The year FY 2018 was a mixed bag for the Indian Media and Entertainment (M&E) industry. The digital ecosystem penetrated further into the citizens' day-to-day lives and opened up new avenues of consumption by customers and revenue generation by the service provider. It was time for introspection for many players of the industry.

In FY 2018, the Indian M&E industry grew at 9.1 per cent on the back of advertising growth of 11.2 per cent. This was

aided by strong fundamentals and a steady growth in consumption, although demonetisation shaved off 150 to 250 basis points in terms of growth across all sub segments at the end of the year.

Television experienced slower growth due to a lacklustre year for subscription revenues, which have faced headwinds owing to continued challenges around digitisation and its intended benefits flowing through the value chain. Television advertising saw sunrise sectors, such as e-commerce, scaling back spend significantly and the event of demonetisation leading to an adverse impact across categories. However, strong long-term fundamentals driven by domestic consumption augur well for the future. Growing access to rural audiences through digitisation, coupled with content availability through increase in Free-to-Air (FTA) channels and deeper audience measurement will be a key catalyst to long-term growth, though this may have an adverse impact on distribution revenues. A solution to the tariff and interconnect orders by the Telecom Regulatory Authority of India (TRAI), which is acceptable to all stakeholders will be critical for the successful completion of the digitisation exercise.

Looking ahead, the future of M&E industry indeed revolves around digital. The mobile phone, which today has reached every nook and corner of the country, manifests itself as a powerful medium to bridge the content consumption divide across socio-economic classes and categories. With the continued push by the government around digital consumption and payments, mass adoption of technology is a foregone conclusion. However, this brings with itself challenges for every sub-segment of M&E industry to innovate, to align with this change, and evolve in terms of building sustainable business models. Whether existing industry stakeholders are able to harness this potential dividend, or find them at the wrong end of this divide, will be the big answer to watch out for in the future.

Strong economic fundamentals coupled with growth in domestic consumption have also aided the Indian M&E industry to maintain a growth of 11.6 per cent over the last five years. Though demonetisation adversely impacted the Media and Entertainment sector's performance in 2018, especially advertising revenue, the impact is likely to be short lived and normalcy is expected to return in 2019. The long-term factors driving the future growth are expected to remain positive, with growing rural demand, increasing digital access and consumption, and the expected culmination of the digitisation process of television distribution over the next two to three years.

India's Television Industry: The Indian M&E Industry - Projections

The Indian M&E industry is projected to grow at a faster pace of 14 per cent over the period 2016-21, with advertising revenue expected to increase at a Compound Annual Growth Rate (CAGR) of 15.3 per cent during the same period. However, in 2018, advertising revenues are expected to grow at a marginally slower rate of 12.8 per cent due to the prolonged effects of demonetisation and initial volatilities arising from GST implementation. Television is expected to grow at a CAGR of 14.7 per cent over the next five years as both advertisement and subscription revenues are projected to exhibit strong growth at 14.4 per cent and 14.8 per cent, respectively. The long term forecast for the television segment remains robust due to strong economic fundamentals and rising domestic consumption coupled with the delayed, but inevitable, completion of digitisation. The rising share of FTA channels may, however, partially pull down the long-term subscription revenue forecasts.

Key Policy changes driving the Changes:

Government policies and initiatives are creating a significant and lasting impact on M&E industry, both directly and indirectly. However, implementation across the various measures has been a challenge, resulting in heart burn in the short-to-medium term.

Demonetisation - a bolt out of the blue:

The Government of India's de-legalisation of high denomination currency notes led to a decline in consumption across sectors, such as Fast Moving Consumer Goods (FMCG), Auto, Banking, Financial Services and Insurance (BFSI) and Real Estate. This led to a pull back on discretionary spends on marketing and advertising, the repercussions of which were felt across M&E industry. Advertising revenues across television print and radio suffered while the attendance at cinema halls, particularly single screens, and live events, was also impacted. It is estimated that the annual advertising growth rates for television, print and radio were adversely impacted by about 1.5 to 2.5 per cent.

However, the impact is expected to be short lived, because from Q1 2018 onwards, there has been an upswing in consumption and advertising demand, although spend levels continue to remain lower than the same period in the previous year.

GST to rationalise taxation across M&E industry:

The GST, which is implemented by the central government in FY18, has streamlined the multiple incidences of taxes currently being levied by both the central and state governments. While the introduction of GST has varied levels of impact across the various media segments on an overall basis, M&E industry is a net beneficiary. This is primarily due

to availability of input credits across the board and inclusion of entertainment tax within the ambit of GST. However, in the long term, with the formalisation of the economy and widening of tax base, there could be a positive impact on the country's GDP and consequently on advertising spends.

Cable digitisation - a game changer:

The ongoing cable digitisation has brought a paradigm shift in the overall operations of the television sector; however, delays in Set-Top-Box (STBs) supply, seeding and challenges pertaining to addressability, gross billing, per subscriber billing, and roll out of packaging remain a major concern amongst the stakeholders. The Telecom Regulatory Authority's (TRAI's) guidelines on Tariff and Interconnect are expected to alter the operating dynamics between various stakeholders of the industry. The implementation of these guidelines, in a form acceptable to all stakeholders, would be key to Average Revenue per User (ARPU) uptick and to improve industry profitability. However, implementation in phase-IV markets has paved a challenge considering the low scale of economies.

Further, Digitisation of the cable distribution sector to attract greater institutional funding, improve profitability & help players improve their value chain.

ARPU Post - digitisation

- Presence of analog cable & higher contribution had led to lower Average Revenue Per User (ARPU) level, which is around USD3.4 for a digital pay television. However, with higher scope of introduction of new and niche channels with digitisation, ARPU levels are expected to increase in the coming years.
- ARPU for DTH subscribers has seen an increase over years. The more promising trend is that DTH operators are able to increase collections from customers by providing additional services such as HD channels, premium channels & other value added services.
- HD adoptions continues to drive ARPU growth for DTH players with the average ARPU of a HD subscribers at 1.5 to 2 times more the ARPU of non HD subscribers.
- Digital cable on the other hand, has not seen any significant ARPU increases as compared to the DTH ARPU. For digital cable, deployment of different channel packages will be the key driver to increase ARPUs.

Surge in digital consumption compelling existing players to take a hard look at their business models:

Consolidation gaining momentum across the value chain

Consumer analytics has become indispensable

Strong demand and policy support driving investments

The carriage fees to be capped at 20 paisa per SD channel per subscriber/month, and 40 paisa per HD channel per

subscriber per month. Further, the carriage fees of a particular channel shall decrease with the increase in subscribers for that channel, becoming nil if the subscriber base of that channel equals or exceeds 20 per cent of the average subscriber base of the DPO in that month in that target market.

India Cable TV Market

India Cable TV market has grown considerably over the past eight years. Demand for cable TV services in the country has escalated over the past eight years due to increased prevalence of digitization drive, increasing household expenditure on entertainment, improving quality of television display, lower costs of service provision and stable user base. Majority of people in India have preferred cable TV due to convenience and lower cost of subscriptions.

Digitisation:

Indian TV industry is going through a rapid and historic transformation. To accelerate the slow growth of analog regime and to help consolidate and organise the industry and at the same time to make it more transparent, Government of India has framed a road map for conversion of analog customers to digital platform in four phases and completed the deadline by March 2017.

Advantages of Digitisation

- Higher consumer preference, which lacked in the former Conditional Access System (CAS)
- Consumers will be able to select content of their choice as well as indefinitely store and access digital content
- The digital platform in films also includes the 'video-on-demand' feature on television
- Higher transparency; subscriber declaration level is expected to increase to 100 per cent under post-digitisation regime as compared to 15-20 per cent as declared by Local Cable Operators (LCOs) to Multiple System Operators (MSOs).
- The digital segment in India's media & entertainment industry is set to cross USD 3208.07 million by 2020. This offers a huge opportunity for expansion of digital sector in India's media & entertainment industry.

Mandatory digitization results in consolidation of the last mile cable industry. Larger operators are keen to acquire the last mile as valuations for LCOs drop and operators successfully develop skill sets and necessary infrastructure as they are in transition to a B2C model.

Digital Cable is poised to gain significantly from DAS Phase-III and IV incremental additions. We envisage Digital Cable to take a sizable share in the C&S market space and in the long

run, with the deep customer connect; Digital Cable has a definite edge over DTH. However, the major challenge for MSOs presently remains the ARPU realisations, which are not even 30 per cent of what the customer pays, and a share of that goes to the broadcasters as well. We believe that the TRAI draft tariff orders are a step in the right direction toward ensuring better revenue realisation across the TV value chain, provided litigations around the orders are addressed.

DTH and digital cable ARPUs:

The ARPU growth for the Industry remained largely subdued in 2016. While the pack price increases effected by most players, along with efforts to drive HD adoption were Pull up factors, the majority of the incremental subscriber additions were from DAS III and IV, which came in at lower ARPUs than average, resulting in muted ARPU growth.

- ARPUs to be driven by packaging, package wise collections, improved monetization from LCOs, Premium Contents, HD Channels, and Broadband etc.
- Digitization will lead to increased transparency in subs declaration and improved ARPUs.

In conclusion, while strong economic fundamentals would continue to drive growth, the Indian M&E industry is on the cusp of rapid transformation with digital media taking centre stage across all the sub-sectors. Digital media, which was earlier being viewed as just an additional distribution platform and just another touch point, is rapidly emerging as a core revenue engine. While M&E organisations are looking to build out digital strategies, the economic and business models required to succeed in the digital landscape are challenging and would require a significant shift in mind set and approach. Further, dramatic changes in the regulatory environment are also impacting business models. In this changing paradigm, M&E organisations would need to be nimble and flexible and operate with a long term integrated strategy to build out sustainable businesses.

BROADBAND INDUSTRY

India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly and will contribute substantially to India's Gross Domestic Product (GDP), according to report prepared by GSM Association (GSMA) in collaboration with the Boston Consulting Group (BCG).

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth in the Indian telecom sector. The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer

at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms has made the sector one of the fastest growing and a top five employment opportunity generator in the country.

The Indian telecom sector is expected to generate four million direct and indirect jobs over the next five years according to estimates by Randstad India. The employment opportunities are expected to be created due to combination of government's efforts to increase penetration in rural areas and the rapid increase in smartphone sales and rising internet usage.

International Data Corporation (IDC) predicts India to overtake US as the second-largest smartphone market globally by 2017 and to maintain high growth rate over the next few years as people switch to smartphones and gradually upgrade to 4G.

India's Internet economy expected to double to become \$250 billion by 2020

The Internet economy in India is becoming a major contributor to GDP, and is expected to grow to about 7.5% of the country's GDP by 2020 from 5% now. E-commerce and financial services are projected to lead the growth. For instance, share of digital payment transactions could increase to 30-40% of all transactions by 2020 from 13% in 2015. Data consumption is set to expand to around 7-10 GB per month per user by 2020 from the current 700 MB per month per user.

Digital adoption in India has been growing rapidly

Recent disruptions in the telecom space have given a strong impetus to digital adoption in India, accelerating the rate by at least a few years. While the total number of mobile Internet users is expected to grow to almost 650 million by 2020, users with high-speed Internet access is expected to be around 550 million. This can prove to be a huge boost for the Internet economy. Data consumption is set to expand to around 7-10 GB per month per user by 2020 from the current 700 MB per month per user.

Three key forces are coming together to unlock the latent digital demand

By 2020, 4G-enabled devices are expected to grow six-fold to 550 million devices, constituting about 70% of devices in use. At the same time, reliable high-speed data is becoming both ubiquitous as well as affordable (data rates have reduced to less than one-third in just 4-5 months). The proliferation of digital content is also driving consumption. Mobile Internet users are expected to nearly double from 391 million today to 650 million by 2020 while data consumption per user is estimated to grow 10-14 times to reach 7-10 GB/month.

Broadband speeds are an essential component for consumers to have a rich experience over the internet. The average

broadband speed in India is 4.1 Mbps (3Q 2016), which has marked a 62 per cent increase Year on Year (y-o-y). The broadband (4 Mbps) adoption (IPv4) in India is at 30 per cent representing a 116 per cent y-o-y change. Although the broadband speed and adoption are improving at a swift pace, South Korea leads the space with 26.3 Mbps and an adoption of 97 per cent (IPv4); on the other hand, India still has some headroom for growth.

In parallel, the adoption of IPv6 internet protocol is improving in India, which creates the infrastructure to connect more devices, supports higher speeds, increases security of communication and reduces latency.

As of 2016, IPv6 adoption in India stood at 16.4 per cent. How fast the telcos are able to transition to this new protocol will lay the foundation of how the adoption of new age technology, such as Internet of Things (IoT), matures in India.

As per TRAI report, the total number of users has increased to 350.48 million at the end of June 2016, as compared to 342.65 million users at the end of the previous quarter ending on March 2016. There were 319.42 Internet users at the end of June 2016, which shows a 9.72 percent increase in Internet usage over the past year and 2.28 percent over the quarter. Broadband subscription rates have surged, showing a growth of 8.22 percent over the previous quarter. Narrowband internet subscribers have declined by 2.32 percent as compared to the previous quarter.

Further, total number of Broadband subscribers in 2016 was 411.56 million consisting of wired broadband subscribers and wireless broadband subscribers at 21.95 million and 389.61 million respectively.

Cable Internet Broadband

The cable broadband sector in India remains nascent with limited investments made in network rollout and upgrades, aside from a few well-capitalized national MSOs. According to industry resource, the total wireless broadband penetration by India is 7% whereas fixed broadband penetration is 1% of total household. So there is huge broadband potential due to penetration.

The advantage to cable operators will come in the form of large-scale fiber backhaul availability, which could reduce capital expenditure as well as time required to expand to new territories. Additionally, it also allows operators to focus on last mile upgrades to coaxial networks.

Broadband is a key driver of the Last Mile Cable Business

In particular, broadband cable service entails the highest return for distribution platforms in the United States. In

Pay-TV, satellite generates superior return to cable in general due to (i) lower operating costs from leveraging wireless infrastructure and lower churn levels due to national footprint and (ii) higher ARPUs vis-à-vis cable. However, cable broadband is the strongest solution in maximizing ARPU and margins and helps cable maintain superior returns to satellite.

The increasing proliferation of technology-enabled devices, policy driven push through programmes such as the digital India campaign and high speed broadband highways will lead to a dramatic increase in the internet subscriber base and penetration level. (Source: TRAI).

With DOCSIS 3.0 technology which provides speeds of 50-100 Mbps, a better ARPU margin for the broadband business is expected to increase in the coming years.

Also the Broadband business offers multiple synergies to MSOs by allowing them to leverage their existing infrastructure and consumer base. In the normal scenario, Subscriber will always prefer wired internet connectivity compared to wireless as it is faster, cheaper and reliable. The Broadband offers higher ARPU and margins than digital cable and is in line with the changing consumer preference for high speed connectivity. Due to low penetration of broadband in India, there is scope for substantial growth opportunity in broadband.

About Ortel

Ortel Communications Limited ("the Company") is a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Andhra Pradesh, Telangana, Chhattisgarh, West Bengal and Madhya Pradesh. As part of major expansion process, in the current year the Company has taken further geographical progress by expanding its operation to the States of Madhya Pradesh and Telangana. It has always been the Company's vision to provide Cable TV, Data Service and Internet Telephony on a single cable platform to households. Company has built a State-of-Art two-way communication network for 'Triple Play' services (video, data and voice capabilities) having HFC network (combination of optic fibre in the backbone and coaxial cable in the distribution network) with control over the 'Last Mile'. It pioneered the primary point cable business model in India by offering digital cable television, broadband and VAS services. It currently holds a dominant position in Odisha, with a fast-growing presence in five other markets, covering an addressable market of approximately five million homes with direct to consumer business model, popularly known as "Last Mile" business model in the Cable TV universe having 90% of the subscriber base under own network. Currently, business of the Company is broadly divided into (i) cable television services comprising of digital cable television services including other value added services such as HD services, NVoD, gaming and local content; (ii) broadband

services; (iii) leasing of fibre infrastructure; and (iv) signal up linking services. It has legal 'Rights of Way' for laying network cable and capable of providing broadband at speed of up to 100 mbps through use of cable modem with DOCSIS 3.0 technology. It has grown both organically and inorganically through buyout of network equipment, infrastructure and subscribers of other MSOs and LCOs. Ortel is a pioneer in providing Convergence Communication Services in the Country. It has revolutionized the Entertainment and Broadband Technology in the Eastern India.

Ortel is the first MSO to offer upto 100 Mbps Broadband in the state of Odisha using the DOCSIS 3.0 technology. DOCSIS 3.0 allows for a much higher throughput compared to the earlier versions by using multi-channel bonding simultaneously for download/upload. Ortel has withdrawn all schemes of Broadband services where the speed is less than 1Mbps.

FY2018 performance overview:

- Total Income decreased to Rs.1,862 million against Rs.2,072 million of FY 2017
- Profit Before Tax is Rs.(952.72) million against Rs.14.30 million in the FY 2017
- Profit After Tax came in at Rs.(952.72) million compared to Rs. 14.30 million in FY 2017

Operational Review

The FY 2018 was a challenging year for your Company. The operational performance has been affected due to both external and internal factors resulting in slower growth both in terms of revenue and profitability. On external side, slow pace of digitisation and lower Average Revenue per User ("ARPU") realisations from the addressable C&S base has impacted the performance. Increased competition has impacted industry in general affecting broadband performance of the company.

The company's performance has also been affected due to delay in collections, higher competitive intensity in the market place as well as issues pertaining to debt repayment. The collection percentage has been slower due to transition from analog to digital platform affecting collection from old subscribers. Delay in debt funding has also affected the performance during the period under review. Apart, the performance was further impacted due to lower IFL income during the period under review.

Notwithstanding above, your company has achieved a healthy growth in revenue both for cable TV and broadband business year on year basis. Members will be happy to know that, all Non Odisha states have been EBITDA positive. Full digitisation of subscribers will also help improving the collection controlling the debtors days. The Company has already started acquiring subscriber base aggressive organic plan with various

schemes and members will be glad to know that, your company has registered a growth in the subscriber base through organic route. Company has achieved an overall RGU of 8,17,066 over 8,23,405 of previous period, a reduction of only 0.77%. Further, the Broadband business has started a turnaround after being impacted post Jio launch which particularly affected our younger subscriber genre. Members may also note that, the Company has demonstrated a strong B2C last mile business model in its core market which is profitable and expects to replicate the same in the new markets also. Having the unique 'Last Mile' model and with adequate steps being taken for aggressive digitisation and various other business plan, the Company is very hopeful of improved performance in the coming FY.

Current Business Trends and Future Outlook

Cable TV

After consolidating its business at various locations in Odisha, your Company has taken further steps to consolidate its market base in other States that have been entered into since 2008. The Company has done significant buyout of LCOs in Andhra Pradesh and Telangana. We take the opportunity to communicate that your company is making steady progress in all other States beyond Odisha.

The company is hopeful of achieving a substantial growth in its Subscriber Base both through Organic as well as inorganic acquisition of LCOs. The Company has achieved a better growth in terms of organic acquisition. Company has also plans to expand into other new markets through a combination of competitive pricing, multiple service offering, extensive marketing and acquiring network equipment, infrastructure and subscribers from LCOs/ MSOs in those new areas.

Digitization

With mandatory digitization under phase III and Phase-IV, the Company aggressively worked to maximise digitization and has made a significant growth in its digital subscriber base.

Further, in addition to SD (Standard Definition) series, your Company is also providing high quality HD (High Definition) and has also plan to invest more in an HD Head end and Set Top Boxes to provide high quality HD services to its customers.

The Company also holds registration certificate as prescribed in the amended Act to operate as MSO in DAS areas from Ministry of Information & Broadcasting.

Data Services:

Ortel continues to be the one of the dominating player in the Data Services market in Odisha by providing high speed services at competitive prices. The Company presently provides both retail and corporate broadband services in 19 towns including 13 towns in the state of Odisha.

While the competition for data services has intensified especially from wireless operators who offer the advantage of mobility, high speed service still remains the unique selling proposition for Ortel Broadband. Your company has taken various steps for improving network uptime by providing for power backups at nodes, expanding to new locations and deeper penetration in existing locations and improving customer service delivery infrastructure so as to increase the subscriber base. Your Company also intends to improve network penetration by cross selling our broadband services to the existing cable television customers and attracting new customers through competitive pricing, better customer support service.

Your Company has successfully implemented DOCSIS 3.0 high speed broadband service and is currently offering data service upto a speed of 100 Mbps. The Company has also identified new markets as a part of expanding the Data operation and have planned out to expand further in the coming financial year. Your company is also using HFC architecture, which can easily be converted or upgraded to provide FTTH service at very nominal incremental capital expenditure. With the implementation of new technology, high speed data service and aggressive marketing strategy, the Company will manage to increase its subscriber base.

In order to partly counter the mobility feature of the competitors, we are focusing on providing home wireless options to customers by installing wireless modems to interested consumers. We are also creating public hot spots for both existing customers and prospective customers inside the city in different crowd public points.

Your Company is also leveraging the existing infrastructure to provide bulk bandwidth as well as leasing out the fiber network to various Corporates.

Your company is well equipped with its upgraded Network Operating Center (NOC) with inbuilt redundancy of key elements in the system to support and sustain the higher level of customer base and service. Your Company provides data services through MEN in West Bengal, which engages different network topology capable of broadband and IP television services. The company is also upgrading its Bandwidth purchases from multiple vendors at competitive prices which will bring in substantial cost reduction of Bandwidth charges.

Your company has set up a state of the art integrated Call Center to address customer queries and complaints. At present, 18 local customer help centers are integrated to the centralized Call Center with 24X7 help line. Company has also a network monitoring system through which major network failures are monitored and steps taken to restore the services early. Your company also has a grievance redressal system in place to resolve the complaints.

Key Developments

- **Robust RGU Additions:**
During the year, the total RGU stands at 8,17,066
- **Healthy Traction in States outside Odisha:**
The Company's Local Cable Operator (LCO) buy-out strategy receiving strong response in states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh
Robust growth outside Odisha to continue in FY19
- **Digitization:**
Hold over 40k STBs in inventory with digital signals in place - sufficient stock for implementation of organic growth customers.
- **Steady momentum in Broadband Business:**
Expect significant growth in broadband subscribers in FY19 on the back of new network rollout, a strong team, solid back-end operations, attractive broadband packages and various other value-added services & initiatives.

Other Value Added Service

The Company also provides choice of other value added services over the same cable leading to customer convenience and satisfaction with a range of services HD services, NVoD and other interactive video content. Currently Company provides 14+ HD channels on its network. The Company also offers bundled services such as Cable TV + Broadband + HD to its customers. All these services are expected to drive revenue in future.

Key strategies which will accelerate overall growth of the Company

- **LCO Buyout:** The aggressive LCO buyout plan which is already being carried out shall enable the Company to substantially increase its subscriber base.
- **HD Launch:** Offering Channels in HD platform in its core markets which has already been launched, the Company will able to provide quality service to its customers and hence will increase both revenue and customer demand.
- **High Speed Broadband Packs:** with already launched high Speed Broadband packs with data speed of up to 100 Mbps in the market, the Company is expecting to increase customer base and revenue in the coming years.
- **Digitisation:** With digitisation mandate and Company having ready to provide digital cable TV service, it will benefit in terms of lesser revenue leakage, more accurate subscriber base information, high transparency and higher subscription revenue.

Principal factors affecting our results of operations and financial condition

i. Primary subscriber base

Company's business model is focussed on the control over 'the last mile' connection. Primary subscriber numbers allows benefit from higher revenues per subscriber as it controls the service and collection directly without involving any intermediary and reduces large scale customer churn.

ii. Number and mix of subscribers

The revenue of the Company is significantly impacted by the ability to increase the number of cable television subscribers. The subscriber numbers are affected by the following factors, among others:

- Our geographic reach
- Competition
- iii. **The other factors affecting operation performance are as follows:**
 - Buyout of network equipment, infrastructure and subscribers
 - Channel carriage fees
 - Broadband spread and density
 - Programming cost
 - Regulations

Internal Control Systems and their Adequacy

The Company has developed and maintained with an adequate internal control system commensurate to its size and business. The company has appointed M/s SCM & Associates a firm of Chartered Accountants, as its Internal Auditors, who conduct internal audit for various activities. The reports of Internal Auditors are submitted to Audit Committee of the Board, which further reviews the adequacy of internal Control system periodically.

In addition to this the company has its own Internal Audit Department to implement and monitor proper and adequate internal control procedures. Further, the company has maintained adequate system to ensure effective operation of the internal financial control with reference to financial statement of the Company.

Human Resources

Human Resources are of paramount importance for the sustenance and growth of any organization and it is specifically true for the technically sensitive broadband sector. Your company has initiated steps to recruit and retain talented

personal at key levels and believes in involving young executives in its decision-making processes. Your company continues to give maximum thrust to its Human Resources Development.

Employee relations remained cordial at all your company's locations. Your Directors take this opportunity to record their appreciation for the outstanding contribution of all employees of your company.

During the year, the Company maintained harmonious and cordial industrial relations. No man-days were lost due to strike, lock out etc. As on 31st March 2018 there were 1589 permanent employees on the rolls of the company.

Disclosure by Senior Management Personnel i.e. one level below the Board including all HODs.

Potential Risk and measures to mitigate

Nature of Risk	Definition and impact	Measures for mitigation
Regulatory Risk	Increased regulations or change in existing regulations could potentially impact the operation of the Company.	Keep updation of the changed legislation and compliance on top priority by close monitoring regularly.
Industry Risk	Competition from competitors may adversely affect the operating performance of the company.	Adding new technology and better customer service while keeping close watch on competitors activity.
Finance Risk	As at March 31, 2018, the company has outstanding loans of Rs.179.96 Crs. In addition to the outstanding payable to creditors, Rs.55.78 Crs. is subject to fluctuations in foreign currency rates.	Company is coordinating with major financiers for suitable restructuring of the outstanding loans for making it easy to repay both principal & interest on due dates. The Company has put into place necessary system to constantly review its repayment capabilities. The Company has not done any hedging of foreign currency liabilities.

Health, Safety and environment

The company has taken adequate measures for health and safety of its employees through Group Insurance covering life, accident and disablement, Employee Deposit Link Insurance and ESI.

Your Company also gives utmost priority on health and safety of its employees and is committed to ensure high standard work practice in compliance with applicable laws and regulations.

Your Company also conducts training programmes for its staff and employees, and carries out regular safety audits in relation to the operations. All field employees are provided with safety

None of the Senior Management personnel has Financial and Commercial transactions with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

Risk Management

The Company takes proactive risk management initiatives to identify and mitigate the relative risk associated by various risk measures. The company has taken comprehensive and adequate insurance policies for its electronic equipment, vehicles, network assets and buildings etc to cover different types of potential risk that may affect the operational performance of the Company. The risk management Committee of the Board reviews various areas from time to time.

equipment. Regular safety audits are conducted at each location to monitor the implementation of the safety guidelines issued by the Company, and a compliance report is also prepared every month. The company also believes in environmental safety and zero hazards.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be "forward-looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

High Quality Network Infrastructure With Legal 'Rights of Way'

Technology &
Network

66,766*

Kms of cable

Across

70

towns

Head end

05

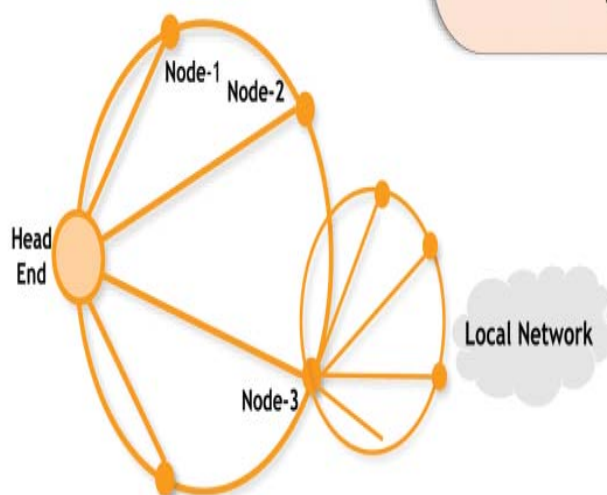
Digital

Network as on March 31, 2018

- 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

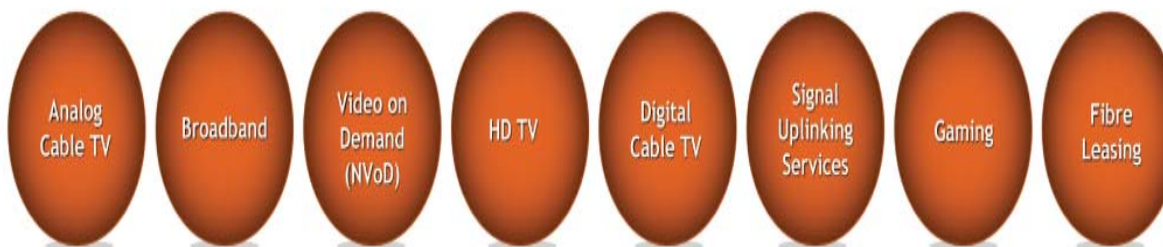
Strong
Infrastructure
in place...

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

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Your Company's philosophy in relation to Corporate Governance is to ensure transparent disclosures and reporting that confirms full compliance to the applicable laws, regulations and guidelines, and to promote ethical conduct of the business operation with primary objective of enhancing all stakeholder's/stakeholders' value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders expectations. The Company has innate the values and corporate governance practices since its inception and the management of the Company has assigned high priority to Corporate Governance practices in the Company.

Your Company is committed to attain the highest standard of Corporate Governance and has duly complied with all the applicable requirements and disclosures as per listing agreement signed with the Stock Exchanges in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation") and the then old listing agreement after listing of its shares on 19 March, 2015. However, your Company was voluntarily complying with the code of corporate governance in accordance with the applicable clauses / regulations particularly in respect of

Board of Directors and other committees of the Board. Your Board functions either through a full Board of Directors or through various committees constituted to oversee specific operational areas with a professional management team below Board level. Your Company undertakes to take all necessary steps to comply with code of Corporate Governance on a continuous basis.

Board of Directors

The Board of Directors of your Company has been constituted in compliance with requirement of Companies Act, Listing agreement with Stock Exchanges in line with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board provides leadership, strategic guidance and independent view to the Company's management while discharging its responsibilities. The Board consists of distinguished persons having requisite knowledge and expertise in business & industry.

Composition of the Board

The current Board comprises of six (06) Directors with one Executive Director who is the Managing Director of the Company and five (05) other Non-Executive Directors of whom are Independent Directors. Managing Director is the Woman Director on the Board of the Company.

The Composition of Board as on 31st March, 2018 and the number of other directorships and Board Committee Memberships/ Chairmanships are as follows:

Name	Category of Directorship	No. of Directorship in other Public Limited Companies*	No. of Directorship in listed entity including Ortel Communications Limited	No. of Committee Membership in other Public Limited Companies**	
				Chairman	Member
Jagi Mangat Panda	Promoter & Executive	4	2	0	2
Debaraj Biswal	Independent & Non-Executive	3	1	1	2
Jyoti Bhusan Pany	Independent & Non Executive	2	1	3	1
Gautam Sehgal	Independent & Non-Executive	2	2	0	1
Kadambi Seshasayee	Independent & Non Executive	1	1	0	1
Joseph Puliparambil	Independent & Non Executive	1	1	0	0

Note:

* Directorships in Private, Foreign Companies, and Companies under Section 8 of Companies Act, 2013 if any, are excluded.

** Memberships of only Audit Committee and Stakeholder's relationship Committee have been considered.

None of the Directors have been independent directors in more than seven listed companies and Managing Director of the Company is not independent director in more than three listed companies.

All the Independent Directors have been appointed in due compliance of Companies Act, 2013 and Listing Regulations and formal letter of appointment with terms of their appointment has been issued to them which has been posted in the website of the Company www.ortelcom.com.

None of the Directors is member in more than ten committees and chairman of five committees or Director in more than twenty companies.

Managing Director and Non-Executive Directors are not related with each other and there are no inter-se relations among the Directors.

Sl. No	Name	Designation	Relationship
1	Jagi Mangat Panda	Promoter & Executive	No inter-se relation among the Directors
2	Debaraj Biswal	Independent & Non-Executive	
3	Jyoti Bhusan Pany	Independent & Non Executive	
4	Gautam Sehgal*	Independent & Non-Executive	
5	Kadambi Seshasayee	Independent & Non Executive	
6	Joseph Puliparambil	Independent & Non Executive	

* Re-appointed as Independent Director in the AGM held on 27th July, 2015.

Board Procedure

The Board meets at least once in a quarter to review inter alia, the quarterly business and the financial performance of the Company along with other business matters proposed. Additional meetings are held, when necessary. In case of urgency or when the Board Meeting is not practicable to be held, the matters are approved and decision are taken through circular resolution, which is then noted by the Board in its next meeting. Provision for video conferencing facilities is also there to facilitate Directors to participate in the meetings.

The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given to each Director.

The Board papers, comprising the agenda backed by comprehensive background information, are circulated to the Directors in advance except matters containing unpublished Price Sensitive Information which are circulated closer to the meeting and in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman in due compliance of the applicable provisions.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company.

The Board's function is not limited to matters requiring approval of Board statutorily. The Board is involved in all the important decisions relating to the Company's Policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory / regulatory requirements, major accounting provisions etc. Non-Executive Director provides necessary support for effective

Bboard performance. The Independent Directors play an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise for better functioning of Board.

The Minutes of the Board Meetings are circulated to all Directors well in advance as per the applicable provisions and are confirmed at the subsequent meeting.

The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board for its noting.

The attendance of each Director at the Board Meetings and also at the previous Annual General Meeting (AGM) held on September 05, 2017 is given below:

Name	No. of Board Meetings attended during 2017-18	Attendance at the AGM held on 5 Sept, 2017
Baijayant Panda*	4/7	No
Jagi Mangat Panda	6/7	Yes
Subhrakant Panda**	3/7	No
Rabi Narayan Misra***	4/7	Yes
Debaraj Biswal	6/7	Yes
Jyoti Bhusan Pany	6/7	Yes
Gautam Sehgal	2/7	No
Kadambi Seshasayee	6/7	Yes
Joseph Puliparambil	2/7	No
Gautam Buddha Mukherji****	2/7	Yes

* Resigned as Non-Executive Director cum Chairman w.e.f. 29.03.2018.

** Resigned as Non-Executive Director w.e.f. 29.03.2018.

*** Resigned as Non-Executive and Independent Director w.e.f. 29.03.2018.

**** Resigned as Non-Executive and Independent Director w.e.f. 15.11.2017.

During the year, seven Board Meetings were held on 19th May, 2017, 05th September, 2017, 28th November, 2017, 26th December, 2017, 10th February, 2018, 10th March, 2018 and 30th March 2018.

The gap between no two Board meetings exceeded one hundred and twenty days.

The Company had circulated and placed before Board, details of role and responsibilities of all the Directors including Independent Directors in line with Companies Act, 2013 and Listing Regulation particularly in respect of the Company and same has been posted in the website of the Company www.ortelcom.com.

Board has reviewed compliance report of all laws applicable to the Companies in its meeting during the year under review.

Board has laid down Code of Conduct for all the members of Board and senior management of the Company. The Code of conduct lays down the duties of Independent Directors in line with Companies Act, 2013 and Listing Regulation.

Your Board has also constituted following Committees:

Sl.No	Name of the Committee
1	Audit Committee
2	Nomination and Remuneration Committee
3	Stakeholders Relationship Committee
4	Corporate Social Responsibility Committee
5	Risk Management Committee*
6	Finance Committee
7	Corporate Restructuring Committee
8	Share Allotment Committee

* As on the date of reporting, requirement of Risk Management Committee as per Listing Regulation was not applicable.

Audit Committee

The Audit Committee of the Company originally constituted on November 25, 1999 as per the requirements of Section 292A of the Companies Act, 1956 has been reconstituted on 2nd February, 2011 and 20th April, 2015 in line with the requirement of Listing Regulations. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities by reviewing the financial reports, adequacy of Internal audit function and function and the disclosure of other financial information provided by the Company to any Govt. Body or to the investors or the public

and the company's system of internal controls regarding finance, accounting and legal compliances that Management and the Board have established. The broad terms of reference, scope, power and duties of Audit Committee are as defined in the Listing Regulation and Companies Act. The Company Secretary acts as the Secretary of the Audit Committee.

Composition of Audit Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2017-18
Jyoti Bhusan Pany	Independent & Non-Executive Chairman	6
Debaraj Biswal	Independent & Non Executive	5
Jagi Mangat Panda	Non Independent & Executive	5
Kadambi Seshasayee	Independent & Non Executive	5

During the year, six Meetings were held on 19th May, 2017, 05th September, 2017, 28th November, 2017, 26th December 2017, 10th February 2018 and 30th March 2018.

Nomination and Remuneration Committee

The Remuneration/Compensation Committee as originally constituted on November 25, 1999 and subsequently reconstituted on 02 February, 2011 as per the requirement under Listing Agreement for the erstwhile Initial Public Offer (IPO) of the Company has been renamed as Nomination and Remuneration Committee by the Directors at their meeting held on 21 July, 2014 and reconstituted subsequently on 09 March, 2015 in compliance with the amended listing agreement of the Stock Exchanges.

The primary function of the Nomination and Remuneration Committee (erstwhile Remuneration/ Compensation Committee) is to formulate criteria for determining qualifications, positive attributes and independence of a director and review and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees, to approve appointment, reappointment, retention of KMPs and senior management personnel of the Company, to formulate criteria for evaluation of Directors, the Board and other Committees, to recommend offer and issue of ESOP to eligible employees, to guide and monitor function of ESOP Trust and devise guidelines for due implementation of ESOP Scheme, devising a policy on Board diversity to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, to fix and finalize remuneration including salary,

perquisites, benefits, bonuses, allowances, etc. to fix performance linked incentives along with the performance criteria, increments and Promotions, Service Contracts, notice period, severance fees, Ex-gratia payments and such

other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

Composition of Nomination and Remuneration Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2017-18
Joseph Puliparambil	Independent & Non-Executive - Chairman	2
Baijayant Panda*	Promoter & Non Executive	4
Gautam Sehgal	Independent & Non Executive	2
Major (Retd.) R. N. Misra**	Independent & Non Executive	2
Jyoti Bhusan Pany***	Independent & Non Executive	1

* Resigned as Non-Executive Director cum Chairman w.e.f. 29.03.2018.

** Resigned as Non-Executive and Independent Director w.e.f. 29.03.2018.

*** Appointed as Member of the Committee on 30.03.2018.

During the year, four Meetings were held on 19th May, 2017, 05th September, 2017, 28th November, 2017 and 09th February, 2018.

Remuneration of Directors, Key Managerial Personnel and Senior Managerial Personnel:

Remuneration of Managing Director was approved by Shareholders of the Company in the Annual General Meeting (AGM) of the Company held on September, 2017 on recommendation by the Board of Directors and Nomination & Remuneration Committee. The Members in the AGM held on 27th July, 2015, had approved payment of Commission to the Non-Executive Directors (NEDs) upto 0.5% of the Net Profit of the previous financial year calculated as per applicable provisions of the Companies Act, 2013 read with Schedule V and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

All Non-Executive Directors are paid sitting fees for attending Board and Committee Meetings during FY 2017-18.

The Board has formulated a Nomination and Remuneration

Policy relating to appointment, qualification, attributes, independence remuneration of Director(s) and also for appointment, retirement and removal of Key Managerial Personnel (KMPs) and Senior Management Personnel in compliance with the provisions of companies Act, 2013 and Listing agreement with the Stock Exchanges. Same is Annexed as 'Annexure-6'.

Board has made performance evaluation of Independent Directors as per the Nomination and Remuneration Policy in order to determine whether to extend or continue the terms of appointment of independent director and has been satisfied with the performance and contribution made by them. Board had also done the performance evaluation of its Committees and of Managing Director as per the policy.

Further, Independent Directors in their separate meeting, had made the performance evaluation of Board as a whole, Chairperson and Non-Executive Director of the Company.

Details of remuneration for FY. 2017-18 to Non-Executive and/or Independent Directors:

Name	Sitting fees	Commission for the FY 2016-17	Amt.in Rs.
			Total
BAIJAYANT PANDA*	50000	8985	58985
SUBHRAKANTA PANDA**	10000	8985	18985
MAJOR R. N. MISHRA***	45000	8985	53985
DEBARAJ BISWAL	75000	8985	83985
JYOTI BHUSAN PANY	95000	8985	103985
GOUTAM SEHGAL	20000	8985	28985
K V SESHASAYEE	45000	4493	49493
P. T. JOSEPH	30000	4493	34493
GAUTAM BHDDHA MUKHERJI****	20000	8985	28985
	390000	71881	461881

* Resigned as Non-Executive Director cum Chairman w.e.f. 29.03.2018.

** Resigned as Non-Executive Director w.e.f. 29.03.2018.

*** Resigned as Non-Executive and Independent Director w.e.f. 29.03.2018.

**** Resigned as Non-Executive and Independent Director w.e.f. 15.11.2017.

Managing Director

Amt. in Rs.

Name	Salary	Other allowance & Perquisites	Commission/ Performance pay	Sitting fees	Total
JagiMangat Panda	56,00,328	11,02,992	-	-	67,03,320
Total	56,00,328	11,02,992	-	-	67,03,320

Stakeholders Relationship Committee

Shareholders/ Investors Grievance Committee and Share Transfer Committee as originally constituted by the Directors at their Board meeting held on February 2, 2011 were merged and renamed as the Stakeholders Relationship Committee by our Directors at their Board meeting on July 21, 2014 in compliance with amended Cclause 49 of the listing agreement of the Stock Exchanges.

The primary function of the Stakeholders Relationship Committee (erstwhile Shareholders/ Investor Grievance Committee) consist of redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non - receipt of annual reports, etc, giving effect to all transfer/transmission of shares and debentures, dematerialization and rematerialization of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time and overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the Insider Trading Regulations and other related matters as may be assigned by the Board.

Composition of Stakeholders Relationship Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2017-18
Debaraj Biswal	Independent & Non-Executive-Chairman	3
Jyoti Bhusan Pany	Independent & Non Executive	3
Gautam Sehgal	Independent & Non-Executive	1

During the year, three Meetings were held on 19th May, 2017, 05th September, 2017 and, 10th February, 2018.

Name, designation and address of Compliance Officer

Mr. Bidu Bhusan Dash
Company Secretary & Compliance Officer
Ortel Communications Limited
C-1, Chandrasekharapur, Behind RMRC, Near BDA Colony, Bhubaneswar-751016, Odisha
Email: bidu.dash@ortel group.com
Phone: 0674- 7107200, Fax: 011-46868801
No. of Complaints received during the year : Nil
No. of complaints not resolved as on 31.03.2018: Nil
No. of pending share transfer as on 31.03.2018 : Nil

Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, the Board in its meeting held on 27th July 2015, had constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

Scope and Broad terms of reference of the Committee, inter alia, among others were as follows;

1. Shall devise the CSR policy to be implemented by the Company.
2. Shall decide the types of activities to be undertaken within the purview of CSR Policy of the Company from time to time.
3. Shall review and ensure that, the activities included in the CSR policy are undertaken by the Company.
4. Shall devise, recommend and implement such other matter as the Committee deems fit from time to time in due compliance of the CSR requirement.

Composition of Corporate Social Responsibility Committee and details of meeting attended by the members:

Name	Category	No. of Meetings attended during 2017-18
Rabi Narayan Misra*	Independent & Non-Executive-Chairman	1
Jyoti Bhusan Pany	Independent & Non Executive	1
Jagi Mangat Panda	Non Promoter & Non Executive	1
K V Seshasayee	Non Promoter & Non Executive	Appointed as member of the committee due to re-constitution of the committee in the Board Meeting held on 30 March, 2018

* Resigned as Non-Executive and Independent Director from the Board w.e.f. March 29, 2018

During the year under review, one Meeting was held on 19th May, 2017.

Risk Management Committee

Risk Management Committee was constituted by your Directors at their Board Meeting held on July 21, 2014 and which was reconstituted on 20 April, 2015.

The Risk Management Committee is responsible, inter alia, among other things, for:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To frame and devise risk management plan and policy of the Company;
3. To review and recommend potential risk involved in any new business plans and processes;
4. Any other similar or other functions as may be laid down by Board from time to time.

Composition of Risk Management Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2017-18
Debaraj Biswal	Independent & Non Executive-Chairman	1
Kadambi Seshasayee	Independent & Non Executive	0
Jagi Mangat Panda	Promoter & Executive	1
Subhrakant Panda*	Promoter & Non-Executive	1

* Resigned as Non-Executive Director from the Board w.e.f. March 29, 2018

During the year under review, one Meeting was held on May 19, 2017.

Finance Committee

The Finance Committee of the Board was constituted in its meeting held on 20th October, 2015.

The scope and broad terms of reference of the Committee was as follows;

1. To consider, recommend/approve where ever required, raising funds from various sources, taking loans from Banks, financial institutions and other lenders, availing lease financing from various parties, availing suppliers' credit and other credit facilities, availing and renewal of overdraft/ cash credit facilities

and other similar facilities both short term or long terms, temporary or otherwise with banks and other institutions and any other similar nature of financial matters.

2. Consider and approve the Company's annual financing plan, including its projected financial structure and all types of funding requirements from Bank, financial institutions and other lenders.
3. Consider and recommend for approval by the Board of Directors of a) issuances of equity and/or debt securities; or b) authorizations for other financing transactions, including bank credit facilities.
4. Consider and recommend for approval by the Board of Directors of the Company's external dividend policy.
5. Consider and recommend for approval by the Board of Directors the repurchase of the Company's stock.
6. Consider and approve the Company's financial risk management activities, including the areas of foreign exchange, commodities, and interest rate exposures, insurance programs and customer financing risks.
7. Consider and approve the Company's policy for investment of excess cash.
8. Report to the Board of Directors all significant issues discussed and make appropriate recommendations to be acted upon by the Board.
9. Perform such other activities consistent with the Memorandum of Association, the Company's Articles of Association, and applicable, as the Committee or the Board deems necessary or appropriate and as may be delegated by Board from time to time.

Composition of Finance Committee and details of meeting attended by the members

Name	Category	No. of Meetings attended during 2017-18
Baijayant Panda*	Promoter & Non-Executive -Chairman	3
Jagi Mangat Panda	Promoter & Executive-Chairman	5
Jyoti Bhusan Pany	Independent & Non-Executive	5
Debaraj Biswal	Independent & Non-Executive	5

* Resigned as Non-Executive Director cum Chairman from the Board of the Company w.e.f. March 29, 2018.

During the year under review, six Meetings were held on 27th June, 2017, 27th September, 2017, 28th November, 2017, 10th February, 2018, 10th March, 2018 and 30th March, 2018.

Independent Directors' Meeting

As required under Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors was held on 19th May, 2017 who had submitted their report to the Board.

Familiarization Program for Independent Directors

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director and CEO and other Functional Heads on important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities from time to time. The Company followed the practice of familiarize the Independent Director on the recent amendments on quarterly basis. The Company conducted various conference call calls with the Independent directors in order to sensitize them on various important issues of the Company whenever required. The details of familiarization program can be accessed from the website: www.ortelcom.com

Shares held by Non-Executive Directors as on 31st March 2018:

Sl. No.	Name of the Investor	No. of Shares held
1	Baijayant Panda*	58,0042
2	Subhrakant Panda**	1,80,724 **
3	Gautam Sehgal	58755
4	Jyoti Bhusan Pany	14,000

* Resigned as Non-Executive Director cum Chairman w.e.f. 29.03.2018.

** Resigned as Non-Executive Director w.e.f. 29.03.2018.

** No. of shares held by Mr. Subhrakant Panda as on 31st March, 2018 is inclusive of 56,818 no. of equity shares held as a trustee of Shaisah Foundation.

General Body Meeting

- (i) Details of Location and time where the last four (4) Annual General Meetings of the Company were held are depicted in the table below:

Financial Year	Day, Date and Time	Venue	Whether Special Resolution passed
2016-17	Tuesday, 05 September, 2017, 10:00 A.M.	Modi Hall, PHD Chamber of Commerce and Industry, PHD House 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016	Yes
2015-16	Thursday, 28 July, 2016, 10.00 AM	Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	Yes
2014-15	Monday, 27 July, 2015, 10.00 AM	Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	Yes
2013-14	Thursday, 14 August, 2014, 11.00 AM	B7/122A, Safdarjung Enclave, New Delhi - 110 029	Yes

- (ii) No resolution was passed through postal ballot during the financial year 2017-18.

No Special Resolution requiring Postal Ballot is being proposed at ensuing Annual General Meeting.

Disclosure

Disclosure under Regulation 39(4) and Schedule VI of Listing Regulations:

Pursuant to details in schedule VI of Listing Regulations in respect of the shares lying in the Ortel Communications Limited- Unclaimed Suspense Account (Promoter group & Non-promoter group) till 31st March, 2018 are as under.

Sl. No.	Description	No. of Shareholders	No of shares
i	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2017	-	-
ii	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2017-18	-	-
iii	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2017-18	-	-
iv	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2018	01	75

Certificate on Corporate Governance

The Company has obtained Certificate on Corporate Governance from a Practising Company Secretary forming part of the Directors' Report as 'Annexure-7'.

Employees Stock Option Scheme

The disclosures required to be made under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are given in the 'Annexure-8' to this report.

Related Party Policy

Company has adopted a policy on dealing with related party transactions and same has been posted in the website of the Company www.ortelcom.com.

All the related party transactions have been done in normal commercial practice in the ordinary course of business and on arm length basis in compliance of the companies act, 2013 and listing regulations. All the related party transactions have been placed and approved before both Audit Committee and Board. There was no material related party transaction were no material related party transactions during the period under review.

Policy on Material Subsidiary

Board has also approved and laid down Policy on determining material subsidiaries and same has been posted in the website of the Company www.ortelcom.com. The Company has incorporated does not have any one wholly-owned subsidiary in the name of "Ortel Broadband Limited" during the period under review.

Policy on Determination of Materiality of Events/Information:

Board has also approved and laid down Policy on Determination of Materiality of Events/Information and same has been posted in the website of the Company www.ortelcom.com.

Code of Conduct for Prevention of Insider Trading

Board has adopted Code of Conduct for Prevention of Insider Trading in accordance with the requirement of SEBI

(Prohibition of Insider Trading) Regulation, 2015. The same is available in our Company website www.ortelcom.com.

Vigil Mechanism (Whistle Blower Policy)

Board has also approved and laid down Vigil/Whistle-blower mechanism for employees and Directors and same has been posted in the website of the Company www.ortelcom.com.

Corporate Social Responsibility Policy

A Corporate Social Responsibility policy of the Company has also been adopted and posted in the website of the Company www.ortelcom.com.

Policy on preservation of Records

Board has approved and laid down policy on preservation of records and same has been posted in the website of the Company; www.ortelcom.com.

Code of Conduct

Board has also approved and laid down a code of conduct for all Board members, Key and senior managerial personnel's of the Company and same has been posted in the website of the Company www.ortelcom.com.

DECLARATION

As provided under Regulation 17(5) and Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Key and Senior Managerial Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2017/2018.

Bhubaneswar
10 August, 2018

Jagi Mangat Panda
Managing Director

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange and/or SEBI and/or any statutory authority on any matter related to capital markets during the last three years: NIL

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors
Ortel Communications Ltd.

Dear Sirs,

Sub: CEO & CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Ortel Communications Ltd for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

Satyanarayan Jena
Chief Financial officer

Bibhu Prasad Rath
Chief Executive Officer

Date: 10th August, 2018
Place: Bhubaneswar

Mandatory and Non-Mandatory Requirements

All the mandatory requirements of Listing Regulation on Corporate Governance are being complied with and non-mandatory requirements of the Corporate Governance are being reviewed by the Board from time to time and adopted wherever necessary.

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations are summarised below:

- **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director and CEO within the same office premise.
- **Shareholders' Rights:** As the quarterly and half yearly financial results along with significant events are posted on the Company's website and website of both BSE Limited and National Stock Exchange of India Ltd and are also published in the newspapers wherever required under regulation, the same are not being sent to the shareholders separately.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the financial year 2017-18
- Does not contain any modified audit opinion.
- **Separate posts of Chairman and CEO:** The Chairman of the Board is was a Non-executive Director and his position is separate from that of the Managing Director and CEO.
- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee

Means of communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after same are approved by the Board. These are published in both prominent national English and Hindi daily newspapers and are simultaneously posted on the website of the Company at www.ortelcom.com. The official press releases and presentation made to Institutional Investors / Analysts are also uploaded on the website of National Stock Exchange of India Ltd, the Bombay Stock Exchange of India Ltd and Company's website for public information.

General Shareholder Information

Annual General Meeting

Date & Time	Friday, 21 st September, 2018, 10:30 A.M.
Venue	LakshmiPat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016
Financial Year	1 st April, 2017 to 31 st March, 2018
Dates of Book closure	15 th September, 2018 to 21 st September, 2018 (both days inclusive)
Dividend Payment Date	NIL

BSE:	(Amt. in Rs.)	
Month	High Price	Low Price
Apr-17	122.00	111.00
May-17	115.90	74.00
Jun-17	80.20	64.80
Jul-17	79.70	47.40
Aug-17	49.80	27.25
Sep-17	40.55	31.70
Oct-17	36.50	31.10
Nov-17	40.90	28.25
Dec-17	36.25	27.70
Jan-18	39.20	31.25
Feb-18	33.30	26.50
Mar-18	28.70	18.75

Listing in Stock Exchanges The shares of the Company are listed at BSE Ltd and National Stock Exchange of India Ltd since 19th March, 2015. Listing fee for the year 2017-18 has been paid to the above said Stock Exchanges.

Scrip Code BSE: 539015
NSE: ORTEL

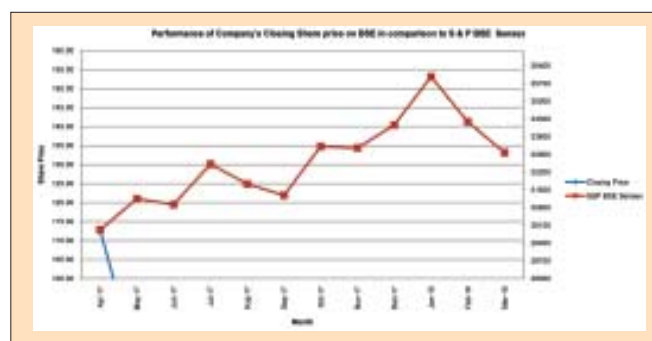
ISIN INE849L01019

Market Price Data The high/low market price shown during the period 1st April, 2017 to 31st March, 2018 at the BSE and NSE are as under.

NSE:	(Amt. in Rs.)	
Month	High Price	Low Price
April, 17	124.00	109.00
May, 17	115.50	70.95
June, 17	80.00	62.55
July, 17	77.25	47.80
Aug, 17	46.00	26.00
Sept, 17	40.95	31.30
Oct, 17	36.95	31.50
Nov, 17	40.65	28.60
Dec, 17	35.90	28.20
Jan, 18	39.25	31.10
Feb, 18	32.80	26.60
March, 18	29.00	18.20

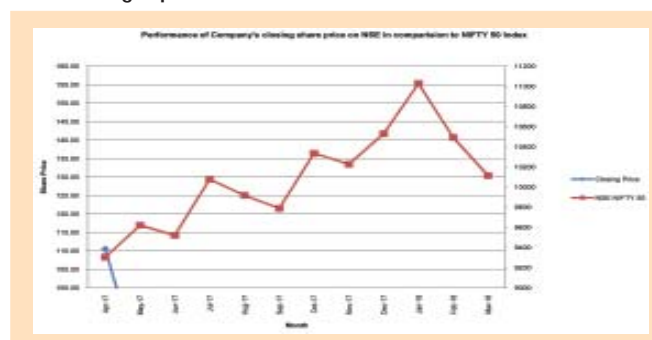
Performance in comparison to Broad-based indices Ortel Vs. BSE graph:

Month	Closing Price	S&P BSE Sensex
Apr-17	112.70	29918
May-17	77.60	31146
Jun-17	66.95	30922
Jul-17	47.40	32515
Aug-17	34.55	31730
Sep-17	31.90	31284
Oct-17	34.00	33213
Nov-17	30.10	33149
Dec-17	33.45	34057
Jan-18	32.40	35965
Feb-18	26.90	34184
Mar-18	20.10	32969



Performance in comparison to Broad-based indices Ortel Vs. NSE graph:

Month	Closing Price	NSE NIFTY 50
Apr-17	110.50	9304
May-17	78.00	9621.25
Jun-17	67.00	9520.9
Jul-17	47.80	10077.10
Aug-17	34.25	9917.90
Sep-17	31.75	9788.6
Oct-17	33.45	10335.30
Nov-17	30.05	10226.55
Dec-17	33.10	10530.70
Jan-18	31.95	11027.70
Feb-18	27.25	10492.85
Mar-18	19.75	10113.7



ORTEL COMMUNICATIONS LIMITED
Distribution of Shareholding as on 31st March, 2018

Sl. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	2335	76.71	3210130	1.05
2	5001- 10000	307	10.09	2610400	0.86
3	10001- 20000	147	4.83	2246980	0.74
4	20001- 30000	62	2.04	1611070	0.53
5	30001- 40000	35	1.15	1242660	0.41
6	40001- 50000	21	0.69	986020	0.32
7	50001- 100000	41	1.35	3140930	1.03
8	100001 & Above	96	3.15	289720810	95.06
Total:		3044	100	304769000	100

Categories of Shareholders as on 31st March, 2018:
ORTEL COMMUNICATIONS LIMITED
Consolidated Shareholding Pattern As On 31/03/2018

Sl. No	Description	No. of Cases	Total Shares	% Equity
1	GOVERNMENT	1	50000	0.16
2	RESIDENT INDIVIDUALS	2740	2834176	9.30
3	OVERSEAS CORPORATE BODIES	1	275067	0.90
4	EMPLOYEES	15	207817	0.68
5	NON RESIDENT INDIANS	24	26156	0.09
6	PROMOTERS BODIES CORPORATE	7	14455011	47.43
7	CLEARING MEMBERS	36	131411	0.43
8	PROMOTER INDIVIDUALS	8	1325439	4.35
9	FOREIGN PORTFOLIO INVESTORS	6	3048000	10.00
10	NON RESIDENT INDIAN NON REPATRIABLE	10	9984	0.03
11	BODIES CORPORATES	85	3266944	10.72
12	UNCLAIMED SUSPENSE ACCCOUNT	1	75	0.00
13	H U F	109	258072	0.85
14	FOREIGN CORPORATE BODIES	1	4588748	15.06
Total:		3044	30476900	100.00

Registrar and transfer agents (RTA)	: Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Vittalrao Nagar, Madhapur, Hyderabad - 500081, India. Members may contact RTA for any share related matters like transfer, transmission, dematerialization, rematerialisation and other share related matter.
Dematerialization of shares & liquidity	: The Company's shares are connected under both the Depository Systems in India viz. NSDL & CDSL and are compulsorily traded in dematerialization form on both NSE and BSE. The equity shares of the Company representing 98.71% of the Company's equity share capital are dematerialized as on 31st March, 2018. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE849L01019.
Share Transfer System	: Transfers of shares held in electronic form are done through depositories by the shareholders themselves. As regards transfer of physical shares, the transfer documents can be lodged with RTA at their address. Transfer of shares are processed within statutory time period with the approval of Board or Stakeholders relationship committee of the Board.
Reconciliation of Share Capital Audit	: As required by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges.
Outstanding GDRs/ADRs/Warrants or any convertible instruments: Nil	
State wise Operational locations	: Odisha, Chhattisgarh, West Bengal, Andhra Pradesh, Telangana, Madhya Pradesh.
Address for correspondence	: Registered & Head Office: B-7/122A, Safdarjung Enclave, New Delhi - 110 029, India; Telephone: +91 11 4686 8800; Facsimile: +91 11 4686 8801
Corporate Office	: C-1, Chandrasekharapur, Near BDA Colony, Behind RMRC, Bhubaneswar - 751 016, Odisha, India, Telephone: +91 674 7107200; Facsimile: +91 674 2303448, Email: bidu.dash@ortelgroup.com; Website: www.ortelcom.com

DOMINANT REGIONAL PLAYER WITH DIRECT TO CONSUMER OFFERING

At a Glance

LAST MILE

Owens & operates
its network

66,766*

Kilometers of
cable network

RIGHT OF WAY

Legal 'rights of way'
for entire network

1,353,589

Estimated homes
reached

B2C

Direct customer access
leads to greater control

817,066

Total Subscribers

TWO-WAY

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

87%

Subscriber base
on 'last mile' network

24%

EBITDA margin

6%

Total broadband
subscribers

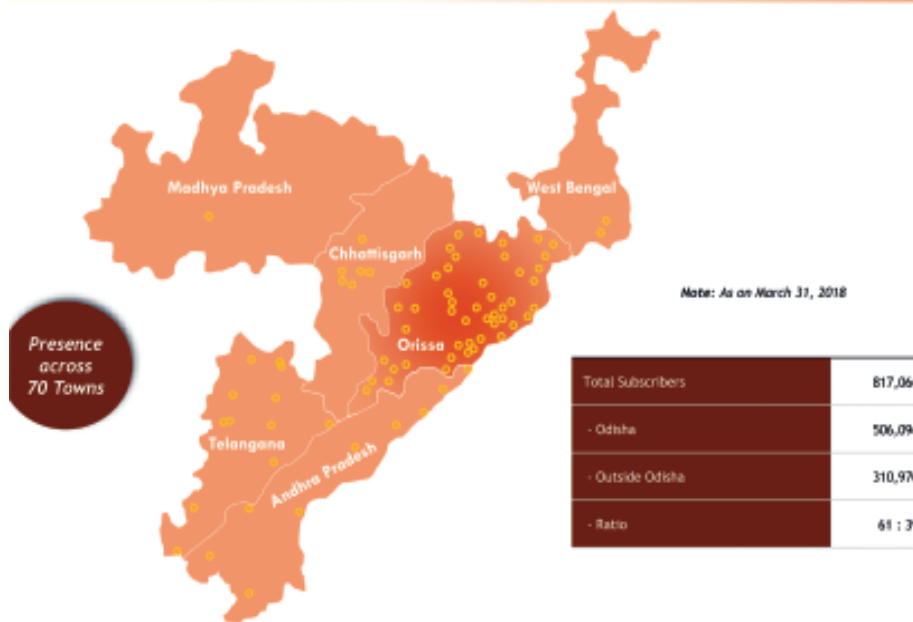
16%

Revenue contribution
from broadband

Note: Figures highlighted above are for Financial Year 2018

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

Strong Traction in Markets outside Odisha



Establishing strong Multi-State presence

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

i	CIN	L74899DL1995PLC069353
ii	Registration Date	02-06-1995
iii	Name of the Company	Ortel Communications Limited
iv	Category/Sub-category of the Company	Public Company Limited by Share
v	Address of the Registered office & contact details	B7/122A, Safdarjung Enclave, New Delhi, 110029 Tel: 011-46868800, Fax: 011-46868801 Corporate Office: C-1, Chandrasekharpur, Behind RMRC Near BDA Colony, Bhubaneswar-751016, Odisha Tel: 0674-398200, Fax: 0674-2303448
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda Hyderabad - 500032 Phone No: +91 40 67161606 ; Mobile No.: 9490117744 Mail id: raghu.veedha@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	CABLE	61103-Activities of the cable operators	78%
2	INTERNET	61104-Activities of providing internet	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held in the Company	Applicable section*
1	Ortel Broadband Limited Regd. Office: B7/122A, Safdarjung Enclave, New Delhi-110029 Tel: 011-46868800, Fax: 011-46868801 Corporate Office: C-1, Chandrasekharpur Behind RMRC, Near BDA Colony Bhubaneswar- 751016, Odisha Tel: 0674-7107200, Fax: 0674-2303448	U74999DL2018PLC330153	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian									
a) Individual/ HUF	1305439	0	1305439	4.30	1325439	0	1325439	4.35	0.05
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	14435411	0	14435411	47.54	14455011	0	14455011	47.43	-0.11
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	15740850	0	15740850	51.84	15780450	0	15780450	51.78	-0.06
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	706188	0	706188	2.33	0	0	0	0.00	-2.33
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	50000	50000	0.16	0	50000	50000	0.16	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	3650836	0	3650836	12.02	3048000	0	3048000	10.00	-2.02
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	4588748	275067	4863815	16.02	4588748	275067	4863815	15.96	-0.06
Sub-total (B)(1):-	8945772	325067	9270839	30.53	7636748	325067	7961815	26.12	-4.41
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3994747	0	3994747	13.16	3266944	0	3266944	10.72	-2.44
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	1246503	66964	1313467	4.33	3080909	11414	3092323	10.15	5.82
i. Individual Shareholders holding nominal share capital upto Rs. 1lakh	539624	14214	553838	1.82	1611042	11414	1622456	5.32	3.50
ii) Individual Shareholders holding nominal share capital in excess Rs. 1lakh	706879	52750	759629	2.50	1469867	0	1469867	4.82	2.32
c) Others (specify)									
Non Resident Indians	10561	0	10561	0.03	26156	0	26156	0.09	0.05
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	9984	0	9984	0.03	0.03
Clearing Members	5625	0	5625	0.02	131411	0	131411	0.43	0.41
Trusts	29375	0	29375	0.10	207817	0	207817	0.68	0.59
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	5286811	66964	5353775	17.63	6723221	11414	6734635	22.10	4.47
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14232583	392031	14624614	48.16	14359969	336481	14696450	48.22	0.06
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL		
Grand Total (A+B+C)	29973433	392031	30365464	100.00	30140419	336481	30476900	100.00	0.00

ii) SHARE HOLDING OF PROMOTERS (INCLUDING PROMOTER GROUP)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year(31.03.2017)			Shareholding at the end of the year(31-03-2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	METRO SKYNET LTD	48,59,512	16.00	0	48,59,512	15.94	0	-0.06
2	PANDA INVESTMENTS PVT LTD	46,36,510	15.27	0	46,36,510	15.21	0	-0.06
3	RAILA ENTERPRISES PVT LTD	25,80,441	8.50	0	25,80,441	8.47	0	-0.03
4	ODISHA TELEVISION LTD	20,07,293	6.61	0	20,07,293	6.59	0	-0.02
5	BAIJAYANT PANDA	5,80,042	1.91	0	5,80,042	1.90	0	-0.01
6	JAGI MANGAT PANDA	2,90,448	0.96	0	3,10,448	1.02	0	0.06
7	NIVEDITA PANDA	1,64,935	0.54	0	1,64,935	0.54	0	0.00
8	SUBHRAKANT PANDA	1,23,906	0.41	0	1,23,906	0.41	0	0.00
9	PARAMITA REALTOR PVT LTD	98,375	0.32	0	98,375	0.32	0	0.00
10	SUBHRAKANT PANDA (UNDER TRUSTEESHIP)	56,818	0.19	0	56,818	0.19	0	0.00
11	PARAMITA MOHAPATRA	40,230	0.13	0	40,230	0.13	0	0.00
12	PARAMITA MOHAPATRA (UNDER TRUSTEESHIP)	24,530	0.08	0	24,530	0.08	0	0.00
13	PARAMITA MOHAPATRA (UNDER TRUSTEESHIP)	24,530	0.08	0	24,530	0.08	0	0.00
14	B PANDA AND COMPANY PVT.LTD	-	0.00	0	-	0.00	0	0.00
15	BARABATI INVESTMENT AND TRADING CO PVT. LTD.	-	0.00	0	-	0.00	0	0.00
16	ORISSA TELEFILMS PRIVATE LIMITED	74,710	0.25	0	94,310	0.31	0	0.06
17	BP DEVELOPERS PRIVATE LTD	1,78,570	0.59	0	1,78,570	0.59	0	0.00
	Total	1,57,40,850	51.84	0	1,57,80,450	51.78	0	-0.06



SI No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares At the beginning of the year	% of total shares of the company At the beginning of the year	No of shares	% of total shares of the company
1	JAGI MANGAT PANDA				
	At the beginning of the year	2,90,448	0.96		
	(+)Market Purchase	20,000		3,10,448	1.02
	At the end of the year			3,10,448	1.02
2	ORISSA TELEFILMS PRIVATE LIMITED				
	At the beginning of the year	74,710	0.25		
	(+)Market Purchase	19,600		94,310	0.31
	At the end of the year			94,310	0.31
3	RAILA ENTERPRISES PVT LTD				
	At the beginning of the year	-	0.00		
	(+)Internal promoter share transfer	25,80,441	8.50	25,80,441	8.47
	At the end of the year			25,80,441	8.47

IV) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holdres of GDRs and ADRs)

For each of the Top Ten shareholder	Name*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company**	No. of Shares	% of total shares of the company***
1	Rivendell PE , LLC At the beginning of the year Buy/Sale during the year At the end of the year	4588748 0	15.11 0.00	4588748 4588748	15.06 15.06
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD At the beginning of the year Sale during the year At the end of the year	1881220 -775516	6.20 -2.54	1105704 1105704	3.63 3.63
3	VENTURA SECURITIES LIMITED At the beginning of the year Buy during the year At the end of the year	0 993071	0.00 3.26	993071 993071	3.26 3.26
4	ACACIA PARTNERS, LP At the beginning of the year Buy/Sale during the year At the end of the year	960000 0	3.16 0.00	960000 960000	3.15 3.15
5	ACACIA INSTITUTIONAL PARTNERS, LP At the beginning of the year Buy/Sale during the year At the end of the year	840000 0	2.77 0.00	840000 840000	2.76 2.76
6	ACACIA CONSERVATION FUND LP At the beginning of the year Buy/Sale during the year At the end of the year	600000 0	1.98 0.00	600000 600000	1.97 1.97
7	ACACIA BANYAN PARTNERS At the beginning of the year Buy/Sale during the year At the end of the year	540000 0	1.78 0.00	5,40,000 5,40,000	1.77 1.77
8	KOTAK MAHINDRA BANK LTD At the beginning of the year Sale during the year At the end of the year	1442110 -985845	4.75 -3.23	456265 456265	1.50 1.50
9	HERMANUS FZE At the beginning of the year Buy/Sale during the year At the end of the year	275067 0	0.91 0.00	2,75,067 2,75,067	0.90 0.90
10	NINJA SECURTIES PRAVITE LIMITED At the beginning of the year Buy during the year At the end of the year	0 182910	0.00 0.60	1,82,910 1,82,910	0.60 0.60

Note:

* Based on PAN

** Percentage calculated on the paid-up share capital (3,03,65,464) as at the beginning of the year.

*** Percentage calculated on the paid-up share capital (3,04,76,900) as at the end of the year.

v) SHAREHOLDING OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

DIRECTORS

For each of the Top Ten shareholder	Name*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company**	No. of Shares	% of total shares of the company***
1	BAIJAYANT PANDA (Ceased as Director w.e.f. 29/03/2018) At the beginning of the year Increase/Decrease At the end of the year	580042 0	1.91	580042 580042	1.90 1.90
2	JAGI MANGAT PANDA At the beginning of the year (+)Market Purchase At the end of the year	290448 20000	0.96	310448 310448	1.02 1.02
3	DR. GAUTAM SEHGAL At the beginning of the year (+)Market Purchase At the end of the year	54255 4500	0.18	58755 58755	0.19 0.19
4	SUBHRAKANT PANDA (Ceased as Director w.e.f. 30/03/2018) At the beginning of the year (+)Market Purchase At the end of the year	123906 0	0.41	123906 123906	0.41 0.41
5	JYOTI BHUSAN PANY At the beginning of the year Increase/Decrease At the end of the year	14000 0	0.05 0.00	14000 14000	0.05 0.05
KEY MANAGERIAL PERSONNEL:					
6	BIBHU PRASAD RATH At the beginning of the year Increase/Decrease At the end of the year	61049 31500	0.20	92549 92549	0.30 0.30
7	MANOJ KUMAR PATRA (Ceased as CFO w.e.f. 05/09/2017) At the beginning of the year Increase/Decrease At the end of the year	1000 10000	0.00	11000 11000	0.04 0.04
8	LALIT KUMAR MOHANTY (Ceased as CS w.e.f. 24/06/2017) At the beginning of the year Increase/Decrease At the end of the year	500 0	0.00	500 500	0.00 0.00
9	SATYANARAYAN JENA (Appointed as CFO w.e.f. 05.09.2017) At the beginning of the year Increase/Decrease At the end of the year	0 0	0.00	0 0	0.00 0.00
10	BIDU BHUSAN DASH (Appointed as CS w.e.f. 05.09.2017) At the beginning of the year Increase/Decrease At the end of the year	0 0	0.00	0 0	0.00 0.00

Note:

* Based on PAN

** Percentage calculated on the paid-up share capital (3,03,65,464) as at the beginning of the year.

*** Percentage calculated on the paid-up share capital (3,04,76,900) as at the end of the year.

V. INDEBTEDNESS

(Rs. in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	14,353.83	667.74	15,021.57
ii) Interest due but not paid	116.84	-	116.84
iii) Interest accrued but not due	351.01	-	351.01
Total (i+ii+iii)	14,821.68	667.74	15,489.42
Change in Indebtedness during the financial year			
* Addition	5,994.96	935.70	6930.66
* Reduction	4,167.40	256.80	4424.20
Net Change	1,827.56	678.90	2,506.46
Indebtedness at the end of the financial year			
i) Principal Amount	15,759.28	1,346.64	17,105.92
ii) Interest due but not paid	458.92	-	458.92
iii) Interest accrued but not due	431.03	-	431.03
Total (i+ii+iii)	16,649.23	1,346.64	17,995.87

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD JAGI MANGAT PANDA		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax. 1961	56,00,328		56,00,328
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-		-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit	-		-
	- as a % of Profit	-		
	-Others, specify	-	-	-
5	Others, please specify	11,02,992	-	11,02,992
	Total (A)	67,03,320		67,03,320
	Ceiling as per the Act			

Note: 1: Total remuneration includes exempted remuneration i.e. Employer contribution to provident fund and gratuity as per Section IV of Part II of Schedule V of the Companies Act, 2013.

B. Remuneration to other Directors

(Rs. in Lakhs)

Name of Directors											
Sl. No	Particulars of Remuneration	Baijayant Panda	Subhrakant Panda	Gautam Sehgal	Jyoti Bhushan Pany	K.V. Seshasayee	Major(retd.) R.N.Misra	Dr. P.T Joseph	Debaraj Biswal	Gautam Buddha Mukherji	Total Amount
1	Independent Directors										
	Fee for attending board /committee meetings	-	-	20,000	95,000	45,000	45,000	30,000	75,000	20,000	3,30,000
	Commission	-	-	8,985	8,985	4,493	8,985	4,493	8,985	8,985	53,911
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	28,985	1,03,985	49,493	53,985	34,493	83,985	28,985	3,83,911
2	Other Non-Executive Directors										
	Fee for attending board/ committee meetings	50,000	10,000	-	-	-	-	-	-	-	60,000
	Commission	8,985	8,985	-	-	-	-	-	-	-	17,970
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	58,985	18,985	-	-	-	-	-	-	-	77,970
	Total (B)=(1+2)	58,985	18,985	28,985	1,03,985	49,493	53,985	34,493	83,985	28,985	4,61,881
Total Managerial Remuneration (In lakhs)											
Overall Ceiling as per the Act #											
* Ceased as Director w.e.f. 15th November, 2017. ** Ceased as Director w.e.f. 29th March, 2018.											

No remuneration is paid to non executive and independent directors except sitting fees and commission as approved by the Board.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	CFO	CFO	CS	CS	
1	Gross Salary	BIBHU PRASAD RATH	SATYANARAYAN JENA (Appointed w.e.f. 05/09/2017)	MANOJ KUMAR PATRA (Ceased w.e.f. 05/09/2017)	BIDU BHUSAN DASH (Appointed w.e.f. 1.9.2017)	LALIT KUMAR MOHANTY (Ceased w.e.f. 24.06.2017)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	58,02,846	12,41,670	9,95,311	6,06,375	3,18,517	89,64,719
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission as % of Profit	-	-	-	-	-	-
	others, specify	-	-	-	-	-	-
5	Others, please specify	10,81,512	76,353	1,00,508	47,177	39,449	13,44,999
	Total	68,84,358	13,18,023	10,95,819	6,53,552	3,57,966	1,03,09,718

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

**MR-3
SECRETARIAL AUDIT REPORT**

Annexure - 2

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ORTEL COMMUNICATIONS LIMITED
B7/122A,SAFDARJUNG ENCLAVE
NEW DELHI-110029

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ORTEL COMMUNICATIONS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Notapplicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (vi) Any other applicable laws like Factories Act, 1948, the payments of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges in compliance with The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- I. Consumer Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012:
- II. Quality of Service of Broadband Service Regulations, 2006
- III. The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007
- IV. The Indian Telegraph Act, 1885 ("Telegraph Act")
- V. The Indian Wireless Telegraphy Act, 1933 ("Wireless Telegraphy Act")

- VI. The Sports Broadcasting Signals (Mandatory Sharing with PrasarBharati) Act, 2007 ("Mandatory Signal Sharing Act")
- VII. The Telecom Regulatory Authority of India Act, 1997 ("TRAI Act")
- VIII. The Policy Guidelines for Uplinking of Television Channels from India, 2011 ("Uplinking Guidelines")
- IX. Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("ISP License Guidelines")
- X. Broadband Policy, 2004 ("Broadband Policy")
- XI. Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002 ("Internet Telephony Guidelines")
- XII. Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004 ("VPN Guidelines")
- XIII. National Tariff Policy, 2012 ("NTP 2012") to the extent applicable to the Company.
- XIV. The Telecommunication Tariff Order, 1999 ("Tariff Order 1999") and any amendment thereof.
- XV. Information Technology Act, 2000

I further report that:

The Board of Directors of the Company is not duly constituted with proper balance of Directors retiring by rotation.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out by Majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Kumar Suresh & Associates
Suresh Kumar Yadav
Company Secretaries
FCS No. 6452
C P No.: 6711

Place: Gurugram
Date: 10th August, 2018

This report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure-A

To,
ORTEL COMMUNICATIONS LIMITED
B7/122A, SAFDARJUNG ENCLAVE
NEW DELHI-110029

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Kumar Suresh & Associates
Suresh Kumar Yadav
Company Secretaries
FCS No. 6452
C P No.: 6711

Place: Gurugram
Date: 10th August, 2018

AOC-2

Details of Contracts or Arrangements or Transactions at arm's length basis

Annexure-3

(Rs. in Lakhs)

a		b	c	d	e	f	g
Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
Mrs. Jagi Mangat Panda	KMP	Managerial Remuneration	01/04/2017-31/03/2018	67.04	19-05-2017	NIL	5-Sep-17
Mr. Bajjayant Panda	KMP	Sitting Fee and Commission	01/04/2017-31/03/2018	3.50	19-05-2017	NIL	NA
Mr. Subhrakant Panda	KMP	Sitting Fee and Commission	01/04/2017-31/03/2018	3.50	19-05-2017	NIL	NA
Mr. Bibhu Prasad Rath	KMP	Managerial Remuneration	01/04/2017-31/03/2018	85.00	19-05-2017	NIL	NA
Mrs. Jagi Mangat Panda	KMP	Reimbursement of expenses to KMP	01/04/2017-31/03/2018	30.00	19-05-2017	NIL	NA
Mr. Bibhu Prasad Rath	KMP	Reimbursement of expenses to KMP	01/04/2017-31/03/2018	30.00	19-05-2017	NIL	NA
Odisha Television Limited	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Signal Uplinking Income	01/04/2017-31/03/2018	350.00	19-05-2017	NIL	NA
Odisha Television Limited	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Rent Received	01/04/2017-31/03/2018	7.00	19-05-2017	NIL	NA
Odisha Television & Indian Metals & Ferro Alloys Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Internet Subscription fee	01/04/2017-31/03/2018	100.00	19-05-2017	NIL	NA
Indian Metals & Ferro Alloys Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Paid)	01/04/2017-31/03/2018	30.00	19-05-2017	NIL	NA
Odisha Television Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Paid)	01/04/2017-31/03/2018	30.00	19-05-2017	NIL	NA
Odisha Television Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Received)	01/04/2017-31/03/2018	100.00	19-05-2017	NIL	NA
Indian Metals & Ferro Alloys Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Reimbursement of expenses (Received)	01/04/2017-31/03/2018	100.00	19-05-2017	NIL	NA
Indian Metals & Ferro Alloys Ltd and KMPs	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Subscription Income for providing CATV service to IMFA and KMPs	01/04/2017-31/03/2018	10.50	19-05-2017	NIL	NA
Odisha Television	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Advertisement Expenses	01/04/2017-31/03/2018	75.00	19-05-2017	NIL	NA
Odisha Television	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Channel Carriage Income	01/04/2017-31/03/2018	350.00	19-05-2017	NIL	NA
Odisha Television	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Programming Costs	01/04/2017-31/03/2018	350.00	19-05-2017	NIL	NA
Orissa Infratech Pvt. Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Unsecured Loan Repaid	01/04/2017-31/03/2018	250.00	19-05-2017	NIL	NA
Orissa Infratech Pvt. Ltd	Enterprises over which KMP/Relative of KMP is able to exercise significant influence	Interest on Unsecured Loan	01/04/2017-31/03/2018	150.00	19-05-2017	NIL	NA
KMPs	Advance recovery from KMPs	Advance recovery	01/04/2017-31/03/2018	5.00	19-05-2017	NIL	NA
BP Developers Private Ltd	Inter Corporate Loan from BP Developers Private Ltd	Inter Corporate Loan	01/04/2017-31/03/2018	250.00	19-05-2017	NIL	NA
BP Developers Pvt. Ltd	Principal and Interest on Inter-corporate Unsecured Loan availed from BP Developers Pvt. Ltd	Inter Corporate Loan	01/04/2017-31/03/2018	50.00	19-05-2017	NIL	NA

Details of contracts or arrangements or transactions not at arm's length basis					
a	b	c	d	e	f
Name(s) of the related party and nature of relationship:	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances, if any
NOT APPLICABLE					

Annexure-4

PART-I

Disclosure of the particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the Financial Year 2017-18 in respect of employees of the Company, is provided herein below.

(a) Ratio of remuneration of each of Director / KMP to the median* remuneration of the employees:

Sl. No	Directors/ KMPs	Designation	Ratio of remuneration of each Director/KMP to the median* remuneration of the employees of the Company for the Financial Year 2017-18
1	Director	Managing Director	(6703320:131713) = 50.89
2	KMP	President & CEO	(6884358:131713) = 52.27
3	KMP	CFO	(1095819:131713) = 08.32
4	KMP	CFO	(1318023:131713) = 10.01
5	KMP	CS	(357966:131713) = 02.72
6	KMP	CS	(653552:131713) = 04.96

*median means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.

(b) Percentage increase in the remuneration:

Sl. No.	Name	Designation	Remuneration paid in FY 2016-17	Remuneration paid in FY 2017-18	Percentage(%) increase/(decrease) in remuneration
1	Jagi Mangat Panda	Managing Director	67,10,520	67,03,320	-0.11
2	Bibhu Prasad Rath	President & CEO	62,87,770	68,84,358	9.49
3	Manoj Kumar Patra**	CFO	24,25,986	10,95,819	-54.83
4	Satyanarayan Jena	CFO	Nil	13,18,023	100.00
5	Lalit Kumar Mohanty*	CS	14,70,892	3,57,966	-75.66
6	Bidu Bhusan Dash	CS	Nil	6,53,552	100.00

Note:

* Ceased as CS w.e.f. 24.06.2017

** Ceased as CFO w.e.f. 05.09.2017

- (c) There has been 7.82% of increase in the median remuneration of employees during the financial year 2017-18.
- (d) There are 1589 permanent employees on the rolls of company.
- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, i.e. 2017-18 is 11.16% whereas the increase in the managerial remuneration of managerial personnel for the same financial year is 0.1%. The managerial remuneration is linked to market trend and industry segment composition, thus, increase in managerial remuneration is higher.
- (f) The key parameters for the variable component of remuneration availed by the Managing Director are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company and was also approved by shareholders in their meeting.
- (g) There is no such employee in the Company who receives remuneration in excess of the highest paid Director during the year.
- (h) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

PART-II

Particulars of employees in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees is disclosed as hereunder.

Sl. No	Name	Age (Years)	Designation /Nature of duties	Gross Remuneration (Rs.)*	Qualification	Total Experience (Years)	Date of Commencement of Employment	Last employment Designation-held Period for which post held
1	Mrs. Jagi Mangat Panda	51 Yrs. & 8 Months	Managing Director	67,03,320	Bachelor's degree in biology and Chemistry from Osmania University Middle level management programme from the Indian Institute of Management Ahmedabad	22 Yrs. & 3 Months	05-10-1995	NA

Notes:

*Gross Remuneration includes exempted remuneration i.e. Employer contribution to provident Fund and Gratuity as per Section IV of Part II of Schedule V of the Companies Act, 2013.

Annexure-5

Annual Report on CSR Activities

- 1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy is stated herein below: www.ortelcom.com

- 2 Composition of CSR Committee:

Mr. Kadambi Seshasayee

Chairperson

Mrs. Jagi Mangat Panda

Member

Mr. Jyoti Bhusan Pany

Member

- 3 Average net profit of the Company for the last three financial years:
(FY 2014-15, 15-16 & 16-17)

Rs. 7,82,49,333/-

- 4 Prescribed CSR Expenditure (2% of the amount in item no 3 above):

Rs.15,64,987/-

- 5 Details for CSR spend for the financial year

(a) Total amount spend for the financial year:

Rs.16,00,000/-

(b) Amount unspent, if any:

NIL

(c) Manner in which the amount spent during the financial year is detailed below:

Sl No.	Sector in which the project is covered	CSR projects/Activities Identified	Projects or Programms		Amount Out lay (Rs)	Amount spent on the projects		Cumulative expenditure upto the reporting period	Activities carried out directly/ through implementing agency
			Local Area/others	State/District		Direct Expenditure	Overhead		
1	Education	Education of poor and under privileged child (Schedule VII (ii): of Companies Act, 2013 read with Section 135)	Bhubaneswar	Odisha	3,00,000	3,00,000	—	3,00,000	Through Ortel Dayitwa Charitable Trust
2	Environmental development	Peripheral and Environmental development	Bhubaneswar	Odisha	1,00,000	1,00,000	—	1,00,000	Directly by the Company
3	Education	Computer and Internet education and related programs	Bhubaneswar	Odisha	12,00,000	12,00,000	—	12,00,000	Directly by the Company

****Details of Implementing Agency:-** Ortel Dayitwa Charitable Trust is a registered trust under Income Tax Act, 1961.

The principal aim and objective of the Trust is to undertake various activities for the promotion of education and upliftment of poor.

- 6 Reasons for not spending the allocated amount: NA

- 7 The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

"We hereby affirm that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Sd/-
Jagi Mangat Panda
Managing Director

Sd/-
Kadambi Seshasayee
Chairman, CSR Committee

Date: 10th August 2018
Place: Bhubaneswar

NOMINATION AND REMUNERATION POLICY

1. Preamble

The Companies Act, 2013 read with applicable rules made thereunder and the listing agreement applicable to the Company on listing requires the Nomination and Remuneration Committee to formulate a policy relating to appointment, remuneration, retirement and removal of Director (s)/ Key Managerial Personnel (KMPs) and Senior Management Personnel. This policy has been formulated in compliance with above regulation.

2. Definitions

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" in relation to a company, means

- i. the Chief Executive Officer or the Managing Director, or the Manager;
- ii. the Company Secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.

"Senior Management" means the personnel of the company who are members of its Core Management Team excluding Board of Directors and Key Managerial Personnel of the level GM and above.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. Policy on Board Diversity

The Board of Directors shall have the optimum combination of Directors including one Woman Director from different areas/fields like production, Technology Management, Finance, Sales & Marketing, Human Resources, Administration etc. or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

4. Policy for Appointment and Removal of Director, KMPs

4.1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70 (seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (seventy) years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years.

4.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director

in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

4.3. Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP subject to the provisions and compliance of the said Act, rules and regulations.

4.4. Retirement:

The KMPs who is not Directors shall retire as per prevailing policy of the Company. The Board will have the discretion to retain KMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company on the recommendation of President & CEO.

4.5. Remuneration:

1. Remuneration to Managing / Whole-time / Executive -Director

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and on the recommendation of Committee to the Board for its approval.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force and on the recommendation of Committee to the Board for its approval.

3. Remuneration to KMP:

The Committee will recommend the remuneration to be paid to the KMP to the Board for their approval as per the provisions of the Act/ Policy of the Company. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors or KMPS of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and variable pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.

5. Policy for Appointment, Remuneration, Retirement and Removal of Senior Management Personnel:

5.1. Appointment criteria and qualification:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment at Senior Management level and recommended to the Board his / her appointment.

b) A person should possess adequate qualification, functional expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

5.2. Retirement & Removal:

The Senior Management Personnel shall retire as per the prevailing policy of the Company. The Committee will have the discretion to retain the Senior Manager Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company based on the recommendation of President & CEO.

The senior management personnel shall be removed after taking appropriate disciplinary action due to any breach of code of conduct/ ethics and / or any misconduct during the service.

5.3. Remuneration:

The Committee will recommend the remuneration to be paid to the Senior management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the Company successfully. The same should be reviewed periodically to make any adjustment based on the market.

The remuneration of such persons shall be in accordance with performance criteria defined for the role through performance management system to achieve the company's goal. The remuneration should be a balance of fixed and incentive pay which will be determined by fixed pay components and executive incentives scheme applicable to their level as and when in place.

Review and Amendment:

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the President & CEO /Compliance Officer where there is any statutory changes necessitating the change in the policy.

Annexure-7

Corporate Governance Compliance Certificate

To,
The Members
Ortel Communications Limited

I have examined the compliance of conditions of Corporate Governance of Ortel Communications Limited for the financial year ended March 31, 2018, as stipulated in Regulation 34(3) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is a responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that the compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Gurugram
Date: 10th August, 2018

For **Kumar Suresh & Associates**
Company Secretaries

Sd/-
Suresh Kumar Yadav
Proprietor
C.P. No. - 6711
FCS No. - 6452

INDEPENDENT AUDITOR'S REPORT

To the Members of Ortel Communications Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Ortel Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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 standalone Ind AS 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 Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note No.47(a) to the standalone Ind AS financial statements relating to provision for doubtful receivables amounting to Rs. 3063.76 lakhs, Note No. 47(b) relating to credit notes issued amounting to Rs. 1625.20 lakhs and Note No. 47(c) relating to provision for credit notes amounting to Rs.3194.17 lakhs.

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 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, except for cost records regarding which we have been informed by the management that the prescribed accounts and records are in the process of being made and maintained;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS 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 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 standalone Ind AS financial statements - Refer Note Nos. 38 and 46 to the standalone Ind AS 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 transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sd/-
Anand Kumar Jhunjunwala
Partner
Membership No. 056613

Bhubaneswar
22nd May, 2018

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 Ind AS financial statements for the year ended 31st March, 2018.

- (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 within the provisions of section 73 to 76 of the Act and rules framed there under.
- (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)
- (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, 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.
- According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed employees' state insurance, income tax, service tax, goods and services tax, entertainment tax and profession 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 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 Lakhs)	Period to which the amount relates
Finance Act, 1994	Service Tax	604.56	October 2016 to June 2017
The Integrated Goods and Services Tax Act, 2017	Integrated Goods and Services Tax	4.26	July 2017 to August 2017
The Central Goods and Services Tax Act, 2017	Central Goods and Services Tax	156.78	July 2017 to Aug 2017
The Odisha Goods and Services Tax Act, 2017	State Goods and Services Tax	157.44	July 2017 to Aug 2017
The Andhra Pradesh Goods and Services Tax Act, 2017	State Goods and Services Tax	34.08	July 2017 to Aug 2017

The Telangana Goods and Services Tax Act, 2017	State Goods and Services Tax	25.63	July 2017 to Aug 2017
The Chhattisgarh Goods and Services Tax Act, 2017	State Goods and Services Tax	14.97	July 2017 to Aug 2017
The West Bengal Goods and Services Tax Act, 2017	State Goods and Services Tax	1.50	July 2017 to Aug 2017
The Madhya Pradesh Goods and Services Tax Act, 2017	State Goods and Services Tax	1.08	July 2017 to Aug 2017
The Orissa Entertainments Tax Act, 1946	Entertainment Tax	51.61	April 2017 to June 2017
The Andhra Pradesh Entertainments Tax Act, 1939	Entertainment Tax	13.95	March 2017 to June 2017
Chhattisgarh Entertainment Duty and Advertisement Tax Act, 1936	Entertainment Tax	13.72	April 2017 to June 2017
The Madhya Pradesh Entertainments Duty and Advertisements Tax Act, 1936	Entertainment Tax	1.30	April 2017 to June 2017

(b) According to the information and explanations given to us, the dues as at 31st March, 2018 of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax and goods and services tax, 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 Lakhs)	(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	Service Tax and interest thereon	241.97	2006-07, 2007-08 & 2009-10	Commissioner, GST & Central Excise, Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	1,179.29**	2010-11 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service Tax and interest thereon	13.00	2013-14	Addl. Commissioner(Audit) of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	338.06	2015-16	Commissioner, GST & Central Excise, Bhubaneswar
Central Excise Act, 1944	Cenvat Credit reversal	741.29	2016-17	Superintendent (Audit) GST & Central Excise, Bhubaneswar Circle

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

** Rs. 44.22 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 details given below:

Particulars	Amount of aggregate default during the year ended 31 st March, 2018(Rs. In Lakhs)	Period of Default
Name of the Lenders :		
Banks:		
Karnataka Bank Limited	350.60	7 to 89 days
UCO Bank	384.08	1 to 135 days
Financial Institutions:		
Srei Equipment Finance Limited	2,626.55	4 to 151 days

- (ix) In our opinion and according to the information and explanations given to us, term loans were prima facie applied for the purposes for which those were raised. 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 Ind AS 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.
- (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 standalone Ind AS 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

Sd/-
Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Bhubaneswar
22nd May, 2018

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 standalone Ind AS financial statements for the year ended 31st March, 2018]

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 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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.

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 31st March, 2018, 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

Sd/-

Anand Kumar Jhunjhunwala

Partner

Membership No.056613

Bhubaneswar

22nd May, 2018

Balance Sheet as at March 31, 2018

(Rs. in Lakhs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	34,694.42	33,382.00	26,085.66
Capital Work-in-Progress	3	2,965.03	3,158.69	6,008.44
Goodwill	4	109.16	106.94	15.68
Other Intangible Assets	4	1,576.53	1,967.12	689.84
Investment in Subsidiary	5	1.00	-	-
Financial Assets				
- Investments	6	211.28	161.84	156.83
- Loans	7	303.92	293.11	237.31
- Other Financial Assets	8	551.07	294.37	540.23
Other Non-Current Assets	9	433.85	747.13	879.61
Non-Current Tax Assets (Net)		622.70	760.81	609.07
Current Assets				
Inventories	10	59.46	64.20	1,300.75
Financial Assets				
- Trade Receivables	11	2,381.29	6,392.28	3,134.85
- Cash and Cash Equivalents	12	350.35	393.72	319.56
- Other Bank Balances	13	75.10	359.34	2,575.43
- Loans	14	32.44	32.80	22.42
- Other Financial Assets	15	6.24	48.18	222.57
Other Current Assets	16	2,723.73	2,030.02	2,625.67
Total Assets		47,097.57	50,192.55	45,423.92
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	3,047.69	3,036.54	3,036.54
Other Equity		(982.70)	8,401.04	8,042.74
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	18	10,349.67	9,813.87	10,906.95
- Other Financial Liabilities	19	1,029.31	1,218.38	1,359.36
Provisions	20	68.47	71.85	58.92
Other Non-Current Liabilities	21	1,205.00	2,018.98	2,227.47
Current Liabilities				
Financial Liabilities				
- Borrowings	22	2,880.00	2,450.00	2,000.00
- Trade Payables	23	3,482.11	1,635.41	2,598.77
- Other Financial Liabilities	24	21,864.31	18,510.93	12,810.50
Other Current Liabilities	25	4,152.79	3,034.57	2,379.98
Provisions	26	0.92	0.98	2.69
Total Equity and Liabilities		47,097.57	50,192.55	45,423.92

Notes to Financial Statements 1 to 56
The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048
Sd/-
Anand Kumar Jhunjunwala
Partner
Membership No.056613
Place: Bhubaneswar
Date: 22nd May, 2018

For and on behalf of the Board of Directors

Sd/-
Jagi Mangat Panda
Managing Director

Sd/-
J.B. Pany
Director

Sd/-
Bidu Bhushan Dash
Company Secretary

Sd/-
Satya Narayan Jena
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2018

(Rs. in Lakhs)

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from Operations	27	18,403.56	20,320.87
Other Income	28	209.74	385.72
Total Income		18,613.30	20,706.59
EXPENSES			
Programming Cost		4,525.56	3,844.77
Bandwidth Cost	29	1,802.81	1,699.15
Employee Benefits Expense	30	2,080.25	2,453.46
Finance Costs	31	2,918.85	2,662.04
Depreciation and Amortisation Expense	32	2,710.02	2,356.01
Property, Plant and Equipment written off		412.02	439.90
Other Expenses	33	5,813.75	7,225.40
Total Expenses		20,263.26	20,680.73
Profit / (Loss) before Exceptional Items and Tax		(1,649.96)	25.86
Exceptional Items - (Income) / Expense	47	7,883.13	95.91
Profit / (Loss) Before Tax		(9,533.09)	(70.05)
Tax Expense:			
-Current Tax		-	-
-Deferred Tax		-	-
Profit / (Loss) After Tax		(9,533.09)	(70.05)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement Gains/(Losses) on Defined Benefit Plans		7.92	(4.97)
- Bargain Purchases Gain		21.25	395.48
- Equity Instruments through Other Comprehensive Income		49.44	5.01
Total Comprehensive Income for the year		(9,454.48)	325.47
[comprising profit / (loss) and other comprehensive income for the year]			
Earnings per Equity Share of par value of Rs. 10/- each			
Basic and Diluted (In Rs.)		(31.29)	(0.23)

Notes to Financial Statements

1 to 56

The Notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Sd/-

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Place: Bhubaneswar

Date: 22nd May, 2018

For and on behalf of the Board of Directors

Sd/-

Jagi Mangat Panda

Managing Director

Sd/-

Bidu Bhushan Dash
Company Secretary

Sd/-

J.B. Pany

Director

Sd/-

Satya Narayan Jena
Chief Financial Officer

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(Rs. in Lakhs)

Balance at the beginning		Changes in equity share capital during the year		Balance at the end	
As at 1st April, 2016	As at 1st April, 2017	2016-17	2017-18	As at 31st March, 2017	As at 31st March, 2018
3,036.54	3,036.54	-	11.15	3,036.54	3,047.69

B. OTHER EQUITY

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Securities Premium Reserve	Employee Stock Options Outstanding	General Reserve	Retained Earnings	Capital Reserve on Bargain Purchase	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2016	17,941.87	135.40	-	(10,115.80)	-	81.27	8,042.74
Loss for the year	-	-	-	(70.05)	-	-	(70.05)
Other comprehensive income	-	-	-	(4.97)	395.48	5.01	395.52
Expiry of Employee Stock Options	-	(31.50)	31.50	-	-	-	-
Share issue expenses Adjusted	9.90	-	-	-	-	-	9.90
Compensation for options during the year	-	22.93	-	-	-	-	22.93
Balance as at 31st March, 2017	17,951.77	126.83	31.50	(10,190.82)	395.48	86.28	8,401.04
Loss for the year	-	-	-	(9,533.09)	-	-	(9,533.09)
Other comprehensive income	-	-	-	7.92	21.25	49.44	78.61
Expiry of Employee Stock Options	-	(37.65)	37.65	-	-	-	-
Shares Issued on exercise of Employee Stock Options	159.92	(93.06)	-	-	-	-	66.86
Compensation for options during the year	-	3.88	-	-	-	-	3.88
Balance as at 31st March, 2018	18,111.69	-	69.15	(19,715.99)	416.73	135.72	(982.70)

This is the Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

Sd/-

Anand Kumar Jhunjhunwala

Partner

Membership No.056613

Sd/-

Jagi Mangat Panda

Managing Director

Sd/-

J.B. Pany

Director

Sd/-

Bidu Bhushan Dash

Company Secretary

Sd/-

Satya Narayan Jena

Chief Financial Officer

Place: Bhubaneswar

Date: 22nd May, 2018

Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(9,533.09)	(70.05)
Adjustments for:		
Depreciation and Amortisation Expense	2,974.96	2,562.75
Effect of amortisation of income & expenses (net)	(695.51)	89.46
Provision for doubtful receivables	7.01	(112.84)
Exceptional items	6,257.93	-
Property, Plant and Equipment written off	412.02	439.90
Unrealised foreign exchange (gain)/loss	(17.25)	(139.33)
Interest Income	(76.40)	(94.62)
Finance Costs	2,918.85	2,662.04
Bad Debts written off	1,235.91	2,634.81
Employee Stock Option Expenses	3.88	22.93
Liability no longer required written back	(0.49)	(27.67)
Operating Profit before Working Capital Changes	3,487.82	7,967.38
Adjustments for:		
Trade Payables	1,864.42	(796.36)
Provisions	4.48	6.25
Other Liabilities	591.32	333.60
Financial Liabilities	1,607.09	1,249.93
Trade Receivables	(3,489.86)	(5,779.40)
Inventories	4.74	1,236.55
Loans and Advances	(10.44)	(66.19)
Other Assets	(412.17)	806.66
Cash Generated from Operations	3,647.40	4,958.42
Direct Taxes paid	138.11	(151.74)
Net Cash Generated from Operating Activities	3,785.51	4,806.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(3,705.09)	(4,819.16)
Purchase of Investments	(1.00)	-
Investment in Fixed Deposits	23.13	2,467.77
Payment for Non Compete Fee to Local Cable Operators	(564.79)	(488.19)
Interest received	125.08	207.69
Net Cash (used in) / generated from Investing Activities	(4,122.67)	(2,631.89)

Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares (net)	171.08	9.90
Proceeds from long term borrowings	6,052.97	4,325.85
Repayment of long term borrowings	(3,952.39)	(4,497.69)
Proceeds from Current borrowings (net)	430.00	450.00
Finance cost paid	(2,407.87)	(2,388.69)
Net Cash (used in) / generated from Financing Activities	293.79	(2,100.63)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(43.37)	74.16
Cash and Cash Equivalents at the beginning of the year	393.72	319.56
Cash and Cash Equivalents at the end of the year (refer Note No. 12)	350.35	393.72

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
2. Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of Board of Directors

Sd/-
Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Sd/-
Jagi Mangat Panda
Managing Director

Sd/-
J.B. Pany
Director

Place: Bhubaneswar
Date: 22nd May, 2018

Sd/-
Bidu Bhushan Dash
Company Secretary

Sd/-
Satya Narayan Jena
Chief Financial Officer

Notes to Financial Statements as at and for the year ended March 31, 2018

1. General Information

Ortel Communications Limited ('Ortel' or the 'Company') is a Public Limited Company incorporated in India. Ortel's equity shares are listed on BSE and the National Stock Exchange ('NSE'). The address of the registered office is B7/122A, Safdarjung Enclave, New Delhi - 110029.

The Company, incorporated in 1995, is a regional cable television service provider engaged primarily in the distribution of cable television services, high speed broadband services & Voice over Internet Protocol ('VoIP') services.

These financial statements were approved for issue by the Board of Directors of the Company on 22nd May, 2018.

2. Significant Accounting Policies

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP, under the historical cost convention, on accrual basis, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements for the year ended 31st March, 2018 are Ortel's first Ind AS compliant financial statements. The Company adopted Ind AS in accordance with Ind AS 101- "First-time Adoption of Indian Accounting Standards". The date of transition to Ind AS is 1st April, 2016 ("Ind AS transition date"). The transition was carried out from the previously applicable Indian GAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

2.2 Basis of Preparation

a. Historical Cost Convention

These financial statements have been prepared on the historical cost basis except for certain financial instruments, employee stock option plan and defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

b. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c. Functional and Presentational Currency

These financial statements are presented in Indian Rupee (INR) which is also the functional currency.

d. Rounding off Amounts

All amounts disclosed in the financial statements have been rounded off to the nearest rupees in Lakhs, as per the requirements of Schedule III of the Act, unless otherwise stated.

e. Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or in the notes to the financial statements.

2.3 Current versus Non - Current Classification

The Company presents assets and liabilities in the balance sheet based on current / non - current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non - current. A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non - current.

The Company has deemed its operating cycle as twelve months for the purpose of current / non - current classification.

2.4 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable.

- a. Service revenue comprises subscription fees, channel carriage fees, use of infrastructure facilities and other services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised prorata over the contractual period.
- b. Connection fee, which in substance is an advance payment for future services or the ongoing services being provided, is essential to the subscribers receiving the expected benefit of the upfront payment of Connection fee. Accordingly, connection fee is earned as services provided and deferred over the expected customer relationship period (i.e. expected life of the customer).
- c. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that

exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

2.5 Property, Plant and Equipment

- a. Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 (Ind AS transition date), measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at the Ind AS transition date.

- b. Capital Inventories are treated as part of Capital Work in Progress till the date of activation thereof post which the same are depreciated.
- c. Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values, over their useful lives. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of asset is considered at 5%.
- d. Assets held under finance leases are depreciated / amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of lease term, assets are depreciated over the shorter of lease term and their useful lives.
- e. For the purpose of estimating the useful life as required under Schedule II, the Company has broadly divided the Property, Plant and Equipment in two categories viz., (a) assets which are specific to its industry and (b) assets which are general in nature. For the assets which are specific to its industry, the Company has estimated the useful life of such assets based on its past experience in this regard, which has been duly supported by independent technical advice. For assets which are general in nature, the Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Accordingly, the useful lives of Property, Plant and Equipment of the Company which are different from the useful lives as specified by Schedule II are as given below:

Asset description (refer Note No. 3)	Estimated useful life duly supported by Technical Advice (in years)	Estimated useful Life as per Schedule II (in years)
Cable Network - Backbone	21	13, 18
Cable Network- Drop	12, 21	13, 18
Cable Network- Infrastructure Leasing	21	13, 18
Maintenance Equipments	21	15
Head End Equipments	21	13
Broadband NOC Equipments	21	13

- f. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

2.6 Intangible Assets

- Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible assets comprises of Computer Software, Goodwill and Non Compete Fee.
- Intangibles Assets acquired in business combination represent Goodwill and Non Compete Fee ("NCF"). NCF represents amount payable to local cable operators ('LCOs') to acquire rights over a particular area and is recognised separately from goodwill.
- Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment, if any. Amortisation is recognised on a straight line basis over their estimated useful lives if any other method which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity cannot be determined reliably. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.
- Non Compete Fees is amortised over the period of agreement with LCOs, in equal installments.
- Computer Software is amortised over a period of five

years.

- An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the Statement of Profit or Loss when the asset is derecognized.
- For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at the Ind AS transition date, measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at the Ind AS transition date.

2.7 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest rate method, other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.8 Inventories

Inventories comprising of stores and spares are valued at the lower of cost and net realisable value.

Cost of inventories is determined on the 'first-in, first-out (FIFO)' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made

for such inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a. Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

b. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

c. Financial assets measured at amortised cost

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

d. Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in other comprehensive income.

Pertaining to its non-current investments in equity instruments (except investment in subsidiary, which is measured at cost), the Company has exercised an

irrevocable option at the Ind AS transition date to measure the subsequent changes in the fair value through Other Comprehensive Income.

e. Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

f. De-recognition of financial assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial Liabilities

a. Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities shall be subsequently measured at fair value.

b. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings, and payables, net of directly attributable transaction costs. Financial liabilities include amounts payable to LCOs, trade and other payables, loans and borrowings including bank overdrafts.

c. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

d. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transactions costs) and the redemption amount is

recognized in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

e. **Trade and other payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior the end of financial year, which are unpaid. They are recognized initially at their fair value and subsequently measured at amortised cost using the EIR method.

f. **De-recognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss as other income or finance costs.

2.10 Impairment

Financial assets

The Company recognises loss allowances, if any, using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The management, based on its best estimate, may consider it necessary to provide for a loss allowance for Trade Receivables higher than that determined as per the ECL methodology. For all other financial assets, ECL is measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Non-financial assets

Non financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual basis unless the asset does not generate cash flows

that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.11 Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

2.12 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the Ind AS transition date, the Company has determined whether the arrangements contain a lease on the basis of the facts and circumstances existing on the Ind AS transition date.

a) **Arrangements where the Company is the lessee**

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Lease payments

are apportioned between the finance charge and the reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Arrangements where the Company is the lessor

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.13 Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated to the functional currency of the Company (i.e., INR) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are recognized in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to interest costs are recognized in the Statement of Profit and Loss. Realised or unrealized gain in respect of the settlement or translation of borrowing is recognized as an adjustment to interest cost to the extent of the loss previously recognized as an adjustment to interest cost.

2.14 Employee Benefits

- a) Employee benefits in the form of Provident Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service. If the contribution payable to the scheme for services received before the balance sheet date exceeds the contribution already paid, the contribution payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, the excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- b) Gratuity liability and Leave encashment liability are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual

reporting period.

- c) Remeasurements of the net defined benefit liability/asset comprise:
 - (i) actuarial gains and losses;
 - (ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset; and
 - (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

Remeasurements of net defined benefit liability / asset are charged or credited to other comprehensive income.

2.15 Business Combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from the Ind AS transition date.

Business combinations involving LCOs are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs which are administrative in nature are expensed out.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business

combination.

2.16 Bad Debts Write-off

- a. In case of retail customers :-
 - (i) the entire outstanding dues as on the date of disconnection of service for any reason, is written off as Bad Debts.
 - (ii) During continuation of service, based on the management's best estimate, a portion or full amount of outstanding is written off as bad debts.
- b. For other receivables, amount is written off based on the management's assessment of each receivable separately.

2.17 Employee Stock Option Expenses

The Company operates equity-settled share based remuneration plans for its employees, where the fair value of employee's services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to Employee Stock Option Outstanding reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal value of the shares issued with any excess being recorded as Securities Premium.

2.18 Taxes on Income

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases, the tax is also recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable on the taxable income for the year, determined in accordance with

the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT)

MAT Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.19 Programming Cost

Programming Cost represents amount paid / payable to Broadcasters to telecast their respective channels.

2.20 Provision and Contingencies

Provisions are recognised only when there is a present

obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

A disclosure for contingent liabilities is made when there is a possible obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligations that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.21 Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115- Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115- Revenue from Contracts with

Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- (i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- (ii) Ind AS 40 - Investment Property
- (iii) Ind AS 12 - Income Taxes
- (iv) Ind AS 28 - Investments in Associates and Joint Ventures
- (v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

Notes to Financial Statements for the year ended 31st March, 2018

3. Property, Plant and Equipment and Capital Work-In-Progress

3. Property, Plant and Equipment and Capital Work-In-Progress

Particulars	Tangible Assets - Own															Capital Work In-Progress
	Land	Buildings	Cable Network- Backbone	Cable Network- Drop	Cable Network- Infrastructure Leasing	Head End Equipments	Maintenance Equipments	Broadband NOC Equipments	Furniture and Fixtures	Computers	Office Equipments	Motor Vehicles	Electrical Installations	Signal uplinking equipments *	Total	
A. OWN ASSETS																
Gross Carrying Amount																
Deemed Cost as at 1st April, 2016	37.95	196.73	11,239.88	7,108.31	1,782.42	2,401.19	329.69	261.22	112.81	179.88	98.13	23.95	463.45	303.13	24,538.74	6,008.44
Additions/Adjustments **	-	-	3,271.51	4,746.99	80.21	687.37	66.90	216.99	22.51	119.70	60.61	-	51.09	-	9,323.88	4,291.92
Deductions/Adjustments	-	-	6.57	536.35	0.21	0.14	0.15	-	-	-	0.12	0.45	0.08	-	544.07	7,241.67
As at 31st March, 2017	37.95	196.73	14,504.82	11,318.95	1,862.42	3,088.42	396.44	478.21	135.32	299.58	158.62	23.50	514.46	303.13	33,318.55	3,158.69
Additions/Adjustments **	-	-	1,567.44	2,724.47	35.74	51.48	13.23	28.10	7.04	48.30	9.59	-	5.77	-	4,491.16	2,741.06
Deductions/Adjustments	-	-	4.42	639.36	-	0.32	1.93	-	-	-	0.93	2.17	0.91	-	650.04	2,934.72
As at 31st March, 2018	37.95	196.73	16,067.84	13,404.06	1,898.16	3,139.58	407.74	506.31	142.56	347.88	167.28	21.33	519.32	303.13	37,159.67	2,965.03
Accumulated Depreciation & Amortisation																
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change for the year	-	3.66	736.77	736.99	87.66	156.93	22.15	17.74	26.35	78.66	31.33	6.29	85.20	35.57	2,025.30	-
Disposals / Adjustments	-	-	0.12	19.67	-	-	-	-	-	-	0.06	0.31	0.02	-	20.18	-
As at 31st March, 2017	-	3.66	736.65	717.32	87.66	156.93	22.15	17.74	26.35	78.66	31.27	5.98	85.18	35.57	2,005.12	-
Change for the year	-	3.67	828.58	926.81	90.11	170.36	23.26	23.07	26.84	96.35	29.53	5.11	84.65	35.59	2,343.93	-
Disposals / Adjustments	-	-	0.36	231.75	-	0.02	0.25	-	-	-	0.37	1.36	0.23	-	234.34	-
As at 31st March, 2018	-	7.33	1,564.87	1,412.88	177.77	327.27	45.16	40.81	53.19	175.01	60.43	9.73	169.60	71.16	4,114.71	-
Net Carrying Amount:																
As at 31st March, 2018	37.95	189.40	14,502.97	11,991.68	1,720.39	2,812.31	362.58	465.50	89.17	172.87	106.85	11.60	349.72	231.97	33,044.96	2,965.03
As at 31st March, 2017	37.95	193.07	13,768.17	10,601.63	1,774.76	2,931.49	374.29	460.47	108.97	220.92	127.55	17.52	429.28	267.56	31,313.43	3,158.69
As at 1st April, 2016	37.95	196.73	11,239.88	7,108.31	1,782.42	2,401.19	329.69	261.22	112.81	179.88	98.13	23.95	463.45	303.13	24,538.74	6,008.44
B. LEASED ASSETS																
Gross Carrying Amount																
Deemed Cost as at 1st April, 2016	54.67	-	388.85	1,099.82	-	-	-	2.85	-	0.73	-	-	-	-	1,546.92	-
Additions/Adjustments	-	-	56.69	739.72	-	-	-	-	-	-	-	-	-	-	796.41	-
Deductions/Adjustments	-	-	25.17	171.74	-	-	-	2.85	-	0.73	-	-	-	-	200.49	-
As at 31st March, 2017	54.67	-	420.37	1,667.80	-	-	-	-	-	-	-	-	-	-	2,142.84	-
Additions/Adjustments	-	-	45.88	365.96	-	-	-	3.53	-	5.21	-	-	-	-	91.58	-
Deductions/Adjustments	-	-	69.81	333.78	-	-	-	-	-	-	-	-	-	-	403.59	-
As at 31st March, 2018	54.67	-	396.44	1,370.98	-	-	-	3.53	-	5.21	-	-	-	-	1,830.83	-
Accumulated Depreciation & Amortisation																
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change for the year	0.63	-	15.67	62.90	-	-	-	0.08	-	-	-	-	-	-	79.28	-
Disposals / Adjustments	-	-	0.72	4.21	-	-	-	0.08	-	-	-	-	-	-	5.01	-
As at 31st March, 2017	0.63	-	14.95	58.69	-	-	-	-	-	-	-	-	-	-	74.27	-
Change for the year	0.62	-	24.91	100.22	-	-	-	0.08	-	0.82	-	-	-	-	126.65	-
Disposals / Adjustments	-	-	3.35	16.20	-	-	-	-	-	-	-	-	-	-	19.55	-
As at 31st March, 2018	1.25	-	36.51	142.71	-	-	-	0.08	-	0.82	-	-	-	-	191.37	-
Net Carrying Amount:																
As at 31st March, 2018	53.42	-	359.93	1,228.27	-	-	-	3.45	-	4.39	-	-	-	-	1,649.46	-
As at 31st March, 2017	54.04	-	405.42	1,609.11	-	-	-	-	-	-	-	-	-	-	2,068.57	-
As at 1st April, 2016	54.67	-	388.85	1,099.82	-	-	-	2.85	-	0.73	-	-	-	-	1,546.92	-
TOTAL OF NET CARRYING AMOUNT (OWN ASSETS) + LEASED ASSETS)																
As at 31st March, 2018	91.37	189.40	14,862.90	13,219.95	1,720.39	2,812.31	362.58	468.95	89.17	177.26	106.85	11.60	349.72	231.97	34,694.42	2,965.03
As at 31st March, 2017	91.99	193.07	14,173.59	12,210.74	1,774.76	2,931.49	374.29	460.47	108.97	220.92	127.55	17.52	429.28	267.56	33,382.00	3,158.69
As at 1st April, 2016	92.62	196.73	11,628.73	8,208.13	1,782.42	2,401.19	329.69	264.07	112.81	180.61	98.13	23.95	463.45	303.13	26,088.66	6,008.44

* Asset given on operating lease

** Includes assets acquired during acquisition of LCOs
Note -

1. The Company has used previous Indian GAAP carrying value as deemed cost to measure the items of Property, Plant and Equipment as on the Ind AS transition date (Gross Block less: accumulated depreciation & amortisation, as on 1st April, 2016).

2. Refer Note No. 45 for capitalisation of expenses.

Notes to Financial Statements for the year ended 31st March, 2018

4. Goodwill and Other Intangible Assets

(Rs. In Lakhs)

Particulars	Other Intangible Assets			
	Computer Software	Non Compete Fees	Total	Goodwill
Gross Carrying Amount				
Deemed Cost as at 1st April, 2016	42.25	647.59	689.84	15.68
Additions/Adjustments	-	1,740.46	1,740.46	91.26
Deductions/Adjustments	-	65.10	65.10	-
As at 31st March, 2017	42.25	2,322.95	2,365.20	106.94
Additions/Adjustments	13.84	119.50	133.34	2.22
Deductions/Adjustments	-	21.78	21.78	-
As at 31st March, 2018	56.09	2,420.67	2,476.76	109.16
Accumulated Amortisation / Impairment				
As at 1st April, 2016	-	-	-	-
Charge for the year	11.29	451.89	463.18	-
Disposals / Adjustments	-	65.10	65.10	-
As at 31st March, 2017	11.29	386.79	398.08	-
Charge for the year	9.12	514.81	523.93	-
Disposals / Adjustments	-	21.78	21.78	-
As at 31st March, 2018	20.41	879.82	900.23	-
Net Carrying Amount:				
As at 31st March, 2018	35.68	1,540.85	1,576.53	109.16
As at 31st March, 2017	30.96	1,936.16	1,967.12	106.94
As at 1st April, 2016	42.25	647.59	689.84	15.68

4.1 The Company has used previous Indian GAAP carrying value as deemed cost to measure Goodwill and Other Intangible Assets as on the Ind AS transition date (Gross Block less: accumulated depreciation & amortisation, as on 1st April, 2016).

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
5. Investment In Subsidiary			
Non-Current Investments			
Investment in Equity Instrument of Subsidiary Company, at cost (Unquoted)			
10,000 Equity Shares of Rs.10/- each, fully paid-up in Ortel Broadband Limited (31st March, 2017 : Nil, 1st April, 2016 : Nil)	1.00	-	-
Aggregate amount of unquoted investment	<u>1.00</u>	<u>-</u>	<u>-</u>
6. Investments			
Non-Current Investments			
Investments in Equity Instruments of Body Corporate designated at fair value through other comprehensive income (Unquoted)			
325,500 Equity Shares of Rs.10/- each, fully paid-up in Odisha Television Limited (31st March, 2017: 325,500; 1st April, 2016: 325,500)	211.28	161.84	156.83
Aggregate amount of unquoted investment	<u>211.28</u>	<u>161.84</u>	<u>156.83</u>
7. Loans			
Unsecured, Considered good			
Employee Advances	-	-	1.79
Security Deposits*	248.20	249.01	229.42
Amount recoverable from ESOP Trust	55.72	44.10	6.10
	<u>303.92</u>	<u>293.11</u>	<u>237.31</u>
* Includes deposit with Hon'ble High Court of Orissa Rs. 29.00 lakhs (31st March, 2017: Rs. 29.00 lakhs; 1st April, 2016: Rs. 29.00 lakhs)			
8. Other Financial Assets			
Non Current portion of Other Bank Balances:			
-Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien)*	532.27	271.15	522.83
Interest accrued but not due on Fixed Deposits with Banks	18.80	23.22	17.40
	<u>551.07</u>	<u>294.37</u>	<u>540.23</u>
*Includes:			
-Margin Money Deposits	384.89	45.87	166.59
-Deposits pledged with banks against borrowings	147.38	225.28	356.24

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
9. Other Non-Current Assets			
Unamortised Sales Incentive Costs	117.69	148.66	142.27
Other advances	130.51	-	-
Advance for Capital Goods	185.65	598.47	737.34
	<u>433.85</u>	<u>747.13</u>	<u>879.61</u>
10. Inventories			
Stores and Spares	59.46	64.20	1,300.75
	<u>59.46</u>	<u>64.20</u>	<u>1,300.75</u>
11. Trade Receivables			
Unsecured, considered good	2,381.29	6,392.28	3,134.85
Unsecured, considered doubtful	6,794.14	529.20	642.04
	<u>9,175.43</u>	<u>6,921.48</u>	<u>3,776.89</u>
Less: Provision for doubtful receivables (refer Note No. 34)	6,794.14	529.20	642.04
	<u>2,381.29</u>	<u>6,392.28</u>	<u>3,134.85</u>
Note: Refer Note No. 39.1(ii)(a) for ageing analysis.			
12. Cash and Cash Equivalents			
Balances with Banks:			
In Current Accounts	196.41	164.45	311.77
Fixed Deposits with Banks having original maturity of three months or less:			
-Not under Lien	-	0.35	-
-Under Lien	-	-	-
Cheques on hand *	19.35	174.96	2.87
Cash on hand	134.59	53.96	4.92
	<u>350.35</u>	<u>393.72</u>	<u>319.56</u>

* Cheques on hand have been since realised amounting to Rs. 9.66 Lakhs

13. Other Bank Balances

Fixed Deposits with Banks having balance maturity of twelve months or less:

-Not under Lien	-	-	2,500.34
-Under Lien*	75.10	359.34	75.09
	<u>75.10</u>	<u>359.34</u>	<u>2,575.43</u>
includes			
Margin money deposits			
- 12 months or less	75.10	152.05	14.78
Deposits pledged with banks against borrowings			
- 12 months or less	-	207.29	60.31

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
14. Loans			
Unsecured, Considered good			
Employee Advances	13.13	17.03	9.87
Security Deposits	19.31	15.77	12.55
	<u>32.44</u>	<u>32.80</u>	<u>22.42</u>
15. Other Financial Assets			
Interest accrued but not due on Fixed Deposits with Banks	6.24	48.18	167.07
Income accrued but not due	-	-	55.50
	<u>6.24</u>	<u>48.18</u>	<u>222.57</u>
16. Other Current Assets			
Advance for Supplies / Services	2,289.92	1,460.38	1,347.85
Prepaid Expenses	125.66	159.22	182.55
Balances with Statutory/Government Authorities	91.42	218.43	945.49
Receivable on account of Gratuity (refer Note No. 42)	80.79	55.28	29.72
Unamortised Sales Incentive Costs	135.94	136.71	120.06
	<u>2,723.73</u>	<u>2,030.02</u>	<u>2,625.67</u>
17. Share Capital			
Authorised:			
Equity Shares:			
35,000,000 Equity Shares, Rs. 10/- par value per share (31st March, 2017 : 35,000,000 Equity Shares, 1st April, 2016 : 35,000,000 Equity Shares)	3,500.00	3,500.00	3,500.00
Preference Shares:			
66,000,000 Preference Shares, Rs. 10/- par value per share (31st March, 2017 : 66,000,000 Preference Shares, 1st April, 2016 : 66,000,000 Preference Shares)	6,600.00	6,600.00	6,600.00
	<u>10,100.00</u>	<u>10,100.00</u>	<u>10,100.00</u>
Issued, Subscribed and Paid-up:			
30,476,900 Equity Shares, Rs. 10/- par value per share fully paid (31st March, 2017 : 30,365,464 Equity Shares, 1st April, 2016 : 30,365,464 Equity Shares)	3,047.69	3,036.54	3,036.54
	<u>3,047.69</u>	<u>3,036.54</u>	<u>3,036.54</u>

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

As at
31st March, 2018 As at
31st March, 2017 As at
1st April, 2016

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
At the beginning of the year	3,03,65,464	3,036.54	3,03,65,464	3,036.54	3,03,65,464	3,036.54
Add: Issued during the year on exercise of Employee Stock Options	1,11,436	11.15	-	-	-	-
At the end of the year	3,04,76,900	3,047.69	3,03,65,464	3,036.54	3,03,65,464	3,036.54

Rights, preferences & restrictions in respect of each class of shares

The Company's authorised share capital consists of two classes of shares, referred to as Equity Shares and Preference Shares, having par value Rs. 10/- each.

Each holder of Equity Share is entitled to one vote per share. Preference Shareholder is eligible to vote only on the resolutions directly affecting the rights attached to his Preference Shares. The preferential shareholders have preferential right over the equity shareholders in respect of repayment of capital and payment of dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Shareholders holding more than 5% of the equity shares each

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding	No. of shares	% of Shareholding
Metro Skynet Limited	48,59,512	15.94%	48,59,512	16.00%	48,59,512	16.00%
Panda Investments Private Limited	46,36,510	15.21%	46,36,510	15.27%	46,36,510	15.27%
Rivendell PE , LLC (formerly known as NSR-PE Mauritius LLC)	45,88,748	15.06%	45,88,748	15.11%	45,88,748	15.11%
Raila Enterprises Private Limited	25,80,441	8.47%	-	-	-	0.00%
Odisha Television Limited	20,07,293	6.59%	20,07,293	6.61%	20,07,293	6.61%
ICICI Prudential Life Insurance Company Limited	-	-	18,82,505	6.20%	18,82,776	6.20%
UMSL Limited	-	-	25,80,441	8.50%	25,80,441	8.50%

18. BORROWINGS

Secured

Rupee Term Loans from:

Banks	4,324.45	4535.77	5598.65
Others	10,657.84	8710.81	7800.88
Finance Lease Obligations	776.99	1073.90	852.59
Total Borrowings	15,759.28	14,320.48	14,252.12
Less: Current Maturities			
Banks	1,174.87	1370.82	1326.23
Others	4,823.35	2879.42	2178.12

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Finance Lease Obligations	479.74	711.49	496.12
(A)	<u>9,281.32</u>	<u>9,358.75</u>	<u>10,251.65</u>
Unsecured			
Rupee Term Loans from:			
Others	1,346.64	667.75	895.62
Less: Current Maturities	278.29	212.63	240.32
(B)	<u>1,068.35</u>	<u>455.12</u>	<u>655.30</u>
Total Non-Current Borrowings	<u>(A+B) 10,349.67</u>	<u>9,813.87</u>	<u>10,906.95</u>

18.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 24) and their repayment terms :

Amounts carried in Note No. 18 and 24 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

Security Description:

- (a) Term Loans of Rs.1,563.80 lakhs (31st March, 2017: Rs.1,949.56 lakhs and 1st April, 2016 : Rs.2,599.77 lakhs) from banks are secured by way of hypothecation of Fixed assets. The following have been provided as collateral:

Already hypothecated fixed assets purchased out of term loans availed from Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) and SREI Equipment Finance Limited (SREI) charged on pari passu basis, equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits of Rs.147.38 lakhs (31st March, 2017: Rs.129.24 lakhs and 1st April, 2016 : Rs.129.24 lakhs) and personal guarantee of one of the Directors.

- (b) Term Loans of Rs.2,113.98 lakhs (31st March, 2017: Rs.1,773.60 lakhs and 1st April, 2016 : Rs.2,198.60 lakhs) from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan and ranking pari passu with other Banks. Second charge on fixed assets already hypothecated to other banks and institutions. The following have been provided as collateral:

Equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of Immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits of Rs.Nil (31st March , 2017: Rs.225.28 lakhs and 1st April, 2016 : Rs.209.26 lakhs) and personal guarantee of one of the Directors.

- (c) Term Loans of Rs.677.95 lakhs (31st March, 2017: Rs. 845.95 lakhs and 1st April, 2016 : Rs.845.96 lakhs) from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan. The following have been provided as collateral:

Equitable mortgage of leasehold property at Rourkela.

- (d) Term Loans of Rs.9,933.17 lakhs (31st March, 2017: Rs.8,710.81 lakhs and 1st April, 2016 : Rs.7,800.88 lakhs) from Others are secured by way of First/exclusive charge created by way of hypothecation of assets including various networking equipment and personal guarantee of one of the Directors. The following have been provided as collateral :

Against Term Loan of Rs.9,388.12 lakhs (31st March, 2017: Rs.7,886.19 lakhs and 1st April, 2016 : Rs.6,697.30 lakh), equitable mortgage of immovable property at Raipur together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future.

- (e) Term Loan of Rs.802.98 lakhs (31st March, 2017: Nil and 1st April, 2016: Nil) from Others are secured on equipment together with all parts, accessories and substitutions taken out of the said Term Loan.

- (f) Finance Lease Obligations of Rs.776.99 lakhs (31st March, 2017: Rs.1,073.90 lakhs and 1st April, 2016: 852.59 lakhs) from Others are secured on equipment together with all parts, accessories and substitutions taken on lease.

18.2 Long Term Borrowings (Continued)

Terms of repayment:

(Rs. In Lakhs)

Tenure	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Amount (Rs. lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. lakhs)	Interest	Repayment Terms of residual amount	Amount (Rs. lakhs)	Interest	Repayment Terms of residual amount
Residual Maturity Term Loans from Banks:									
0-1 Years	-	-	-	49.15	KEL Base Rate + 3.5%	Last installment due for payment on 28th January, 2017. Installments are inclusive of interest.	599.77	KEL Base Rate + 3.5%	Repayable in 10 equated monthly installments and last installment due on 29th January, 2017. Installments are inclusive of interest.
0-1 Years	-	-	-	398.60	UCO Base rate + 4.05%	3 quarterly installments of Rs.100.00 lakhs. Interest to be served on monthly basis as and when charged. One quarterly installment is due for payment as of 31st March 17 for Rs.100.00 lakhs	-	-	-
1-3 Years	-	-	-	-	-	-	698.60	UCO Base rate + 4.05%	7 quarterly installments of Rs.100.00 lakhs. Interest to be served on monthly basis as and when charged.
Above 5 Years	-	-	-	-	-	-	1,000.00	KEL Base Rate + 3%	Repayable in 59 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period.
3-5 Years	717.80	KEL Base Rate + 3%	Repayable in 42 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period. Three installments are due for payment as of 31st March 18 amounting to Rs.49.80 lakhs.	900.40	KEL Base Rate + 3%	Repayable in 51 equal monthly installments of Rs.16.60 lakhs & the final installment (60th) of Rs.20.60 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period. Two installments are due for payment as of 31st March 17 amounting to Rs.33.20 lakhs.	-	-	-
Above 5 Years	-	-	-	-	-	-	1,000.00	KEL Base Rate + 3%	Repayable in 71 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period.
3-5 Years	846.00	KEL Base Rate + 3%	Repayable in 60 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period. Three installments are due for payment as of 31st March 18 for Rs.42.00 lakhs.	1,000.00	KEL Base Rate + 3%	Repayable in 68 equal monthly installments of Rs.14.00 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period. Three installments are due for payment as of 31st March 17 for Rs.42.00 lakhs.	-	-	-
Above 5 Years	-	-	-	-	-	-	1,500.00	UCO Base rate + 3.55%	Repayable in 60 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.
3-5 Years	1,113.99	UCO MCLR + 4.65%	Repayable in 46 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period. Three installments due as of 31st March 18 for Rs.57.98 lakhs.	1,375.00	UCO Base rate + 3.55%	Repayable in 54 equal monthly installments of Rs.25 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period. One installment due as of 31st March 17 for Rs.25 lakhs.	-	-	-
Above 5 Years	999.99	UCO MCLR + 4.65%	Repayable in 71 equal monthly installments of Rs.14 lakhs & the final installment (72nd) of Rs.6.00 lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.	-	-	-	-	-	-
Above 5 Years	677.95	UBI Base rate + 4.00%	Repayable in 47 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period.	845.96	UBI Base rate + 4.00%	Repayable in 59 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period.	845.96	UBI Base rate + 4.00%	Repayable in 59 equal monthly installments of Rs.14.00 lakhs & the final installment (60th) of Rs.19.95 lakhs after an initial holiday period of 12 months. Interest to be served on monthly basis including during holiday period.

Notes to Financial Statements for the year ended 31st March, 2018

Term Loans from Others (Secured):

(Rs. In Lakhs)

1-3 Years	545.05	10% (Floating)*	16 monthly installments of Rs 38.32 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.102.81 lakhs.	824.62	10% (Floating)*	25 monthly installments of Rs 38.32 lakhs. Installments are inclusive of interest.	-	-	-
1-3 Years	3,167.23	10% (Floating)*	16 monthly installments of Rs 224.73 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.573.26 lakhs.	4,836.46	10% (Floating)*	25 monthly installments of Rs 224.73 lakhs. Installments are inclusive of interest.	-	-	-
3-5 Years	-	-	-	-	-	-	1,103.58	10% (Floating)*	37 monthly installments of Rs 38.32 lakhs. Installments are inclusive of interest.
3-5 Years	-	-	-	-	-	-	6,697.30	10% (Floating)*	37 monthly installments of Rs 224.73 lakhs. Installments are inclusive of interest.
3-5 Years	824.08	14.25% (Floating)*	40 monthly installment of Rs 26.08 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.72.85 lakhs.	950.00	14.25% (Floating)*	1 monthly installments of Rs 11.28 lakhs and 48 monthly installment of 26.08 lakhs. Installments are inclusive of interest.	-	-	-
3-5 Years	733.29	14.25% (Floating)*	43 monthly installment of Rs 21.97 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.60.35 lakhs.	799.73	14.25% (Floating)*	4 monthly installments of Rs 9.50 lakhs and 48 monthly installment of 21.97 lakhs. Installments are inclusive of interest.	-	-	-
3-5 Years	474.31	14.25% (Floating)*	45 monthly installment of Rs 13.73 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.37.53 lakhs.	500.00	14.25% (Floating)*	6 monthly installments of Rs 6.05 lakhs and 48 monthly installment of 13.73 lakhs. Installments are inclusive of interest.	-	-	-
3-5 Years	389.21	14.25% (Floating)*	47 monthly installment of Rs 10.98 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.20.71 lakhs.	400.00	14.25% (Floating)*	8 monthly installments of Rs 4.84 lakhs and 48 monthly installment of 10.98 lakhs. Installments are inclusive of interest.	-	-	-
3-5 Years	400.00	14.25%	48 monthly installment of Rs 10.98 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.28.57 lakhs.	400.00	14.25%	9 monthly installments of Rs 4.84 lakhs and 48 monthly installment of 10.98 lakhs. Installments are inclusive of interest.	-	-	-
3-5 Years	400.00	14.25%	3 monthly installments of Rs 4.84 lakhs and 48 monthly installment of 10.98 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.10.33 lakhs.	-	-	-	-	-	-
3-5 Years	1,000.00	13.50%	5 monthly installments of Rs 11.46 lakhs and 48 monthly installment of 27.09 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.22.14 lakhs.	-	-	-	-	-	-
3-5 Years	400.00	13.50%	6 monthly installments of Rs 4.58 lakhs and 48 monthly installment of 10.83 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.16.48 lakhs.	-	-	-	-	-	-
3-5 Years	600.00	13.50%	7 monthly installments of Rs 6.87 lakhs and 48 monthly installment of 16.25 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.14.77 lakhs.	-	-	-	-	-	-
3-5 Years	1,000.00	13.50%	11 monthly installments of Rs 11.46 lakhs and 48 monthly installment of 27.08 lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.29.26 lakhs.	-	-	-	-	-	-
1-3 Years	802.98	11.26%	Repayable in 4 quarterly installments of Rs 58.01 lakhs, 4 quarterly installments of Rs 60.74 lakhs and 8 quarterly installments of Rs 67.68 lakhs. Installments are inclusive of interest.	-	-	-	-	-	-

Notes to Financial Statements for the year ended 31st March, 2018



(Rs. In Lakhs)

Term Loans from Others (Unsecured):

0-1 Years									
3-5 Years	383.84	14.25%	24 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest. Two installments due as of 31st March, 2018 for Rs.36.05 lakhs.	514.33	14.25%	34 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest.	73.74	18%	4 monthly installments of Rs.19.16 lakhs. Installments are inclusive of interest.
3-5 Years	112.80	14.25%	25 equal monthly installments. Interest to be serviced on monthly basis on balance outstanding. Three installments due as of 31st March, 2018 for Rs.16.90 lakhs.	153.42	14.25%	34 equal monthly installments. Interest to be serviced on monthly basis on balance outstanding.	651.88	14.25%	46 monthly installments of Rs.18.47 lakhs. Installments are inclusive of interest.
3-5 Years	850.00	9.00%	Payable within 5 years with interest payable annually.	-	-	-	170.00	14.25%	Repayable in 41 equal monthly installments starting from September 2016 and ends on January 2020. Interest to be serviced on monthly basis on balance outstanding.

Finance Lease Obligations

0-1 Years									
1-3 Years	699.86	8.50% **	Repayable in 19 monthly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on September 2019. 1-23 phases have been repaid in full till March 31, 2018. One installment due as of 31st March, 2018 for Rs.39.36 lakhs.	711.49	12% **	Repayable in 12-15 equal quarterly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on January 2019. 1-20 phases have been repaid in full till March 31, 2017.	496.12	12% **	Repayable in 12-15 equal quarterly installments which vary for each phase. 28 phases have been disbursed till March 31, 2016. Repayment for Phase 1 started on June 2008. Repayment upto 28th Schedule will end on September 2018. 1-16 phases have been repaid in full till March 31, 2016.
1-3 Years	771.13	11.91%	Repayable in 13 quarterly installments of Rs.7.08 lakhs. Installments are inclusive of interest.	-	-	-	356.47	12% **	-

* Floating rate based on the SDR (SREI Benchmark Rate) which is subject to variations.

** Interest rate is different for different phases, average interest rate being approx 8.50% (12% for the 31st March, 2017 and 1st April, 2016; 12%)

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
19. Other Financial Liabilities			
Long-Term LCO Liability	1,007.42	1,185.97	441.17
Security Deposits	21.89	30.47	34.03
Creditors for Capital Goods	-	1.94	884.16
	<u>1,029.31</u>	<u>1,218.38</u>	<u>1,359.36</u>
20. Provisions			
Provision for Employee Benefits:			
- Leave Entitlement (refer Note No.42)	68.47	71.85	58.92
	<u>68.47</u>	<u>71.85</u>	<u>58.92</u>
21. Other Non-Current Liabilities			
Unamortised Infrastructure Leasing Income	351.23	1,039.29	673.83
Unamortised Connection Fee Income	853.77	979.69	1,553.64
	<u>1,205.00</u>	<u>2,018.98</u>	<u>2,227.47</u>
22. Borrowings			
Loans Repayable on Demand (Secured) :			
Working Capital facilities from Bank	2,000.00	2,000.00	2,000.00
Unsecured Term Loan :			
From Others	880.00	450.00	-
Total Current Borrowings	<u>2,880.00</u>	<u>2,450.00</u>	<u>2,000.00</u>

22.1 Secured by way of hypothecation of stocks of Networking items and book debts of the Company. The following assets are kept as collateral: "Already hypothecated fixed assets purchased out of term loan availed from IPICOL and SREI charged on pari passu basis, equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits amounting to Rs. Nil (March 31, 2017: Rs. 78.05 Lakh, 1st April, 2016: Rs 78.05 Lakh) and personal guarantee of one of the Directors.

23. Trade Payables

Micro and small enterprises (refer Note No. 23.1)	-	-	-
Others	3,482.11	1,635.41	2,598.77
	<u>3,482.11</u>	<u>1,635.41</u>	<u>2,598.77</u>

23.1 Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars

a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-	-

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

Dues as above, to the Micro and Small enterprises have been determined by the Management. This has been relied upon by the auditors.

24. Other Financial Liabilities

Current Maturities of Long-term borrowings (refer Note No.18)	6,276.51	4,462.87	3,744.67
Current Maturities of Finance Lease Obligations (refer Note No.18)	479.74	711.49	496.12
Interest accrued but not due on Borrowings	431.03	351.01	286.37
Interest accrued and due on Borrowings	458.92	116.84	48.83
Temporary book overdraft (Unsecured)	1,752.81	1,505.98	1,449.08
Temporary overdraft	-	200.00	-
Other Payables:			
- Payable to Employees	2,069.45	1,667.23	401.04
- LCO Liability	419.23	537.83	206.42
- Creditors for Capital Goods	6,747.41	6,452.80	4,287.71
- Earnest Money Deposits	113.83	117.88	116.08
- Liability for Operating Expenses	3,115.38	2,387.00	1,774.18
	<u>21,864.31</u>	<u>18,510.93</u>	<u>12,810.50</u>

25. Other Current Liabilities

Statutory Liabilities	2,301.12	904.86	288.84
Advance from Customers (refer Note No.46)	195.21	615.53	903.48
Security Deposits	8.64	6.65	-
Liability for Operating Expenses	160.13	106.56	107.68
Unamortised Connection Fee Income	891.93	783.03	473.04
Unamortised IFL Fee Income	595.76	617.94	606.94
	<u>4,152.79</u>	<u>3,034.57</u>	<u>2,379.98</u>

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
26. Provisions			
Provision for Employee Benefits			
- Leave Entitlement (refer Note No. 42)	0.92	0.98	2.69
	<u>0.92</u>	<u>0.98</u>	<u>2.69</u>
27. Revenue From Operations			
Cable Subscription Fees	11,376.53	11,698.92	
Internet Subscription Fees	2,154.62	3,396.91	
Channel Carriage Fees	2,307.20	2,957.86	
Connection Fees- Cable TV	856.90	661.83	
Connection Fees- Internet	161.60	194.04	
Income from Infrastructure Leasing	1,172.36	1,110.44	
Signal Uplinking Income	374.35	300.87	
	<u>18,403.56</u>	<u>20,320.87</u>	
28. Other Income			
Interest on			
- Fixed deposits with banks	32.95	69.07	
- Others	43.45	25.56	
Insurance Claims	46.02	54.14	
Liability no longer required written back	0.49	27.67	
Rental Income	8.21	9.47	
Foreign Exchange Gain (net)	30.28	124.73	
Miscellaneous Income	48.34	75.08	
	<u>209.74</u>	<u>385.72</u>	
29. Bandwidth Cost			
International Lease Line charges	831.80	817.61	
Intercity link charges	713.43	696.94	
Uplinking Charges	257.58	184.60	
	<u>1,802.81</u>	<u>1,699.15</u>	
30. Employee Benefits Expense			
Salary, Wages and Bonus	1,857.02	2,212.08	
Contribution to Provident and Other Funds	185.41	171.13	
Employee Stock Option Expenses	3.88	22.94	
Staff Welfare Expenses	33.94	47.31	
	<u>2,080.25</u>	<u>2,453.46</u>	

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
31. Finance Costs			
Interest Expense	2,846.50	2,646.20	
Other Borrowing costs	72.35	15.84	
	<u>2,918.85</u>	<u>2,662.04</u>	
32. Depreciation and Amortisation Expense			
Depreciation/ Amortisation of tangible assets	2,470.58	2,104.58	
Less: On account of closure of Finance Lease	19.55	5.01	
(A)	<u>2,451.03</u>	<u>2,099.57</u>	
Amortization of intangible assets			
(B)	<u>9.12</u>	<u>11.29</u>	
Amortization of NCF	514.81	451.89	
Less: Excess of amortisation over commission	264.94	206.74	
(C)	<u>249.87</u>	<u>245.15</u>	
Total (A+B+C)	<u>2,710.02</u>	<u>2,356.01</u>	
33. Other Expenses			
Power and Fuel	661.01	671.42	
Rent	638.84	599.62	
Commission and Incentive	681.91	611.43	
Collection Charges	639.01	720.56	
Consumption of Stores & Spare Parts	237.00	333.28	
Repairs to Machinery	43.62	65.76	
Repairs to Buildings	0.19	0.98	
Repairs - Others	102.41	71.35	
Insurance	187.18	197.36	
Travelling & Lodging	438.87	548.32	
Rates and Taxes	371.74	103.78	
Professional Charges	192.61	221.17	
Work outsourcing expenses	76.40	80.10	
Postage and Telephone	57.87	83.43	
Printing and Stationery	25.63	39.35	
Provision for doubtful receivables (refer Note No. 34)	7.01	(112.84)	
Bad Debts written off	1,235.91	2,634.81	
Marketing Expenses	34.25	47.25	
Corporate Social Responsibility Expenses (refer Note No. 48)	16.00	6.44	

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Commission to Director	-	0.76	
Directors sitting fees	6.06	4.82	
Miscellaneous Expenses	160.23	296.25	
Total Other Expenses	5,813.75	7,225.40	
34. Provision for Doubtful Receivables			
Closing Provision for doubtful receivables (refer Note No. 11)	6794.14	529.20	
Less: Opening Provision written back	529.20	642.04	
Less: Exceptional Items (refer Note No. 47(a) and 47(c))	6257.93	-	
	7.01	(112.84)	
35. Payments to the Auditor (excluding taxes)			
As Auditor - Statutory Audit & Limited Reviews	28.50	28.50	
For Other Services	0.50	1.50	
For reimbursement of expenses	0.42	0.59	
	29.42	30.59	
36. Disclosure pursuant to Indian Accounting Standard 12 - Income Taxes			
(i) In the absence of probability of sufficient future taxable income, the Company has recognised deferred tax assets only to the extent of deferred tax liabilities.			
(ii) The breakup of deferred tax assets and liabilities into major components is as under			
Deferred tax liabilities			
Difference between tax base and book base of Property, Plant and Equipment and Intangible Assets	2,242.31	2,078.68	1,507.78
Finance lease	254.06	344.23	240.29
	2,496.37	2,422.91	1,748.07
Deferred tax assets			
Statutory dues	541.91	313.15	99.96
Bonus	36.40	46.53	-
Leave entitlement	20.21	25.21	21.32
Provision for doubtful receivables	1,978.45	170.50	222.20
Deductible temporary differences on account of Ind AS adjustments	749.58	1,218.42	1,013.65
Brought forward losses and unabsorbed depreciation	4,380.99	3,182.29	2,626.27
	7,707.54	4,956.10	3,983.40

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Net deferred tax assets / (liabilities)	5,211.17	2,533.19	2,235.33

Note :

Net deferred tax assets as above has not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

(iii) Since the Company had incurred an accounting loss in the current and previous year, the numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is not relevant for the current and previous year.

37. Earnings Per Share

(a) Profit / (Loss) after Tax attributable to Equity Shareholders (Rs. In Lakh)	(9,533.09)	(70.05)
(b) Weighted average number of Equity Shares (Basic)	3,04,62,245	3,03,65,464
(c) Weighted average number of Equity Shares (Potential)	-	83,630
(d) Weighted average number of Equity Shares (Diluted) [(b) +(c)]	3,04,62,245	3,04,49,094
(e) Basic earnings per share(in Rs.) [(a)/(b)]	(31.29)	(0.23)
(f) Diluted earnings per share (in Rs.) [(a)/(d)]	(31.29)	(0.23)
(g) Nominal Value per Equity Shares (in Rs.)	10.00	10.00

38. Contingent Liabilities and Commitments

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A. Contingent Liabilities			
(a) Claims against the Company not acknowledged as debts:			
(i) Entry Tax demand under Appeal	1.00	1.00	1.00
(ii) Entry Tax demand for 2011-12	25.25	-	-
(iii) Entertainment Tax demand under Appeal	69.75	69.75	69.75
(iv) Income Tax and Interest thereon for non-deduction of tax at source - 2005-06, 2006-07, 2008-09 and 2010-11	175.15	175.15	175.15
(v) Service Tax and Interest demand for 2006-07, 2007-08, 2008-09 and 2009-10 (including penalty)	241.97	283.58	283.58
(vi) Service Tax and Interest for 2010-11 to 2014-15	1,179.29	1,179.29	806.37
(vii) Service Tax demand for 2013-14	13.00	13.00	13.00
(viii) Service Tax demand for 2015-16	338.06	-	-
(ix) Cenvat Credit reversal for 2016-17	741.29	-	-
(x) Paradip Port Trust (Refer Note Below)*	52.69	52.69	52.69
(xi) The Company has received legal notices of claims / lawsuits filed against it in relation to miscellaneous damages. In the opinion of the management, no material liability is likely to arise on account of such claims / lawsuits.			
B. Commitments:			
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	67.53	903.64	4,569.23
[Net of advance Rs. 174.22 lakhs (31st March, 2017: Rs. 585.53 lakhs; 1st April, 2016: Rs.715.86 lakhs)]			

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016

The Company had been providing services in Paradeep Port Trust (PPT) area as per contracts. In an earlier year, the Company had committed to cover programmes/news of PPT in its network as "PARADIP PARIKRAMA". As per the terms of the contract, the contents of the programmes were to be provided by PPT for coverage and transmission of the programmes by the Company. Subsequently, PPT had claimed that it incurred Rs. 52.69 lakhs for shooting and covering the same. However, the said claim has not been accepted by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they would adjust the said amount with subscription money payable by PPT to the Company. Accordingly, the Company had filed a writ petition dated July 10, 2006 against the demand of PPT before the Hon'ble High Court, Orissa. The demand had been stayed by the Hon'ble High Court vide its interim Order dated July 20, 2006. The matter is still pending for final hearing. As on date, all earlier contracts with PPT have expired.

39. Financial risk management**39.1 Financial risk factors**

The Company's principal financial liabilities comprise of borrowings, liability towards LCOs, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include loans and advances, investment in equity instruments, trade receivables and cash and bank balances that arise directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk and the Company's senior management oversees the management of these risks.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) Currency risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency payable to vendors for property, plant and equipment and is therefore, exposed to a foreign exchange risk. Foreign currency risk is managed by monitoring the movements in currencies in which foreign vendors are payable. The Company does not enter into or trade financial instrument including derivative for speculative purpose.

The following table demonstrates the sensitivity in the USD to the Indian Rupee and the resulting impact on the Company's Profit / (Loss) before tax, due to changes in the fair value of monetary assets and liabilities :

(Rs. in lakhs)

Particulars	Change in currency exchange rate		Effect on Profit / (Loss) Before Tax	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
USD	+5%	+5%	(280.15)	(245.32)
	-5%	-5%	280.15	245.32

The carrying amount of Company's foreign currency exposure at the end of the reporting period which is not hedged by derivative instrument or otherwise is as follows:

Payable in Foreign Currency	Currency	Amount (USD in Lakhs)	Amount (Rs. in Lakhs)
As at 31st March, 2018	USD	86.14	5,602.97
As at 31st March, 2017	USD	75.67	4,906.30
As at 1st April, 2016	USD	67.35	4,467.68

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
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(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. The interest rate risk is managed by the Company by monitoring monthly cash flows which is reviewed by management to prevent loss of interest.

The following table demonstrates the fixed and floating rate borrowings of the Company:

(Rs. in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Floating rate borrowings	12,488.90	14,879.93	15,445.22
Fixed rate borrowings	7,497.02	2,558.30	1,702.52

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

(a) Trade receivables

The Company extends credit to various corporate customers in the normal course of business. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers.

The ageing of trade receivables is as follows:

(Rs. in lakhs)

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables				
As at 31st March 2018				
Secured	-	-	-	-
Unsecured	4,122.20	2,924.60	2,128.63	9,175.43
Gross total	4,122.20	2,924.60	2,128.63	9,175.43
Provision for doubtful receivables	(2,108.51)	(2,611.63)	(2,074.00)	(6,794.14)
Net total	2,013.69	312.97	54.63	2,381.29
As at 31st March, 2017				
Secured	-	-	-	-
Unsecured	4,815.96	1,840.13	265.39	6,921.48
Gross total	4,815.96	1,840.13	265.39	6,921.48
Provision for doubtful receivables	(369.12)	(142.20)	(17.88)	(529.20)
Net total	4,446.84	1,697.93	247.51	6,392.28
As at 1st April, 2016				
Secured	-	-	-	-
Unsecured	2,962.08	648.44	166.37	3,776.89
Gross total	2,962.08	648.44	166.37	3,776.89
Provision for doubtful receivables	(139.38)	(336.29)	(166.37)	(642.04)
Net total	2,822.70	312.15	-	3,134.85

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016

The Company follows a simplified approach [i.e., based on lifetime Expected Credit Losses ('ECL')] for recognition of impairment loss allowance on trade receivables. For the purpose of computation of ECL, the Company has analysed the trend of bad debts in earlier years. Further, the Company has analysed ECL separately for cable TV (CATV) customers, Broadband customers and Corporate customers primarily because the characteristics and historical bad debts trend was different for different revenue streams. As per this methodology, the Company has determined the ECL as 8.30%, 5.10% and 2.30% for CATV, Broadband and Corporate customers respectively. The Company has made provision for doubtful receivables in respect of both retail and non retail customer, as considered, necessary, based on management's best estimate which is over and above the provision required to be made under ECL model. For other receivables where management did not anticipate any issue in recoverability, loss allowance was provided for in accordance with ECL model as described above.

(b) **Deposits with banks and other financial instruments**

The Company considers factors such as track record, market reputation and service standards to select banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company does not maintain significant cash balances other than those required for its day to day operations.

iii) **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and working capital limits. The company closely monitors its liquidity position through forecasts on the basis of expected cash flows.

39.2 **Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. "In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

40. **Fair value of Financial Assets and Liabilities**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at fair value through other comprehensive income						
Investment in Equity Instrument	211.28	211.28	161.84	161.84	156.83	156.83
Financial Assets designated at amortised cost						
Trade Receivables	2,381.29	2,381.29	6,392.28	6,392.28	3,134.85	3,134.85
Cash and Cash Equivalents	350.35	350.35	393.72	393.72	319.56	319.56
Employee Advances	13.13	13.13	17.03	17.03	11.66	11.66
Security Deposits	267.51	267.51	264.78	264.78	241.97	241.97
Amount recoverable from ESOP Trust	55.72	55.72	44.10	44.10	6.10	6.10
Fixed Deposits with Banks	607.37	607.37	630.49	630.49	3,098.26	3,098.26
Interest accrued but not due on Fixed Deposits with Banks	25.04	25.04	71.40	71.40	184.47	184.47
Income accrued but not due	-	-	-	-	55.50	55.50
Total Financial Assets	3,911.69	3,911.69	7,975.64	7,975.64	7,209.20	7,209.20
Financial Liabilities designated at amortised cost						
LCO Liability	1,426.65	1,426.65	1,723.80	1,723.80	647.59	647.59
Borrowings (including current maturities)	19,985.92	19,985.92	17,438.23	17,438.23	17,147.74	17,147.74
Liability for Operating and Other Expenses	3,115.38	3,115.38	2,387.00	2,387.00	1,774.18	1,774.18
Creditors for Capital Goods	6,747.41	6,747.41	6,454.74	6,454.74	5,171.87	5,171.87
Trade Payables	3,482.11	3,482.11	1,635.41	1,635.41	2,598.77	2,598.77
Interest accrued	889.95	889.95	467.84	467.84	335.20	335.20
Temporary book overdraft	1,752.81	1,752.81	1,705.98	1,705.98	1,449.08	1,449.08
Payable to Employees	2,069.45	2,069.45	1,667.23	1,667.23	401.04	401.04
Others	135.72	135.72	148.35	148.35	150.11	150.11
Total Financial Liabilities	39,605.40	39,605.40	33,628.58	33,628.58	29,675.58	29,675.58

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

- Fair value of trade receivables, other bank balances, deposits, employee advances, trade payables, payables for acquisition of non current assets, demand loans from banks, cash and cash equivalents and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of Non-Current investments in equity instruments of a Body Corporate was calculated based on cash flows discounted using an appropriate rate. It is classified as level 3 in the fair values hierarchy due to the inclusion of unobservable inputs.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

- | | As at
31st March, 2018 | As at
31st March, 2017 | As at
1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| i) Quoted prices/pulished NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like equity shares for which quoted prices are available in active markets at the balance sheet date. | | | |
| ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2. | | | |
| iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. | | | |

Particulars	Fair value measurement using significant unobservable inputs (Level - 3)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Assets			
Investment in Equity	211.28	161.84	156.83
Instrument of Body Corporate			
Total Financial Assets	211.28	161.84	156.83

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy, as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 :

Particulars	Fair value hierarchy	Valuation Technique	Inputs used
Investment in Equity	Level 3	Discounted cash flow	Future cash flows
Instrument of Body Corporate			

41. Disclosure pursuant to Indian Accounting Standard 103 - Business Combinations

The Company acquires the "Cable Network Business" of various Local Cable Operators ('LCOs') which, inter alia, consists of equipments, infrastructure and cable television subscribers and enters into agreements with the LCOs in this regard, whereby the LCOs agree to sell their "Cable Network Business". The LCOs also agree not to compete with the Company for a specified period in the areas where the LCOs have transferred their cable television subscribers to the Company. The amount payable for acquisition of equipments & infrastructure has been capitalised under relevant categories of tangible assets and the amount payable as non-compete fee has been treated as an Intangible asset.

Details of acquisitions that resulted in creation of goodwill are as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Fair Value of consideration paid / payable -	10.84	351.32
Assets taken over		
Property, Plant & Equipment	1.24	82.49
Non - compete fees recognised	7.38	177.57
Total Assets	8.62	260.06
Liabilities taken over	-	-
Net assets taken over	8.62	260.06
Consideration transferred	10.84	351.32
Goodwill	2.22	91.26

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

Details of acquisitions that resulted in bargain purchase are as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Fair Value of consideration paid / payable - Assets taken over	96.65	1,724.97
Property, Plant & Equipment	5.77	557.55
Non - compete fees recognised	112.13	1,562.90
Total Assets	117.90	2,120.45
Liabilities taken over	-	-
Net assets taken over	117.90	2,120.45
Consideration transferred	96.65	1,724.97
Bargain Purchase Gain	21.25	395.48

42. Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

(a) Defined Contribution Plan:

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows:

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's contribution towards:		
- Provident Fund	95.65	101.53
- Employee State Insurance	47.03	33.00

(b) Defined Benefit Plan:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC). The Employees Leave Encashment Scheme, which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

(i) The amounts recognised in the Balance Sheet are as under:

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Gratuity	Leave Encashment	Leave Encashment	Leave Encashment
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present Value of obligation	205.88	203.66	176.03	69.39	72.83	61.61
Fair value of plan assets	(286.67)	(258.94)	(205.75)	-	-	-
Net (Assets) / liabilities recognised in balance sheet	(80.79)	(55.28)	(29.72)	69.39	72.83	61.61
Recognised under:						
Other Current Assets	80.79	55.28	29.72	-	-	-
Provisions:						
Non Current	-	-	-	68.47	71.85	58.92
Current	-	-	-	0.92	0.98	2.69

Notes to Financial Statements for the year ended 31st March, 2018**(ii) Changes in present value of obligation:**

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Gratuity	Leave Encashment	Leave Encashment	Leave Encashment
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present Value of obligation at the beginning of the year	203.66	176.03	128.35	72.83	61.61	34.68
Interest Cost	13.84	12.33	10.10	4.31	4.38	2.60
Current service cost	31.30	35.67	27.37	10.07	13.04	12.94
Benefits paid	(47.96)	(23.20)	(4.21)	(33.95)	(6.61)	(4.31)
Actuarial (gain)/loss on obligation	5.04	2.83	14.42	16.13	0.41	15.70
Present value of obligation as at the end of the year	205.88	203.66	176.03	69.39	72.83	61.61

(iii) Changes in plan assets:

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Gratuity	Leave Encashment	Leave Encashment	Leave Encashment
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fair Value of plan assets as at the beginning of the year	258.94	205.75	166.40	-	-	-
Return on plan assets	15.69	13.39	13.40	-	-	-
Contributions	60.00	63.00	30.16	-	-	-
Benefits paid	(47.96)	(23.20)	(4.21)	-	-	-
Actuarial gain/ (loss) on plan assets	-	-	-	-	-	-
Fair value of plan assets as at the end of the year	286.67	258.94	205.75	-	-	-

(iv) Recognised in the Statement of profit and loss

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Current service cost	31.30	35.67	10.07	13.04
Past Service Cost	17.11	-	-	-
Actuarial Loss/(Gain)	-	-	16.13	0.41
Interest cost	(6.10)	(3.10)	4.31	4.38

Notes to Financial Statements for the year ended 31st March, 2018

(v) Recognised in other comprehensive income;

(Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Remeasurement actuarial loss/(gain)	(7.92)	4.97

(vi) Principle actuarial assumptions at the Balance Sheet date are as follows;

(Rs. in Lakhs)

Particulars	Gratuity	Gratuity	Gratuity	Leave Encashment	Leave Encashment	Leave Encashment
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Discount rate per annum compounded	7.70%	7.50%	8.00%	7.70%	7.50%	7.50%
Rate of increase in salaries	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Rate of return on plan assets	7.70%	7.50%	8.00%	-	-	-
Expected average remaining working lives of employees (years)	21.00	22.00	24.00	21.00	22.00	22.00
Withdrawal rates	1%					
Mortality table	Standard table: Indian Assured Lives Mortality (2006-2008) Ultimate.					

Note : In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage and amount for each category of the fair value of plan assets has not been disclosed.

(vii) The amount for current and previous four years are as follows;

(Rs. in Lakhs)

Particulars	Gratuity				
	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	205.88	203.66	176.03	128.35	94.91
Plan assets	286.67	258.94	205.75	166.40	163.05
Surplus/(deficit)	80.79	55.28	29.72	38.05	68.14
Experience adjustments on plan liabilities	(12.08)	2.83	14.42	7.88	1.09
Experience adjustments on plan assets	-	-	-	0.67	(1.37)

(Rs. in Lakhs)

Particulars	Leave Encashment				
	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	69.39	72.83	61.61	34.68	27.06
Plan assets	-	-	-	-	-
Surplus/(deficit)	(69.39)	(72.83)	(61.61)	(34.68)	(27.06)
Experience adjustments on plan liabilities	16.13	0.41	15.70	(0.17)	(41.51)
Experience adjustments on plan assets	-	-	-	-	-

Notes to Financial Statements for the year ended 31st March, 2018

(viii) Risk exposure

These plans are exposed to the actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk : The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields on government bonds at the end of the reporting period. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ix) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions as per Note 42 (b) (vi) are as follows:-

(Rs. in Lakhs)

Particulars	Change in assumption	Effect on Gratuity obligation	Effect on Leave Encashment
For the year ended 31st March, 2018			
Discount rate	0.50%	193.87	74.80
	-0.50%	219.01	64.53
Salary rate	0.50%	217.87	64.48
	-0.50%	194.58	74.81
Attrition rate	0.50%	206.21	69.18
	-0.50%	205.54	69.60
For the year ended 31st March, 2017			
Discount rate	0.50%	21.71	78.26
	-0.50%	190.38	67.28
Salary rate	0.50%	19.11	67.23
	-0.50%	216.29	78.26
Attrition rate	0.50%	20.27	72.26
	-0.50%	203.52	72.70

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet. The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to prior year.

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

Presentation in the Statement of Profit and Loss, Other Comprehensive Income and Balance Sheet

Gratuity and leave encashment benefits are in the nature of defined benefit plans and re-measurement gains/(losses) on defined benefit plans are shown under OCI as 'Items that will not be reclassified to profit or loss', including the income tax effect on the same.

Expense for service cost, net interest on net defined benefit liability/(asset) is recognised in the Statement of Profit and Loss.

Ind AS 19 does not require segregation of net defined liability/(asset) into current and non-current, however net defined liability/(asset) is bifurcated into current and non-current portions in the balance sheet, as per Ind AS 1 on "Presentation of Financial Statements".

43. Employee Stock Option Scheme 2010 (ESOS 2010)

The Board, vide its resolution dated 19 December 2010, approved (i) ESOS 2010 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment and (ii) Employee Performance Linked Stock Option to be issued at par in lieu of loyalty bonus linked to specified performance target to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof from time to time [since repealed on October 28, 2014 pursuant to the coming into force of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with effect from the said date]. An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the scheme. The eligible employees for the purpose of ESOS 2010 will be determined by the Compensation Committee from time to time. The Employee Performance Linked Stock Option shall be subject to 18 months lock in after the date of allotment whereas the Employee Stock Option is free from lock in. The vesting period of Employee Performance Linked Stock Option and Employee Stock Option are 18 and 36 months respectively with 3 months exercise period for exercising the option to subscriber.

The Company had granted (net of options lapsed) 1,11,436 stock options in 2013-14 under the ESOS 2010 Scheme (Option XII), which had vested in earlier years and were allotted in FY 2017-18. All the exercised options were allotted in the form of Equity Shares.

Details of options granted under ESOS 2010 existing during the year :

Particulars	Employee Stock Option Plan-ESOS 2010 (Option XII)	Employee Stock Option Plan-ESOS 2010 (Option XIII)
Date of grant	23rd September, 2013	21st July, 2014
Date of Board approval	19th December, 2010	19th December, 2010
Number of options granted	1,79,600	48,150
Method of settlement	Equity	Equity
Vesting period (including 3 months Exercise period)	3.25 Years	3.25 Years
Weighted Average Remaining Contractual Life of options (in years)	-	-
Exercise price (Rs.)	70	70

All the above valid options would be allotted in the form of Equity Shares on the basis of 1:1.

Notes to Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

Employee Stock Option Outstanding is as follows:

Particulars	Year Ended March 31, 2018		Year Ended March 31, 2017		Year Ended April 1, 2016	
	Number of Options	Weighted Average Exercise price	Number of Options	Weighted Average Exercise price	Number of Options	Weighted Average Exercise price
Outstanding at the beginning of the year	1,56,586	70	2,06,450	70	2,10,450	70
Granted during the year	-	-	-	-	-	-
Expired/Lapsed during the year	45,150	70	49,864	70	4,000	70
Exercised during the year	1,11,436	70	-	-	-	-
Outstanding at the end of the year	-	-	1,56,586	70	2,06,450	70
Exercisable at the end of the year	-	-	-	-	-	-

Fair Value of share options

The fair value of the options, determined by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	179,600 Options (Vesting Period- 3.25 Years)	48,150 Options (Vesting Period- 3.25 Years)
	Option XII	Option XIII
Grant date share price (Rs.)	140	140
Exercise Price per Option (Rs.)	70	70
Expected Volatility (in %)*	61.43	61
Option Life (in years)	3.25	3.25
Dividend Yield (in %)	0	0
Risk-free interest rate (in %)	8.52	8.47
Fair Value of per options (Rs.)	83.51	89.05

*Since Ortel was an unlisted company at the time of grant of Options, the Expected Volatility (V) was taken based on one year historical volatility index of peer listed companies as per clause 27 of Appendix 1 of the guidance note issued by Institute of Chartered Accountants of India (ICAI).

Employee Stock Option Scheme, 2015 (ESOS 2015/Scheme): The Members of the Company vide their meeting dated 27 July, 2015 approved ESOS 2015 for granting Employee Stock Options in form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company administered by the Nomination & Remuneration Committee ("Committee") of the Board of Directors in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations 2014 and amendments thereof from time to time. The Scheme can be implemented either directly or through an irrevocable Trust. However, if the scheme involves secondary acquisition of shares or gift or both, then it is mandatory to implement the scheme through Trust. The Company may lend or give refundable advance with or without interest to the trust to acquire shares of the Company from secondary market. Such secondary acquisition by trust shall not exceed 2% of the paid up equity capital of the Company as at the end of each financial year. An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the scheme. The eligible employees for the purpose of ESOS 2015 will be determined by the Compensation Committee from time to time. The vesting period of Employee Stock Option is not less than one year and not more than five years from the grant of offer with 3 months exercise period for exercising the option to subscribe. The shares issued against exercise of options may be

Notes to Financial Statements for the year ended 31st March, 2018

subject to lock in for period till repayment of the funds availed from company/trust or for any other period as may be decided by Committee. During period under review, no option is offered/granted pursuant to the scheme. Further, as per the Scheme, the Company has set up an irrevocable Trust, "Ortel Employee Welfare Trust" on 20th November, 2015 to implement the scheme. As on 31st March, 2018, the trust has acquired 39,375 (31st March, 2017: 29,375) no's of equity shares from secondary market at an average acquisition price of Rs.138.03 (31st March, 2017: Rs.147.55) per shares which will offered to eligible employees at future as decided by the Committee.

44. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures

(a) Names of Related Parties

(i) Subsidiary

1 Ortel Broadband Limited

Country of Origin

India (w.e.f. 28th February, 2018)

(ii) Key Management Personnel (KMP)

Name

Designation

1 Mrs. Jagi Mangat Panda

Managing Director

2 Mr. Bibhu Prasad Rath

President & Chief Executive Officer

(iii) Close family members of KMP

Mr. Baijayant Panda - spouse of Mrs. Jagi Mangat Panda

(iv) Entities controlled or jointly controlled or under significant influence of KMP and/or close family members of KMP (with whom transactions have taken place during the year)

1 Indian Metals & Ferro Alloys Limited.

2 Odisha Television Limited.

3 Orissa Infratech Pvt. Ltd.

4 B.P. Developers Private Ltd.

5 Metro Skynet Limited.

(b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous year)

(Rs. in Lakhs)

Sl. No.	Nature of Transactions	Subsidiaries	KMP	Close family members of KMP	Entities controlled or under significant influence of KMP and/or close family members of KMP
1	Managerial Remuneration	- (-)	135.88 (127.14)	- (-)	- (-)
2	Sitting fees paid	- (-)	- (0.50)	0.85 (-)	- (-)
3	Signal Uplinking Income	- (-)	- (-)	- (-)	374.35 (300.87)
4	Rent Received	- (-)	- (-)	- (-)	3.60 (3.60)
5	Rent Paid	- (-)	- (-)	- (-)	0.60 (-)
6	Internet Subscription Fees	- (-)	- (-)	- (-)	20.85 (20.20)

Notes to Financial Statements for the year ended 31st March, 2018

7	Reimbursement of expenses (Paid)	-	24.79	-	14.23
		(-)	(25.86)	(-)	(15.22)
8	Reimbursement of expenses (Received)	-	-	-	55.76
		(-)	(-)	(-)	(103.56)
9	Subscription Fees	-	-	-	2.88
		(-)	(0.19)	(-)	(0.78)
10	Advertisement Expenses	-	-	-	18.00
		(-)	(-)	(-)	(18.00)
11	Channel Carriage Income	-	-	-	214.75
		(-)	(-)	(-)	(210.67)
12	Programming Cost	-	-	-	222.90
		(-)	(-)	(-)	(218.67)
13	Unsecured Loan Received	-	-	-	430.00
		(-)	(-)	(-)	(15.00)
14	Unsecured Loan Repaid	-	-	-	171.10
		(-)	(-)	(-)	(242.88)
15	Interest and Processing Fees on Unsecured Loan	-	-	-	101.23
		(-)	(-)	(-)	(111.55)
16	Commission to Director	-	-	-	-
		(-)	(1.05)	(-)	(-)
17	Issue of Shares under Employee Stock Option Plan	-	18.90	-	-
		(-)	(-)	(-)	(-)
18	Advance Recovery	-	-	-	-
		(-)	(1.29)	(-)	(-)
19	Investment in Equity Instruments	1.00	-	-	-
		(-)	(-)	(-)	(-)
20 a	Outstanding balances as at 31st March, 2018 :				
	a. Receivables	-	-	-	-
	b. Payables	-	108.81	0.71	1,170.82
20 b	Outstanding balances as at 31st March, 2017 :				
	a. Receivables	-	-	-	-
	b. Payables	-	99.98	0.45	774.86
20 c	Outstanding balances as at 1st April, 2016 :				
	a. Receivables	-	-	-	-
	b. Payables	-	13.49	-	1,004.15

Outstanding balances payable at the year-end are unsecured and settlement occurs in cash.

(c) Disclosure in respect of Material Related Party Transactions during the year (excluding reimbursements) :

1. Managerial Remuneration paid to Mrs. Jagi Mangat Panda Rs.67.03 Lakhs (Previous Year: Rs.65.91 Lakhs) and Mr. Bibhu Prasad Rath Rs. 68.85 Lakhs (Previous Year : Rs. 61.23 Lakhs).
2. Sitting fees as nominee paid to Mr. Baijayant Panda Rs.0.85 Lakhs (Previous Year: Rs.0.50 Lakhs).
3. Signal Uplinking Income received from Odisha Television Ltd. Rs.374.35 Lakhs (Previous Year: Rs.300.87 Lakh).
4. Rent Received from Odisha Television Ltd. Rs.3.60 Lakhs (Previous Year: Rs.3.60 Lakhs).
5. Rent paid from Odisha Television Ltd. Rs.0.60 Lakhs (Previous Year: Nil).
6. Internet Subscription Fees received from Odisha Television Ltd. Rs.13.88 Lakhs (Previous Year: Rs.13.97 Lakhs) and Indian Metals & Ferro Alloys Ltd. Rs.6.97 Lakhs (Previous Year: Rs.6.23 Lakhs).

Notes to Financial Statements for the year ended 31st March, 2018

7. Subscription Fees received from Mr. Bibhu Prasad Rath Nil Lakhs (Previous Year Rs 0.19 Lakhs) and Indian Metals & Ferro Alloys Ltd. Rs 1.29 Lakhs (Previous Year: Rs.0.78 Lakhs) and Odisha Television Ltd. Rs. 1.59 Lakhs (Previous Year: Nil).
8. Advertisement Expenses paid to Odisha Television Ltd. Rs.18.00 Lakhs (Previous Year: Rs. 18.00 Lakhs).
9. Channel Carriage Income received from Odisha Television Ltd. Rs.214.75 Lakh (Previous Year: Rs.210.67 Lakhs).
10. Programming Cost paid to Odisha Television Ltd. Rs.222.90 Lakh (Previous Year: Rs.218.67 Lakh).
11. Unsecured Loan received from B.P. Developers Pvt. Ltd. Rs. 250.00 Lakhs (Previous Year: Nil), Metro Skynet Ltd. Rs. 180.00 Lakhs (Previous Year: Nil) and Orissa Infratech Pvt. Ltd. Nil (Previous Year: 15.00 Lakhs).
12. Unsecured Loan repaid to Orissa Infratech Pvt. Ltd. Rs.171.10 Lakhs (Previous Year: Rs.242.88 Lakhs).
13. Interest and Processing Fees on Unsecured Loan paid to Orissa Infratech Pvt. Ltd. Rs.81.54 Lakh (Previous Year: Rs.111.55 Lakh), B.P. Developers Pvt. Ltd. Rs. 19.62 Lakhs (Previous Year: Nil) and Metro Skynet Ltd. Rs. 0.08 Lakhs (Previous Year: Nil).
14. Commission to Director paid to Mr. Baijayant Panda Rs.Nil (Previous Year: Rs.1.05 Lakhs).
15. Issue of Shares under Employee Stock Option Plan to Mr. Bibhu Prasad Rath Rs. 18.90 Lakhs (Previous Year: Nil).
16. Advance Recovery from Mr. Bibhu Prasad Rath is Nil (Previous Year : Rs 1.29 Lakhs).
17. Investment in Equity Instrument made in Ortel Broadband Ltd. Rs. 1.00 Lakhs (Previous Year: Nil).
- (d) Compensation to Key Management Personnel

The compensation to key management personnel during the year was as follows:-

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Short-term employee benefits	121.06	113.11
Post-employment benefits	11.52	11.03
Other Long term Benefits	3.30	2.99
Share Based Payments	1.24	5.84
	137.12	132.97

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

45. CAPITALISATION OF EXPENSES

During the year, the Company has capitalised the following expenses to the cost of Property, Plant and Equipment under the head "Cable Network-Backbone". Consequently, expenses disclosed under the respective notes (in Note Nos. 30 & 33) are net of amounts capitalised by the Company.

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employee Benefits Expense	1,049.39	1,315.02
Other Expenses	75.23	110.12
	1,124.62	1,425.14

46. Advance from customers includes Rs. 74.46 Lakhs, being Electricity Inspection Duty collected from the customers (levied by the Department of Energy, Government of Orissa vide its notification dated March 29, 2002 under Indian Electricity Rules, 1956) but not deposited with the appropriate authorities on the ground that neither the rules nor the notification is applicable to the Company and the charging chapter of the Notification does not authorise the electrical Inspector to levy fees on any person other than the owner of the television connection. The Company has filed a writ petition before Hon'ble High Court of Orissa against the said Notification and obtained an order to the effect that no coercive action can be taken against the Company until the disposal of the case. However, as per the direction of Hon'ble High Court of Orissa vide its order dated February 09, 2007, Rs. 29.00 Lakhs was deposited with the said Court. "Subsequently, Hon'ble High Court of Orissa vide its order dated November 05, 2007 directed the Government of Orissa to take a decision as to whether the inspection charges so far as consumer of television connections are concerned can be waived and/or imposed and also directed the Company not to collect any amount from any individual customer until a decision is taken by the Government of Orissa.

Notes to Financial Statements for the year ended 31st March, 2018

47. Exceptional Items

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
-Provision for doubtful receivables (refer Note No. 47 (a))	3,063.76	-
-Credit notes issued (refer Note No. 47 (b))	1,625.20	95.91
-Provision for Credit notes (refer Note No. 47 (c))	3,194.17	-
	7,883.13	95.91

47(a). "The Company has made provision for doubtful receivables in respect of both retail and non-retail customers, as considered necessary, based on the management's best estimate, which is as follows: "(i) Most of the dues as at 31st March, 2018 in respect of analog customers, have been fully provided for; "(ii) amount outstanding over 90 days in respect of cable TV customers other than as mentioned in (i) above, franchisee customers and broadband customers, has been fully provided for; and "(iii) in case of other receivables, provision has been made on a case to case basis where the management feels that the recovery is doubtful."

47(b). The Company has issued credit notes towards disruption of services/deficient provision of services during the period 1st October, 2016 to 30th June, 2017. Accordingly, the Company has debited the Statement of Profit and Loss towards credit notes issued and the related tax liabilities have been reversed in the books of accounts.

47(c). The Company has made a provision towards credit notes to be issued for disruption of services/deficient provision of services during the period 1st October, 2016 to 30th June, 2017, due to analog to digital conversion and acquisition of Local Cable Operators. This has been done to the extent considered necessary based on the management's best estimate.

48. Expenditure incurred on Corporate Social Responsibility activities is as follows:

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
- Toward Education and employment enhancing vocation skills	15.00	5.30
- Towards environmental development	1.00	1.14
	16.00	6.44

49. Leases

Operating Lease:

Company as a Lessee :

Operating leases for office premises and pole rents are entered into for a period of one to ten years and thereafter renewable by mutual consent of both parties. The operating leases are cancellable by either party giving one to six months notice.

Total lease rent payments recognised in the Statement of Profit and Loss for the year is Rs. 638.84 lakhs (Previous Year : Rs. 599.62 lakhs).

Company as a Lessor :

Future minimum lease rents receivable are summarized below:

(Rs. in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Not later than 1 year	96.74	96.74	96.74
Later than 1 year but not later than 5 years	200.66	297.40	348.87
Later than 5 years	-	-	45.26

Notes to Financial Statements for the year ended 31st March, 2018

Finance Lease:

Company as a Lessee :

The Company has acquired certain Cable Network, Broadband NOC equipment and Computers on finance lease for a maximum period up to forty eight months. The assets will be transferred to the Company at a nominal value at the end of the lease period. The lease agreements are non-cancellable as envisaged in the Indian Accounting Standard 17 on Leases.

The Company has acquired certain Cable Network, Broadband NOC equipment and Computers on finance lease for a period maximum up to forty eight months, The assets will be transferred to the Company at a nominal value at the end of the lease period. The lease agreements are non-cancellable as envisaged in the Indian Accounting Standard 17 on Leases.

(Rs. in Lakhs)

Particulars	Future Minimum Lease Payments			Present Value of Minimum Lease Payments		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Not later than 1 year	518.20	793.27	577.48	498.99	758.99	541.26
Later than 1 year but not later than 5 years	310.44	387.19	387.29	276.19	298.79	316.75
Later than 5 years	-	-	-	-	-	-
Total	828.64	1180.46	964.77	775.18	1057.78	858.01
Future Finance Charges	53.46	122.68	106.76			
Present Value of Minimum Lease Payments	775.18	1,057.78	858.01			

50 Segment Information

"The Company has identified three broad reportable segments which are (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing ('IFL') and it operates in the domestic market only. Segments have been identified and reported taking into account nature of activities, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the Chief Operating Decision Maker ("CODM") of the Company. The following are the additional policies for Segment Reporting : "Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to the Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable". "Segment Assets and Segment Liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Unallocable".

a). Primary Segment Information (Business Segment)

i) Segment Revenue and Results

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2018				Year ended 31st March, 2017			
	Cable TV	Broadband	IFL	Total	Cable TV	Broadband	IFL	Total
A. Segment Revenue								
Revenue from Operations (External customers)	14,540.64	2,316.21	1,172.36	18,029.21	15,318.60	3,590.94	1,110.45	20,019.99
Unallocable	-	-	-	374.35	-	-	-	300.88
Total Revenue	14,540.64	2,316.21	1,172.36	18,403.56	15,318.60	3,590.94	1,110.45	20,320.87
B Segment Results before Finance Cost, Exceptional Items and Taxes	5,807.57	718.10	1,008.58	7,534.25	6,222.50	1,917.35	1,054.95	9,194.80
Less: Unallocable expenses net of income	-	-	-	6,341.76	-	-	-	6,601.53
Less: Finance Costs (net)	-	-	-	2,842.45	-	-	-	2,567.41
Profit/(Loss) before Exceptional Items and Taxes	5,807.57	718.10	1,008.58	(1,649.96)	6,222.50	1,917.35	1,054.95	25.86
Exceptional Items	7,361.26	404.90	116.97	7,883.13	74.44	21.47	-	95.91
Profit/(Loss) before Tax	(1,553.69)	313.20	891.61	(9,533.09)	6,148.06	1,895.88	1,054.95	(70.05)
Tax Expenses	-	-	-	-	-	-	-	-
Profit/(Loss) after Tax	(1,553.69)	313.20	891.61	(9,533.09)	6,148.06	1,895.88	1,054.95	(70.05)

Notes to Financial Statements for the year ended 31st March, 2018

ii) Segment Assets and Liabilities:

(Rs. in Lakhs)

Particulars	Segment Assets			Segment Liabilities		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cable TV	16,331.65	18,848.14	11,363.80	10,006.23	6,802.35	6,714.51
Broadband	2,282.78	2,811.12	1,845.53	899.77	559.13	681.00
IFL	1,993.90	2,220.90	2,207.16	948.34	1.35	2,161.93
Unallocable	26,489.24	26,312.39	30,007.43	33,178.24	31,392.14	24,787.20
Total	47,097.57	50,192.55	45,423.92	45,032.58	38,754.97	34,344.64

iii) Other segment information:

(Rs. in Lakhs)

Particulars	Depreciation and Amortisation Expense (allocable)	Addition to Non - Current Assets (allocable) i.e. Capital Expenditure	Bad Debts and Allowance on Trade Receivables and Advances
Year ended 31st March, 2018			
Cable TV	1,349.65	2,086.78	6,820.63
Broadband	102.88	67.68	606.55
IFL	90.11	35.74	73.67
Unallocable	1,167.38	2,124.51	-
Total	2,710.02	4,314.71	7,500.85
Year ended 31st March, 2017			
Cable TV	1,106.16	6,029.53	2,209.95
Broadband	95.08	821.37	333.55
IFL	87.66	80.21	(21.53)
Unallocable	1,067.11	4,820.41	-
Total	2,356.01	11,751.52	2,521.97

iv) Unallocated Assets comprises of:

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Property, Plant and Equipment	20,650.11	19,991.80	16,308.84
Investments	212.28	161.84	156.83
Capital Work-in-Progress	2,389.26	2,384.67	5,784.67
Income Tax Assets (Net)	622.70	760.81	609.07
Other Assets	2,614.89	3,013.27	7,148.02
Total Assets	26,489.24	26,312.39	30,007.43

Notes to Financial Statements for the year ended 31st March, 2018

v) Unallocated Liabilities comprises of:

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings	19,985.92	17,438.23	17,147.74
Interest Accrued	889.95	467.84	335.20
Temporary Book Overdraft	1,752.81	1,505.98	1,449.08
Creditor for Capital Goods	3,129.35	3,973.84	3,399.63
Other Liabilities	7,420.21	8,006.25	2,455.55
Total Liabilities	33,178.24	31,392.14	24,787.20

b). Information about major customers

No single customer contributed 10% or more to the Company's revenue during the years ended 31st March, 2018 and 31st March, 2017.

51. Explanation of transition to Ind AS

Ind AS 101: First-time Adoption of Indian Accounting Standards

Mandatory exceptions and Optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as on 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from the previously applicable Indian GAAP to Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

a. Mandatory exceptions to the retrospective application of Ind AS

Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the transition date and the Company has complied accordingly. As per Ind AS 101, for financial assets or financial liabilities classified as at amortised cost, if it is impracticable for the Company to apply retrospectively the effective interest method as mentioned in Ind AS 109, the fair value of the financial assets or financial liabilities at the transition date to Ind AS shall be the new gross carrying amount of that financial asset or financial liability at the transition date to Ind AS. For financial assets and financial liabilities classified as at amortised cost, measurement has been done retrospectively by the Company.

b. Voluntary exemptions availed

(i) Deemed cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as on the transition date measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as of the Ind AS transition date.

(ii) Past business combinations

The Company has elected not to apply Ind AS 103 on 'Business Combinations' retrospectively to past business combinations that occurred prior to the Ind AS transition date of April 1, 2016. Hence, Ind AS 103 is being applied to business combinations on or after April 1, 2016 only.

(iii) Share based payment transaction

The Company has availed the exemption of not applying Ind AS 102- 'Share-based Payment' to equity instruments that vested before the transition date to Ind AS.

Notes to Financial Statements for the year ended 31st March, 2018

52. Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016

(Rs. in Lakhs)

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	33,382.00	-	33,382.00	26,085.66	-	26,085.66
Capital Work-in-Progress	3,158.69	-	3,158.69	6,008.44	-	6,008.44
Goodwill	3.27	103.67	106.94	15.68	-	15.68
Other Intangible Assets	2,155.69	(188.57)	1,967.12	689.84	-	689.84
Financial Assets						
- Investments	32.55	129.29	161.84	32.55	124.28	156.83
- Loans	293.11	-	293.11	237.31	-	237.31
- Other Financial Assets	293.23	1.14	294.37	539.71	0.52	540.23
Other Non-Current Assets	598.47	148.66	747.13	737.34	142.27	879.61
Non-Current Tax Assets (Net)	760.81	-	760.81	609.07	-	609.07
Current Assets						
Inventories	64.20	-	64.20	1,300.75	-	1,300.75
Financial Assets						
- Trade Receivables	6,428.82	(36.54)	6,392.28	3,134.85	-	3,134.85
- Cash and Cash Equivalents	393.72	-	393.72	319.56	-	319.56
- Other Bank Balances	359.34	-	359.34	2,575.43	-	2,575.43
- Loans	32.80	-	32.80	22.42	-	22.42
- Other Financial Assets	41.65	6.53	48.18	217.31	5.26	222.57
Other Current Assets	1,893.30	136.72	2,030.02	2,505.61	120.06	2,625.67
Total Assets	49,891.65	300.90	50,192.55	45,031.53	392.39	45,423.92
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	3,036.54	-	3,036.54	3,036.54	-	3,036.54
Other Equity	11,085.80	(2,684.76)	8,401.04	10,912.12	(2,869.38)	8,042.74
LIABILITIES						
Non-Current Liabilities						
Financial Liabilities						
- Borrowings	9,834.86	(20.99)	9,813.87	10,940.29	(33.34)	10,906.95
- Other Financial Liabilities	1,619.33	(400.95)	1,218.38	1,359.36	-	1,359.36
Provisions	71.85	-	71.85	58.92	-	58.92
Other Non-Current Liabilities	-	2,018.98	2,018.98	-	2,227.47	2,227.47
Current liabilities						
Financial Liabilities						
- Borrowings	2,450.00	-	2,450.00	2,000.00	-	2,000.00
- Trade Payables	1,635.41	-	1,635.41	2,598.77	-	2,598.77
- Other Financial Liabilities	18,523.27	(12.34)	18,510.93	12,822.84	(12.34)	12,810.50
Other Current Liabilities	1,633.61	1,400.96	3,034.57	1,300.00	1,079.98	2,379.98
Provisions	0.98	-	0.98	2.69	-	2.69
Total Equity and Liabilities	49,891.65	300.90	50,192.55	45,031.53	392.39	45,423.92

Notes to Financial Statements for the year ended 31st March, 2018

53. Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017

(Rs. in Lakhs)

Particulars	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Statement of Profit and Loss
1. INCOME			
a. Revenue from Operations	20,433.36	(112.49)	20,320.87
b. Other Income	383.83	1.89	385.72
Total Income	20,817.19	(110.60)	20,706.59
2. EXPENSES			
a. Programming Cost	3,844.77	-	3,844.77
b. Bandwidth Cost	1,699.15	-	1,699.15
c. Employee Benefits Expense	2,456.22	(2.76)	2,453.46
d. Finance Costs	2,521.32	140.72	2,662.04
e. Depreciation and Amortisation Expense	2,404.97	(48.96)	2,356.01
f. Property, Plant and Equipment written off	439.90	-	439.90
g. Other Expenses	7,211.90	13.50	7,225.40
Total Expenses	20,578.23	102.50	20,680.73
Profit/(Loss) before Exceptional Items and Tax	238.96	(213.10)	25.86
Exceptional Items - (Income) / Expense	95.91	-	95.91
Profit/(Loss) Before Tax	143.05	(213.10)	(70.05)
Tax Expense:			
-Current Tax	-	-	-
-Deferred Tax	-	-	-
Profit/(Loss) After Tax	143.05	(213.10)	(70.05)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement Gains/(Losses) on Defined Benefit Plans	-	(4.97)	(4.97)
- Bargain Purchases Gain	-	395.48	395.48
- Equity Instruments through Other Comprehensive Income	-	5.01	5.01
Total Comprehensive Income for the year	143.05	182.42	325.47
[comprising profit/(loss) and other comprehensive income for the year]			

54. Reconciliation of Equity between the previously applicable Indian GAAP and Ind AS is as follows:-

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2017	1st April, 2016
Equity as per the previously applicable Indian GAAP (Equity Share Capital + Reserves and Surplus)	14,122.34	13,948.66
Add/(Less) : Adjustments under Ind AS		
a) Ancillary borrowing costs' treatment as per the EIR method	33.34	45.68
b) Connection fee revenue being deferred and amortised over customer relationship period (net of sales incentive on new connections)	(3,134.57)	(3,045.12)
c) Effect of expected credit loss	(36.54)	-
d) Fair Valuation of Investment in equity instrument	129.29	124.28
e) Bargain purchase gain recognised on acquisition of LCOs	395.48	-
f) Reversal of Amortisation of Goodwill	12.42	-
g) Reversal of amortization of Non Compete Fee recognised on acquisition of LCOs	36.54	-
h) Finance cost recognised on deferred payment terms to LCOs as per EIR method	(128.38)	-
i) Other Ind AS adjustments	7.66	5.78
Total Equity as per Ind AS	11,437.58	11,079.28

Notes to Financial Statements for the year ended 31st March, 2018

55. Reconciliation of Profit/(Loss) between the previously applicable Indian GAAP and Ind AS is as follows:

(Rs. in Lakhs)

Particulars	31st March, 2017
Net profit as per the previously applicable Indian GAAP	143.05
a. Ancillary borrowing costs' treatment as per the EIR method	(12.34)
b. Connection fee revenue being deferred and amortised over customer relationship period (net of sales incentive on new connections)	(89.47)
c. Reversal of amortization of Non Compete Fee recognised on acquisition of LCOs	36.54
d. Provision for expected credit loss	(36.54)
e. Finance cost recognised on deferred payment terms to LCOs as per the EIR method	(128.38)
f. Reversal of Amortisation of Goodwill	12.42
g. Actuarial remeasurement of Defined Benefit Obligation taken to other comprehensive income	4.97
h. Employee stock option plan measured at fair value	(2.20)
i. Other Ind AS adjustments	1.90
Net Profit before Other Comprehensive Income as per Ind AS	(70.05)
Other Comprehensive Income	395.52
Total Comprehensive Income after tax as per Ind AS	325.47

56. Previous year/period figures have been regrouped/rearranged, wherever considered necessary, to make them comparable with those of current year.

 For Haribhakti & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 103523W/W100048

For and on behalf of Board of Directors

 Sd/-
 Anand Kumar Jhunjunwala
 Partner
 Membership No. 056613

 Sd/-
 Jagi Mangat Panda
 Managing Director

 Sd/-
 J.B. Pany
 Director

 Place: Bhubaneswar
 Date: 22nd May, 2018

 Sd/-
 Bidu Bhushan Dash
 Company Secretary

 Sd/-
 Satya Narayan Jena
 Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Ortel Communications Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Ortel Communications Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the

Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up

to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate financial statements of the subsidiary prepared by the management, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, its consolidated loss (including consolidated other comprehensive income), consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note No.47)a) to the consolidated Ind AS financial statements relating to provision for doubtful receivables amounting to Rs. 3063.76 lakhs, Note No. 47)b) relating to credit notes issued amounting to Rs. 1625.20 lakhs and Note No. 47)c) relating to provision for credit notes amounting to Rs.3194.17 lakhs.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the Ind AS financial statements of the subsidiary, whose Ind AS financial statements reflects total assets of Rs. 67,265 as at 31st March, 2018, total revenues of Rs. Nil and net cash inflows amounting to Rs. 67,265 for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements are unaudited and have been certified by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the subsidiary is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these unaudited Ind AS financial statements are not material to the consolidated Ind AS financial statements.

Our opinion on the Consolidated Ind AS Financial Statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the unaudited Ind AS financial statements of the subsidiary prepared by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matters described in the 'Emphasis of Matters' paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group;
- f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the representation of the management regarding the subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2018 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 Group and the operating effectiveness of such controls, we have given our separate report in respect of the Holding Company alongwith our audit report on the standalone Ind AS financial statements of the Holding Company. The non-

material subsidiary company was incorporated on 28th February 2018, is yet to commence commercial operations and its Ind AS financial statements are unaudited and certified by the management. Hence, evaluation of the adequacy of the internal financial controls over financial reporting of the subsidiary is not applicable as at 31st March, 2018.

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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note Nos. 38 and 46 to the consolidated Ind AS financial statements;

(ii) The Group 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 Group.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Bhubaneswar

22nd May, 2018

Consolidated Balance Sheet as at March 31, 2018

(Rs. in Lakhs)

	Note No.	As at 31st March, 2018
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2	34,694.42
Capital Work-in-Progress	2	2,965.03
Goodwill	3	109.16
Other Intangible Assets	3	1,576.53
Financial Assets		
- Investments	4	211.28
- Loans	5	303.92
- Other Financial Assets	6	551.07
Other Non-Current Assets	7	433.85
Non-Current Tax Assets (Net)		622.70
Current Assets		
Inventories	8	59.46
Financial Assets		
- Trade Receivables	9	2,381.29
- Cash and Cash Equivalents	10	351.02
- Other Bank Balances	11	75.10
- Loans	12	32.44
- Other Financial Assets	13	6.24
Other Current Assets	14	2,723.73
Total Assets		47,097.24
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	15	3,047.69
Other Equity		(983.03)
Non-Controlling Interest		-
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
- Borrowings	16	10,349.67
- Other Financial Liabilities	17	1,029.31
Provisions	18	68.47
Other Non-Current Liabilities	19	1,205.00

Current liabilities

Financial Liabilities

- Borrowings	20	2,880.00
- Trade Payables	21	3,482.11
- Other Financial Liabilities	22	21,864.31
Other Current Liabilities	23	4,152.79
Provisions	24	0.92

Total Equity and Liabilities

47,097.24

Notes to Consolidated Financial Statements 1 to 47

The Notes referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sd/-

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Place: Bhubaneswar

Date: 22nd May, 2018

For and on behalf of Board of Directors

Sd/-

Jagi Mangat Panda
Managing Director

Sd/-

Bidu Bhushan Dash
Company Secretary

Sd/-

J.B. Pany
Director

Sd/-

Satya Narayan Jena
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in Lakhs)

	Note No.	As at 31st March, 2018
INCOME		
Revenue from Operations	25	18,403.56
Other Income	26	209.74
Total Income		18,613.30
EXPENSES		
Programming Cost		4,525.56
Bandwidth Cost	27	1,802.81
Employee Benefits Expense	28	2,080.25
Finance Costs	29	2,918.85
Depreciation and Amortisation Expense	30	2,710.02
Property, Plant and Equipment written off		412.02
Other Expenses	31	5,814.08
Total Expenses		20,263.59
Profit / (Loss) before Exceptional Items and Tax		(1,650.29)
Exceptional Items - (Income)/Expense	47	7,883.13
Profit / (Loss) Before Tax		(9,533.42)
Tax Expense:		
-Current Tax		-
-Deferred Tax		-
Profit / (Loss) After Tax		(9,533.42)
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Remeasurement Gains/(Losses) on Defined Benefit Plans		7.92
- Bargain Purchases Gain		21.25
- Equity Instruments through Other Comprehensive Income		49.44
Total Comprehensive Income for the year (before adjustment for Non-Controlling Interest)		(9,454.81)
[comprising profit/(loss) and other comprehensive income for the year]		
Profit/(Loss) attributable to :		
(a) Owners of the Parent		(9,533.42)
(b) Non-Controlling Interest		-
Other Comprehensive Income/(Expense) attributable to :		
(a) Owners of the Parent		78.61
(b) Non-Controlling Interest		-
Total Comprehensive Income/(Expense) after tax attributable to :		
(a) Owners of the Parent		(9,454.81)
(b) Non-Controlling Interest		-

Earnings per Equity Share of par value of Rs. 10/- each

Basic and Diluted (In Rs.)

(31.30)

Notes to Consolidated Financial Statements

1 to 47

The Notes referred to above form an integral part of the Consolidated Statement of Profit and Loss.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

For and on behalf of Board of Directors

Sd/-

Anand Kumar Jhunjhunwala

Partner

Membership No.056613

Place: Bhubaneswar

Date: 22nd May, 2018

Sd/-

Jagi Mangat Panda

Managing Director

Sd/-

Bidu Bhushan Dash

Company Secretary

Sd/-

J.B. Pany

Director

Sd/-

Satya Narayan Jena

Chief Financial Officer

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

(Rs. in Lakhs)

Balance at the beginning	Changes in equity share capital during the year	Balance at the end
As at 1st April, 2017	2017-18	As at 31st March, 2018
3,036.54	11.15	3,047.69

B. Other Equity and Non-Controlling Interest

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)		Total
	Securities Premium Reserve	Employee Stock Options Outstanding	General Reserve	Retained Earnings	Capital Reserve on Bargain Purchase	Equity Instruments measured at FVTOCI	
Balance as at 31st March, 2017	17,951.77	126.83	31.50	(10,190.82)	395.48	86.28	8,401.04
Loss for the year	-	-	-	(9,533.42)	-	-	(9,533.42)
Other comprehensive income	-	-	-	7.92	21.25	49.44	78.61
Expiry of Employee Stock Options	-	(37.65)	37.65	-	-	-	-
Shares Issued on exercise of Employee Stock Options	159.92	(93.06)	-	-	-	-	66.86
Compensation for options during the year	-	3.88	-	-	-	-	3.88
Balance as at 31st March, 2018	18,111.69	-	69.15	(19,716.32)	416.73	135.72	(983.03)

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of Board of Directors

Sd/-
Anand Kumar Jhunjunwala
Partner
Membership No.056613

Sd/-
Jagi Mangat Panda
Managing Director

Sd/-
J.B. Pany
Director

Place: Bhubaneswar
Date: 22nd May, 2018

Sd/-
Bidu Bhushan Dash
Company Secretary

Sd/-
Satya Narayan Jena
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2018

	(Rs. In Lakhs) Year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax	(9,533.42)
Adjustments for:	
Depreciation and Amortisation Expense	2,974.96
Effect of amortisation of income & expenses (net)	(695.51)
Provision for doubtful receivables	7.01
Exceptional Items	6,257.93
Property, Plant and Equipment written off	412.02
Unrealised foreign exchange (gain)/loss	(17.25)
Interest Income	(76.40)
Finance Costs	2,918.85
Bad Debts written off	1,235.91
Employee Stock Option Expenses	3.88
Liability no longer required written back	(0.49)
Operating Profit before Working Capital Changes	3,487.49
Adjustments for:	
Trade Payables	1,864.42
Provisions	4.48
Other Liabilities	591.32
Financial Liabilities	1,607.09
Trade Receivables	(3,489.86)
Inventories	4.74
Loans and Advances	(10.44)
Other Assets	(412.17)
Cash Generated from Operations	3,647.07
Direct Taxes paid	138.11
Net Cash Generated from Operating Activities	3,785.18
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(3,705.09)
Investment in Fixed Deposits	23.13
Payment for Non Compete Fee to Local Cable Operators	(564.79)
Interest received	125.08
Net Cash Used in Investing Activities	(4,121.67)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of Equity Shares(net)	171.08
Proceeds from long term borrowings	6,052.97
Repayment of long term borrowings	(3,952.39)
Proceeds from current borrowings	430.00
Finance cost paid	(2,407.87)
Net Cash Generated from Financing Activities	293.79
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(42.70)
Cash and Cash Equivalents at the beginning of the year	393.72
Cash and Cash Equivalents at the end of the year (refer Note No.10)	351.02

Notes:

1. The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of Board of Directors

Sd/-
Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Place: Bhubaneswar
Date: 22nd May, 2018

Sd/-
Jagi Mangat Panda
Managing Director

Sd/-
Bidu Bhushan Dash
Company Secretary

Sd/-
J.B. Pany
Director

Sd/-
Satya Narayan Jena
Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

1. Significant Accounting Policies

1.1 Principles of Consolidation

The Consolidated Financial Statements ("CFS") relate to Ortel Communications Limited ("the Company") and its subsidiary company (the Company and its subsidiary collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The financial statements of the subsidiary used in the consolidation are drawn and certified by the management up to the same reporting date as that of the Company i.e. 31st March, 2018. Such financial statements are not material from a consolidation point of view since the subsidiary is yet to commence commercial operations.

The list of subsidiary company which is included in the consolidation and the Company's holding therein is as under:

Sl. No.	Name of the Company	Ownership / voting power in % as at	Principal place of Business/ Country of Incorporation
		31st March, 2018	
1	Ortel Broadband Limited	100.00%	India

- These Consolidated Financial Statements were approved for issue by the board of directors of the Company on 22nd May, 2018.

1.3 Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate (standalone) Ind AS financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

2. Property, Plant and Equipment and Capital Work- In- Progress

Rs. in Lakh

Particulars	Tangible Assets- Own														Capital Work-in-Progress	
	Land	Buildings	Cable Network-Backbone	Cable Network-Drop	Cable Network-Infrastructure Leasing	Head End Equipments	Maintenance Equipments	Broadband NOC Equipments	Furniture and Fixtures	Computers	Office Equipments	Motor Vehicles	Electrical Installations	Signal uplinking equipments *		Total
A. OWN ASSETS																
Gross Carrying Amount																
As at 31st March, 2017	37.95	196.73	14,504.82	11,318.95	1,862.42	3,088.42	396.44	478.21	135.32	299.58	158.62	23.50	514.46	303.13	33,318.55	3,158.69
Additions/Adjustments **	-	-	1,567.44	2,724.47	35.74	51.48	13.23	28.10	7.04	48.30	9.59	-	5.77	-	4,491.16	2,741.06
Deductions/Adjustments	-	-	4.42	639.36	-	0.32	1.93	-	-	-	0.93	2.17	0.91	-	650.04	2,934.72
As at 31st March, 2018	37.95	196.73	16,067.84	13,404.06	1,898.16	3,139.58	407.74	506.31	142.36	347.88	167.28	21.33	519.32	303.13	37,159.67	2,965.03
Accumulated Depreciation & Amortisation																
As at 31st March, 2017	-	3.66	736.65	717.32	87.66	156.93	22.15	17.74	26.35	78.66	31.27	5.98	85.18	35.57	2,005.12	-
Charge for the year	-	3.67	828.58	926.81	90.11	170.36	23.26	23.07	26.84	96.35	29.53	5.11	84.65	35.59	2,343.93	-
Disposals / Adjustments	-	-	0.36	231.75	-	0.02	0.25	-	-	-	0.37	1.36	0.23	-	234.34	-
As at 31st March, 2018	-	7.33	1,564.87	1,412.38	177.77	327.27	45.16	40.81	53.19	175.01	60.43	9.73	169.60	71.16	4,114.71	-
Net Carrying Amount																
As at 31st March, 2018	37.95	189.40	14,502.97	11,991.68	1,720.39	2,812.31	362.58	465.50	89.17	172.87	106.85	11.60	349.72	231.97	33,044.96	2,965.03

Particulars	Tangible Assets- Leased														Capital Work-in-Progress
	Land	Buildings	Cable Network-Backbone	Cable Network-Drop	Cable Network-Infrastructure Leasing	Head End Equipments	Maintenance Equipments	Broadband NOC Equipments	Furniture and Fixtures	Computers	Office Equipments	Motor Vehicles	Electrical Installations	Signal uplinking equipments	
B. LEASED ASSETS															
Gross Carrying Amount															
As at 31st March, 2017	54.67	-	420.37	1,667.80	-	-	-	-	-	-	-	-	-	-	2,142.84
Additions/Adjustments **	-	-	45.88	36.96	-	-	-	3.53	-	5.21	-	-	-	-	91.58
Deductions/Adjustments	-	-	69.81	333.78	-	-	-	-	-	-	-	-	-	-	403.59
As at 31st March, 2018	54.67	-	396.44	1,370.98	-	-	-	3.53	-	5.21	-	-	-	-	1,830.83
Accumulated Depreciation & Amortisation															
As at 31st March, 2017	0.63	-	14.95	58.69	-	-	-	-	-	-	-	-	-	-	74.27
Charge for the year	0.62	-	24.91	100.22	-	-	-	0.08	-	0.82	-	-	-	-	126.65
Disposals / Adjustments	-	-	3.35	16.20	-	-	-	-	-	-	-	-	-	-	19.55
As at 31st March, 2018	1.25	-	36.51	142.71	-	-	-	0.08	-	0.82	-	-	-	-	181.37
Net Carrying Amount															
As at 31st March, 2018	53.42	-	359.93	1,228.27	-	-	-	3.45	-	4.39	-	-	-	-	1,649.46
TOTAL OF NET CARRYING AMOUNT (OWN ASSETS + LEASED ASSETS)															
As at 31st March, 2018	91.37	189.40	14,862.90	13,219.95	1,720.39	2,812.31	362.58	468.95	89.17	177.26	106.85	11.60	349.72	231.97	34,694.42
															2,965.03

* Asset given on operating lease

** Includes assets acquired during acquisition of Local Cable Operators('LCOs')

Note: Refer Note No. 42 for capitalisation of expenses.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

3. Goodwill And Other Intangible Assets

(Rs. in Lakhs)

As at 31st March, 2018

Particulars	Other Intangible Assets			Goodwill
	Computer Software	Non Compete Fees	Total	
Gross Carrying Amount				
As at 31st March, 2017	42.25	2,322.95	2,365.20	106.94
Additions/Adjustments	13.84	119.50	133.34	2.22
Deductions/Adjustments	-	21.78	21.78	-
As at 31st March, 2018	56.09	2,420.67	2,476.76	109.16
Accumulated Amortisation				
As at 31st March, 2017	11.29	386.79	398.08	-
Charge for the year	9.12	514.81	523.93	-
Disposals / Adjustments	-	21.78	21.78	-
As at 31st March, 2018	20.41	879.82	900.23	-
Net Carrying Amount				
As at 31st March, 2018	35.68	1,540.85	1,576.53	109.16

(Rs. in Lakhs)

As at 31st March, 2018

4. Investments

Non-Current Investments

Investments in Equity Instruments of Body Corporate designated at fair value through other comprehensive income (Unquoted)

325,500 Equity Shares of Rs.10/- each, fully paid-up in Odisha Television Limited

Aggregate amount of unquoted investment

211.28

211.28

5. Loans

Unsecured, Considered good

Employee Advances

Security Deposits*

Amount recoverable from ESOP Trust

-

248.20

55.72

303.92

* Includes deposit with Hon'ble High Court of Orissa Rs. 29.00 Lakhs

6. Other Financial Assets

Non Current portion of Other Bank Balances:

-Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien)*

Interest accrued but not due on Fixed Deposits with Banks

532.27

18.80

551.07

*Includes:

-Margin Money Deposits

-Deposits pledged with banks against borrowings

384.89

147.38

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

	(Rs. in Lakhs)
As at 31st March, 2018	
7. Other Non-Current Assets	
Unamortised Sales Incentive Costs	117.69
Other advances	130.51
Advance for Capital Goods	185.65
	<u>433.85</u>
8. Inventories	
Stores and Spares	59.46
	<u>59.46</u>
9. Trade Receivables	
Unsecured, considered good	2,381.29
Unsecured, considered doubtful	6,794.14
	<u>9,175.43</u>
Less: Provision for doubtful receivables (refer Note No. 32)	6,794.14
	<u>2,381.29</u>
Note :- Refer Note No. 36.1(ii)(a) for ageing analysis.	
10. Cash and Cash Equivalents	
Balances with Banks:	
In Current Accounts	196.41
Fixed Deposits with Banks having original maturity of three months or less:	
-Not under Lien	-
-Under Lien*	-
Cheques on hand*	19.35
Cash on hand	135.26
	<u>351.02</u>
* Cheques on hand have been since realised amounting to 9.66 Lakhs	
11. Other Bank Balances	
Fixed Deposits with Banks having balance maturity of twelve months or less:	
-Not under Lien	-
-Under Lien*	75.10
	<u>75.10</u>
* includes	
Margin money deposits	
- 12 months or less	75.10
Deposits pledged with banks against borrowings	-
- 12 months or less	
12. Loans	
Unsecured, Considered good	
Employee Advances	13.13
Security Deposits	19.31
	<u>32.44</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

		(Rs. in Lakhs)
		As at 31st March, 2018
13. Other Financial Assets		
Interest accrued but not due on Fixed Deposits with Banks		6.24
		<u>6.24</u>
14. Other Current Assets		
Advance for Supplies / Services		2,289.92
Prepaid Expenses		125.66
Balances with Statutory/Government Authorities		91.42
Receivable on account of Gratuity		80.79
Unamortised Sales Incentive costs		135.94
		<u>2,723.73</u>
15. Share Capital		
Authorised:		
Equity Shares:		
35,000,000 Equity Shares, Rs.10/- par value per share		3,500.00
Preference Shares:		
66,000,000 Preference Shares Rs.10/- par value per share		6,600.00
		<u>10,100.00</u>
Issued, Subscribed and Paid-up:		
30,476,900 Equity Shares, Rs.10/- par value per share fully paid		3,047.69
		<u>3,047.69</u>

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2018	
	No. of shares	Rs. in Lakhs
At the beginning of the year	3,03,65,464	3,036.54
Add: Issued during the year on exercise of Employee Stock Options	1,11,436	11.15
At the end of the year	3,04,76,900	3,047.69

Rights, preferences & restrictions in respect of each class of shares

The Company's authorised share capital consists of two classes of shares, referred to as Equity Shares and Preference Shares, having a par value Rs. 10/- each.

Each holder of Equity Share is entitled to one vote per share. Preference Shareholder is eligible to vote only on the resolutions directly affecting the rights attached to his Preference Shares. The preferential shareholders have preferential right over the equity shareholders in respect of repayment of capital and payment of dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at 31st March, 2018	
	No. of shares	% of Shareholding
Metro Skynet Limited	48,59,512	15.94%
Panda Investments Private Limited	46,36,510	15.21%
Rivendell PE , LLC (formerly known as NSR-PE Mauritius LLC)	45,88,748	15.06%
Raila Enterprises Private Limited	25,80,441	8.47%
Odisha Television Limited	20,07,293	6.59%

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

		(Rs. in Lakhs)
		As at 31st March, 2018
16. Borrowings		
Secured		
Rupee Term Loans from:		
Banks		4,324.45
Others		10,657.84
Finance Lease Obligations		776.99
Total Borrowings		15,759.28
Less: Current Maturities		
Banks		1,174.87
Others		4,823.35
Finance Lease Obligations		479.74
	(A)	9,281.32
Unsecured		
Rupee Term Loans from:		
Others		1,346.64
Less: Current Maturities		278.29
	(B)	1,068.35
Total Non-Current Borrowings	(A+B)	10,349.67

16.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 22) and their repayment terms :

Amounts carried in Note No. 16 and 22 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

Security Description:

- Term Loans of Rs.1,563.80 Lakhs from banks are secured by way of hypothecation of Fixed assets. The following have been provided as collateral:
Already hypothecated fixed assets purchased out of term loans availed from Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) and SREI Equipment Finance Limited (SREI) charged on pari passu basis, equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits of Rs.147.38 Lakhs and personal guarantee of one of the Directors.
- Term Loans of Rs.2,113.98 Lakhs from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan and ranking pari passu with other Banks. Second charge on fixed assets already hypothecated to other banks and institutions. The following have been provided as collateral:
Equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of Immovable property and flat at Cuttack and Bhubaneswar, pledge of term deposits of Rs.Nil and personal guarantee of one of the Directors.
- Term Loans of Rs.677.95 Lakhs from banks are secured by way of pari passu charge on assets/equipments acquired out of the said Term Loan. The following have been provided as collateral:
Equitable mortgage of leasehold property at Rourkela.
- Term Loans of Rs.9,933.17 Lakhs from Others are secured by way of First/exclusive charge created by way of hypothecation of assets including various networking equipment and personal guarantee of one of the Directors. The following have been provided as collateral :
Against Term Loan of Rs.9,388.12 Lakhs , equitable mortgage of immovable property at Raipur together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future.
- Term Loan of Rs.802.98 Lakhs from Others are secured on equipment together with all parts, accessories and substitutions taken out of the said Term Loan.
- Finance Lease Obligations of Rs.776.99 Lakhs from Others are secured on equipment together with all parts, accessories and substitutions taken on lease.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

16.2 Long Term Borrowings (Continued)

Terms of repayment:

Tenure	As at 31st March, 2018		
	Amount	Interest	Repayment Terms of residual amount

Residual Maturity

Term Loans from Banks:

3-5 Years	717.80	KBL Base Rate + 3%	Repayable in 42 equal monthly installments of Rs.16.60 Lakhs & the final installment (60th) of Rs.20.60 Lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period. Three installments are due for payment as of 31st March 18 amounting to Rs.49.80 Lakhs.
3-5 Years	846.00	KBL Base Rate + 3%	Repayable in 60 equal monthly installments of Rs.14.00 Lakhs & the final installment (72nd) of Rs.6.00 Lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during holiday period. Three installments are due for payment as of 31st March 18 for Rs.42.00 Lakhs.
3-5 Years	1,113.99	UCO MCLR + 4.65%	Repayable in 46 equal monthly installments of Rs.25 Lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period. Three installments due as of 31st March 18 for Rs.57.98 Lakhs.
Above 5 Years	999.99	UCO MCLR + 4.65%	Repayable in 71 equal monthly installments of Rs.14 Lakhs & the final installment (72nd) of Rs.6.00 Lakhs after an initial holiday period of 12 months after the disbursement. Interest to be serviced on monthly basis including during holiday period.
Above 5 Years	677.95	UBI Base rate + 4.00%	Repayable in 47 equal monthly installments of Rs.14.00 Lakhs & the final installment (60th) of Rs.19.95 Lakhs after an initial holiday period of 12 months. Interest to be serviced on monthly basis including during

Term Loans from Others (Secured)

1-3 Years	545.05	"16%" (Floating)**	16 monthly installments of Rs.38.32 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.102.81 Lakhs.
1-3 Years	3,167.23	"16%" (Floating)**	16 monthly installments of Rs.224.73 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.573.26 Lakhs.
3-5 Years	824.08	"14.25%" (Floating)**	40 monthly installment of 26.08 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.72.85 Lakhs.
3-5 Years	733.29	"14.25%" (Floating)**	43 monthly installment of 21.97 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.60.35 Lakhs.
3-5 Years	474.31	"14.25%" (Floating)**	45 monthly installment of 13.73 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.37.53 Lakhs.
3-5 Years	389.21	"14.25%" (Floating)**	47 monthly installment of 10.98 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.20.71 Lakhs.
3-5 Years	400.00	14.25%	48 monthly installment of 10.98 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.28.57 Lakhs.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

3-5 Years	400.00	14.25%	3 monthly installments of Rs.4.84 Lakhs and 48 monthly installment of 10.98 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.10.33 Lakhs.
3-5 Years	1,000.00	13.50%	5 monthly installments of Rs.11.46 Lakhs and 48 monthly installment of 27.09 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.22.14 Lakhs.
3-5 Years	400.00	13.50%	6 monthly installments of Rs.4.58 Lakhs and 48 monthly installment of 10.83 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.16.48 Lakhs.
3-5 Years	600.00	13.50%	7 monthly installments of Rs.6.87 Lakhs and 48 monthly installment of 16.25 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.14.77 Lakhs.
3-5 Years	1,000.00	13.50%	11 monthly installments of Rs.11.46 Lakhs and 48 monthly installment of 27.08 Lakhs. Installments are inclusive of interest. Three installments due as of 31st March, 2018 for Rs.29.26 Lakhs.
1-3 Years	802.98	11.26%	Repayable in 4 quarterly installments of Rs.58.01 Lakhs, 4 quarterly installments of Rs.60.74 Lakhs and 8 quarterly installments of Rs.67.68 Lakhs. Installments are inclusive of interest.
Term Loans from Others (Unsecured):			
3-5 Years	383.84	14.25%	24 monthly installments of Rs.18.47 Lakhs. Installments are inclusive of interest. Two installments due as of 31st March, 2018 for Rs.36.05 Lakhs.
3-5 Years	112.80	14.25%	25 equal monthly installments. Interest to be serviced on monthly basis on balance outstanding. Three installments due as of 31st March, 2018 for Rs.16.96 Lakhs.
3-5 Years	850.00	9.00%	Payable within 5 years with interest payable annually
Finance Lease Obligations:			
1-3 Years	699.86	8.50% **	Repayable in 19 monthly installments which vary for each phase. 31 phases have been disbursed till March 31, 2017. Repayment for Phase 1 started on June 2008. Repayment upto 31st Schedule will end on September 2019. 1-23 phases has been repaid in full till March 31, 2018. One installment due as of 31st March, 2018 for Rs.39.36 Lakhs.
1-3 Years	77.13	11.91%	Repayable in 13 quarterly installments of Rs.7.08 Lakhs. Installments are inclusive of interest.

*Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variations.

** Interest rate is different for different phases, average interest rate being approx 8.50%.

(Rs. in Lakhs)
As at 31st March, 2018

17. Other Financial Liabilities

Long-Term LCO Liability	1,007.42
Security Deposits	21.89
	<u>1,029.31</u>

18. Provisions

Provision for Employee Benefits:	
- Leave Entitlement	68.47
	<u>68.47</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

	(Rs. in Lakhs)
	As at 31st March, 2018
19. Other Non-Current Liabilities	
Unamortised Infrastructure Leasing Income	351.23
Unamortised Connection Fee Income	853.77
	<u>1,205.00</u>
20. Borrowings	
Loans repayable on demand (Secured) :	
Working Capital facilities from bank	2,000.00
Unsecured Term Loan :	
From Others	880.00
Total Current Borrowings	<u>2,880.00</u>
20.1	Secured by way of hypothecation of stocks of Networking items and book debts of the Company. The following assets are kept as collateral : Already hypothecated fixed assets purchased out of term loan availed from IPICOL and SREI charged on pari passu basis, equitable mortgage of leasehold property at Bhubaneswar, equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar and personal guarantee of one of the Directors.
21. Trade Payables	
Micro and small enterprises (refer Note No. 21.1)	-
Others	3,482.11
	<u>3,482.11</u>
21.1	Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Group and the required disclosures are given below:
Due to Micro and small enterprises	
a) The principal amount and interest due thereon remaining unpaid to any supplier	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-
d) The amount of interest accrued and remaining unpaid	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-
	<u>-</u>

Dues as above, to the Micro and Small enterprises have been determined by the Management. This has been relied upon by the auditors.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

	(Rs. in Lakhs)
	As at 31st March, 2018
22. Other Financial Liabilities	
Current Maturities of Borrowings (refer Note No. 16)	6,276.51
Current Maturities of Finance Lease Obligations (refer Note No. 16)	479.74
Interest accrued but not due on Borrowings	431.03
Interest accrued and due on Borrowings	458.92
Temporary bank overdraft (Unsecured)	419.23
Other Payables:	
- Payable to Employees	2,069.45
- LCO Liability	419.23
- Creditors for Capital Goods	6,747.41
- Earnest Money Deposits	113.83
- Liability for Operating Expenses	3,115.38
	<u>21,864.31</u>
23. Other Current Liabilities	
Statutory Liabilities	2,301.12
Advance from Customers (refer Note No.46)	195.21
Security Deposits	8.64
Liability for Operating Expenses	160.13
Unamortised Connection Fee Income	891.93
Unamortised IFL Fee Income	595.76
	<u>4,152.79</u>
24. Provisions	
Provision for Employee Benefits :	
- Leave Entitlement	0.92
	<u>0.92</u>
25. Revenue From Operations	
Cable Subscription Fees	11,376.53
Internet Subscription Fees	2,154.62
Channel Carriage Fees	2,307.20
Connection Fees- Cable TV	856.90
Connection Fees- Internet	161.60
Income from Infrastructure Leasing	1,172.36
Signal Uplinking Income	374.35
	<u>18,403.56</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

		(Rs. in Lakhs)
		As at 31st March, 2018
26. Other Income		
Interest on		
- Fixed deposits with banks		32.95
- Others		43.45
Insurance Claims		46.02
Liability no longer required written back		0.49
Rental Income		8.21
Foreign Exchange Gain (net)		30.28
Miscellaneous Income		48.34
		<u>209.74</u>
27. Bandwidth Cost		
International Lease Line charges		831.80
Intercity link charges		713.43
Uplinking Charges		257.58
		<u>1,802.81</u>
28. Employee Benefits Expense		
Salary, Wages and Bonus		1,857.02
Contribution to Provident and Other Funds		185.41
Employee Stock Option Expenses		3.88
Staff Welfare Expenses		33.94
		<u>2,080.25</u>
29. Finance Costs		
Interest Expense		2,846.50
Other Borrowing costs		72.35
		<u>2,918.85</u>
30. Depreciation and Amortisation Expense		
Depreciation/ Amortisation of tangible assets		2,470.58
Less: On account of closure of finance lease		19.55
	(A)	2,451.03
Amortization of intangible assets		
	(B)	9.12
Amortization of NCF		514.81
Less: Excess of amortisation over commission 264.94		
	(C)	249.87
Total	(A+B+C)	<u>2,710.02</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

	(Rs. in Lakhs)
	Year ended 31st March, 2018
31. Other Expenses	
Power and Fuel	661.01
Rent	638.84
Commission and Incentive	681.91
Collection Charges	639.01
Consumption of Stores & Spare Parts	237.00
Repairs to Machinery	43.62
Repairs to Buildings	0.19
Repairs - Others	102.41
Insurance	187.18
Travelling & Lodging	438.87
Rates and Taxes	372.07
Professional Charges	192.61
Work outsourcing expenses	76.40
Postage and Telephone	57.87
Printing and Stationery	25.63
Provision for doubtful receivables (refer Note No. 32)	7.01
Bad Debts written off	1,235.91
Marketing Expenses	34.25
Corporate Social Responsibility Expenses (refer Note No. 43)	16.00
Commission to Director	-
Director sitting fees	6.06
Miscellaneous Expenses	160.23
Total Other Expenses	5,814.08
32. Provision for Doubtful Receivables	
Closing Provision for doubtful receivables (refer Note No. 9)	6,794.14
Less: Opening Provision written back	529.20
Less: Exceptional Items (refer Note No. 47(a) and 47(c))	6,257.93
	7.01
33. Payments to the Auditor (excluding taxes)	
As Auditor - Statutory Audit & Limited Reviews	28.50
For Other Services	0.50
For reimbursement of expenses	0.42
	29.42

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. in Lakhs)

Year ended 31st March, 2018

34. Ortel Broadband Limited, a subsidiary company, was incorporated on 28th February, 2018 and is yet to commence commercial operations. Its Ind AS financial statements are unaudited and certified by the management of the subsidiary. Current year being the first occasion that consolidated financial statements are presented, hence comparative figure for the previous year have not been given. Opening balances wherever disclosed represents figures of the Company's separate (standalone) Ind AS financial statements. Accordingly, explanation to transition to Ind AS, effect of Ind AS adoption on the balance sheet and on the statement of profit and loss, reconciliations of equity and profit and loss and notes to the reconciliations pursuant to adoption of Ind AS by the Company are given in the Company's separate (standalone) Ind As financial statements.

35. Earnings Per Share

(a) Profit / (Loss) after Tax as per Consolidated Statement of Profit and Loss attributable to Owners of the Parent (Rs. In Lakh)	(9,533.42)
(b) Weighted average number of Equity Shares	3,04,62,245
(c) Basic and diluted earnings per share(in Rs.) [(a)/(b)]	(31.30)
(d) Nominal Value per Equity Shares (in Rs.)	10.00

36. Financial risk management

36.1 Financial risk factors

The Group's principal financial liabilities comprise of borrowings, liability towards LCOs, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include loans and advances, investment in equity instruments, trade receivables and cash and bank balances that arise directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk and the Group's senior management oversees the management of these risks.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) Currency risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group has foreign currency payable to vendors for property, plant and equipment and is therefore, exposed to a foreign exchange risk. Foreign currency risk is managed by monitoring the movements in currencies in which foreign vendors are payable. The Group does not enter into or trade financial instrument including derivative for speculative purpose.

The following table demonstrates the sensitivity in the USD to the Indian Rupee and the resulting impact on the Group's Profit /(Loss) before tax, due to changes in the fair value of monetary assets and liabilities :

(Rs.in Lakhs)

Particulars	Change in currency exchange rate	Effect on Profit / (Loss) Before Tax
	Year ended 31st March, 2018	Year ended 31st March, 2018
USD	+5%	(280.15)
	-5%	280.15

The carrying amount of Group's foreign currency exposure at the end of the reporting period which is not hedged by derivative instrument or otherwise is as follows:

Payable in Foreign Currency	Currency	Amount (USD in Lakhs)	Amount (Rs. in Lakhs)
As at 31st March, 2018	USD	86.14	5,602.97

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. The interest rate risk is managed by the Group by monitoring monthly cash flows which is reviewed by management to prevent loss of interest.

The following table demonstrates the fixed and floating rate borrowings of the Group:

(Rs.in Lakhs)

Particulars	As at 31st March, 2018
Floating rate borrowings	12,488.90
Fixed rate borrowings	7,497.02

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

(a) Trade receivables

The Group extends credit to various corporate customers in the normal course of business. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers.

The ageing of trade receivables is as follows:

(Rs.in Lakhs)

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables As at 31st March 2018				
Secured	-	-	-	-
Unsecured	4,122.20	2,924.60	2,128.63	9,175.43
Gross total	4,122.20	2,924.60	2,128.63	9,175.43
Provision for doubtful receivables	(2,108.51)	(2,611.63)	(2,074.00)	(6,794.14)
Net total	2,013.69	312.97	54.63	2,381.29

The Group follows a simplified approach [i.e., based on lifetime Expected Credit Losses ('ECL')] for recognition of impairment loss allowance on trade receivables. For the purpose of computation of ECL, the Group has analysed the trend of bad debts in earlier years. Further, the Group has analysed ECL separately for cable TV (CATV) customers, Broadband customers and Corporate customers primarily because the characteristics and historical bad debts trend was different for different revenue streams. As per this methodology, the Group has determined the ECL as 8.30%, 5.10% and 2.30% for CATV, Broadband and Corporate customers respectively.

The Group has made provision for doubtful receivables in respect of both retail and non retail customer, as considered, necessary, based on management's best estimate which is over and above the provision required to be made under ECL model. For other receivables where management did not anticipate any issue in recoverability, loss allowance was provided for in accordance with ECL model as described above.

(b) Deposits with banks and other financial instruments

The Group considers factors such as track record, market reputation and service standards to select banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Group has also availed borrowings. The Group does not maintain significant cash balances other than those required for its day to day operations.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. in Lakhs)

Year ended 31st March, 2018

iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and working capital limits. The Group closely monitors its liquidity position through forecasts on the basis of expected cash flows.

36.2 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Group's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

37. Fair value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements.

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	
	Carrying Value	Fair Value
Financial Assets designated at fair value through other comprehensive income		
Investment in equity instrument	211.28	211.28
Financial Assets designated at amortised cost		
Trade Receivables	2,381.29	2,381.29
Cash and Cash Equivalents	351.02	351.02
Employee Advances	13.13	13.13
Security Deposits	267.51	267.51
Amount recoverable from ESOP Trust	55.72	55.72
Fixed Deposits with Banks	607.37	607.37
Interest accrued but not due on Fixed Deposits with Banks	25.04	25.04
Total Financial Assets	3,912.36	3,912.36
Financial Liabilities designated at amortised cost		
LCO Liability	1,426.65	1,426.65
Borrowings (including current maturities)	19,985.92	19,985.92
Liability for Operating and Other Expenses	3,115.38	3,115.38
Creditors for Capital Goods	6,747.41	6,747.41
Trade Payables	3,482.11	3,482.11
Interest accrued	889.95	889.95
Temporary bank overdraft	1,752.81	1,752.81
Payable to Employees	2,069.45	2,069.45
Others	135.72	135.72
Total Financial Liabilities	39,605.40	39,605.40

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

- i) Fair value of trade receivables, other bank balances, deposits, employee advances, trade payables, payables for acquisition of non current assets, demand loans from banks, cash and cash equivalents and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair value of Non-Current investments in equity instruments of a Body Corporate was calculated based on cash flows discounted using an appropriate rate. It is classified as level 3 in the fair values hierarchy due to the inclusion of unobservable inputs.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- i) Quoted prices/published NAV(unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like equity shares for which quoted prices are available in active markets at the balance sheet date.
- ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
- iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	Fair value measurement using significant unobservable inputs (Level-3)
	As at 31st March, 2018
Financial Assets	
Investment in equity instruments of Body Corporate	211.28
Total Financial Assets	211.28

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy, as at 31st March, 2018:

Particulars	Fair value hierarchy	Valuation Technique	Inputs used
Investment in Equity Instruments of Body Corporate	Level 3	Discounted cash flow	Future cash flows

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. in Lakhs)

38. Contingent Liabilities and Commitments

Particulars	As at 31st March, 2018
A. Contingent Liabilities	
(a) Claims against the Group not acknowledged as debts:	
(i) Entry Tax demand under Appeal	1.00
(ii) Entry Tax demand for 2011-12	25.25
(iii) Entertainment Tax demand under Appeal	69.75
(iv) Income Tax and Interest thereon for non-deduction of tax at source - 2005-06, 2006-07, 2008-09 and 2010-11	175.15
(v) Service Tax and Interest demand for 2006-07, 2007-08, 2008-09 and 2009-10 (included penalty)	241.97
(vi) Service Tax and Interest for 2010-11 to 2014-15	1,179.29
(vii) Service Tax demand for 2013-14	13.00
(viii) Service Tax demand for 2015-16	338.06
(ix) Cenvat Credit reversal for 2016-17	741.29
(x) Paradip Port Trust (Refer Note Below)*	52.69
(xi) The Group has received legal notices of claims / lawsuits filed against it in relation to miscellaneous damages. In the opinion of the management, no material liability is likely to arise on account of such claims / lawsuits.	
B. Commitments	
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advance Rs. 174.22 Lakhs)	67.53

*The Company had been providing services in Paradeep Port Trust (PPT) area as per contracts. In an earlier year, the Company had committed to cover programmes/news of PPT in its network as "PARADIP PARIKRAMA". As per the terms of the contract, the contents of the programmes were to be provided by PPT for coverage and transmission of the programmes by the Company. Subsequently, PPT had claimed that it incurred Rs. 52.69 Lakhs for shooting and covering the same. However, the said claim has not been accepted by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they would adjust the said amount with subscription money payable by PPT to the Company. Accordingly, the Company had filed a writ petition dated July 10, 2006 against the demand of PPT before the Hon'ble High Court, Orissa. The demand had been stayed by the Hon'ble High Court vide its interim Order dated July 20, 2006. The matter is still pending for final hearing. As on date, all earlier contracts with PPT have expired.

39. Disclosure pursuant to Indian Accounting Standard 103 - Business Combinations

The Company acquires the "Cable Network Business" of various Local Cable Operators ('LCOs') which, inter alia, consists of equipments, infrastructure and cable television subscribers and enters into agreements with the LCOs in this regard, whereby the LCOs agree to sell their "Cable Network Business". The LCOs also agree not to compete with the Company for a specified period in the areas where the LCOs have transferred their cable television subscribers to the Company. The amount payable for acquisition of equipments & infrastructure has been capitalised under relevant categories of tangible assets and the amount payable as non-compete fee has been treated as an Intangible asset.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs.in Lakhs)

Details of acquisitions that resulted in creation of goodwill are as follows:

Particulars	As at 31st March, 2018
Fair Value of consideration paid / payable -	10.84
Assets taken over	
Property, Plant & Equipment	1.24
Non - compete fees recognised	7.38
Total Assets	8.62
Liabilities taken over	-
Net assets taken over	8.62
Consideration transferred	10.84
Goodwill	2.22

(Rs.in Lakhs)

Details of acquisitions that resulted in creation of goodwill are as follows:

Particulars	As at 31st March, 2018
Fair Value of consideration paid / payable -	96.65
Assets taken over	
Property, Plant & Equipment	5.77
Non - compete fees recognised	112.13
Total Assets	117.90
Liabilities taken over	-
Net assets taken over	117.90
Consideration transferred	96.65
Bargain Purchase Gain	21.25

40. Employee Stock Option Scheme 2010 (ESOS 2010)

(Rs.in Lakhs)

The Board, vide its resolution dated 19 December 2010, approved (i) ESOS 2010 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment and (ii) Employee Performance Linked Stock Option to be issued at par in lieu of loyalty bonus linked to specified performance target to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof from time to time [since repealed on October 28, 2014 pursuant to the coming into force of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with effect from the said date]. An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the scheme. The eligible employees for the purpose of ESOS 2010 will be determined by the Compensation Committee from time to time. The Employee Performance Linked Stock Option shall be subject to 18 months lock in after the date of allotment whereas the Employee Stock Option is free from lock in. The vesting period of Employee Performance Linked Stock Option and Employee Stock Option are 18 and 36 months respectively with 3 months exercise period for exercising the option to subscriber.

The Company had granted (net of options lapsed) 1,11,436 stock options in 2013-14 under the ESOS 2010 Scheme (Option XII), which had vested in earlier years and were allotted in FY 2017-18. All the exercised options were allotted in the form of Equity Shares.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	Employee Stock Option Plan-ESOS 2010 (Option XII)	Employee Stock Option Plan-ESOS 2010 (Option XIII)
Date of grant	23rd September, 2013	21st July, 2014
Date of Board approval	19th December, 2010	19th December, 2010
Number of options granted	1,79,600	48,150
Method of settlement	Equity	Equity
Vesting period (including 3 months Exercise period)	3.25 Years	3.25 Years
Weighted Average Remaining Contractual Life of options (in years)	0	0
Exercise price (Rs.)	70	70

All the above valid options would be allotted in the form of Equity Shares on the basis of 1:1.

Employee Stock Option Outstanding is as follows:

Particulars	Year Ended March 31, 2018	
	Number of Options	Weighted Average Exercise price (Rs.)
Outstanding at the beginning of the year	1,56,586	70
Granted during the year	-	-
Expired/Lapsed during the year	45,150	70
Exercised during the year	1,11,436	70
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

Fair Value of share options

The fair value of the options, determined by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	179,600 Options Option XII	48,150 Options Option XIII
Grant date share price (Rs.)	140	140
Exercise Price (Rs.)	70	70
Expected Volatility (in %)*	61.43	61
Option Life (in years)	3.25	3.25
Dividend Yield (in %)	0	0
Risk-free interest rate (in %)	8.52	8.47
Fair Value of options (Rs.)	83.51	89.05

* Since Ortel was an unlisted company at the time of grant of Options, the Expected Volatility (V) was taken based on one year historical volatility index of peer listed companies as per clause 27 of Appendix 1 of the guidance note issued by Institute of Chartered Accountants of India (ICAI).

Employee Stock Option Scheme, 2015 (ESOS 2015/Scheme): The Members of the Company vide their meeting dated 27 July, 2015 approved ESOS 2015 for granting Employee Stock Options in form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company administered by the Nomination & Remuneration Committee ("Committee") of the Board of Directors in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations 2014 and amendments thereof from time to time. The Scheme can be implemented either directly or through an irrevocable Trust. However, if the scheme involves secondary acquisition of shares or gift or both, then it is mandatory to implement the scheme through Trust. The Company may lend or give refundable advance with or without interest to the trust to acquire shares of the Company from secondary market. Such secondary acquisition by trust shall not exceed 2% of the paid up equity capital of the Company as at the end of each financial year. An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the scheme. The eligible employees for the purpose of ESOS 2015 will be determined by the Compensation Committee from time to time. The vesting period of Employee Stock Option is not

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

less than one year and not more than five years from the grant of offer with 3 months exercise period for exercising the option to subscribe. The shares issued against exercise of options may be subject to lock in for period till repayment of the funds availed from Company/trust or for any other period as may be decided by Committee. During period under review, no option is offered/granted pursuant to the scheme. Further, as per the Scheme, the Company has set up an irrevocable Trust, "Ortel Employee Welfare Trust" on 20th November, 2015 to implement the scheme. As on 31st March, 2018, the trust has acquired 39,375 no's of equity shares from secondary market at an average acquisition price of Rs.138.03 per shares which will offered to eligible employees at future as decided by the Committee.

41. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures

(a) Names of Related Parties :

(i) Key Management Personnel (KMP)

Name	Designation
1 Mrs. Jagi Mangat Panda	Managing Director
2 Mr. Bibhu Prasad Rath	President & Chief Executive Officer

(ii) Close family members of KMP

- 1 Mr. Baijayant Panda - spouse of Mrs. Jagi Mangat Panda

(iii) Entities controlled or under significant influence of KMP and/or close family members of KMP (with whom transactions have taken place during the year)

- 1 Indian Metals & Ferro Alloys Limited.
- 2 Odisha Television Limited.
- 3 Orissa Infratech Pvt. Ltd.
- 4 B.P. Developers Private Ltd.
- 5 Metro Skynet Limited.

(b) Summary of Transactions with Related Parties

(Rs. in Lakhs)

Sl. No.	Nature of Transactions	KMP	Close family members of KMP	Entities controlled or under significant influence of KMP and/or close family members of KMP
1	Managerial Remuneration	135.88	-	-
2	Sitting fees paid	-	0.85	-
3	Signal Uplinking Income	-	-	374.35
4	Rent Received	-	-	3.60
5	Rent Paid	-	-	0.60
6	Internet Subscription Fees	-	-	20.85
7	Reimbursement of expenses (Paid)	24.79	-	14.23
8	Reimbursement of expenses (Received)	-	-	55.76
9	Subscription Fees	-	-	2.88
10	Advertisement Expenses	-	-	18.00
11	Channel Carriage Income	-	-	214.75
12	Programming Cost	-	-	222.90
13	Unsecured Loan Received	-	-	430.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2018 (Rs. In Lakhs)

14	Unsecured Loan Repaid	-	-	171.10
15	Interest and Processing Fees on Unsecured Loan	-	-	101.23
16	Issue of Shares under Employee Stock Option Plan	18.90	-	-
17	Outstanding balances as at 31st March, 2018 :			-
	Payables	108.81	0.71	1,170.82

Outstanding balances payable at the year-end are unsecured and settlement occurs in cash.

(c) Disclosure in respect of Material Related Party Transactions during the year (excluding reimbursements):

1. Managerial Remuneration paid to Mrs. Jagi Mangat Panda Rs.67.03 Lakhs, Mr. Bibhu Prasad Rath Rs. 68.85 Lakhs.
2. Sitting fees as nominee paid to Mr. Baijayant Panda Rs.0.85 Lakhs.
3. Signal Uplinking Income received from Odisha Television Ltd. Rs.374.35 Lakhs.
4. Rent Received from Odisha Television Ltd. Rs.3.60 Lakhs.
5. Rent paid from Odisha Television Ltd. Rs.0.60 Lakhs.
6. Internet Subscription Fees received from Odisha Television Ltd. Rs.13.88 Lakhs and Indian Metals & Ferro Alloys Ltd. Rs.6.97 Lakhs.
7. Subscription Fees received from Mr. Bibhu Prasad Rath Nil Lakhs and Indian Metals & Ferro Alloys Ltd. Rs 1.29 Lakhs and Odisha Television Ltd. Rs. 1.59 Lakhs.
8. Advertisement Expenses paid to Odisha Television Ltd. Rs.18.00 Lakhs.
9. Channel Carriage Income received from Odisha Television Ltd. Rs.214.75 Lakhs.
10. Programming Cost paid to Odisha Television Ltd. Rs.222.90 Lakhs.
11. Unsecured Loan received from B.P. Developers Pvt. Ltd. Rs. 250.00 Lakhs, Metro Skynet Ltd. Rs. 180.00 Lakhs.
12. Unsecured Loan repaid to Orissa Infratech Pvt. Ltd. Rs.171.10 Lakhs.
13. Interest and Processing Fees on Unsecured Loan paid to Orissa Infratech Pvt. Ltd. Rs.81.54 Lakhs, B.P. Developers Pvt. Ltd. Rs. 19.62 Lakhs and Metro Skynet Ltd. Rs. 0.08 Lakhs.
14. Issue of Shares under Employee Stock Option Plan to Mr. Bibhu Prasad Rath Rs. 18.90 Lakhs.

(Rs. in Lakhs)

(d) Compensation to Key Management Personnel

The compensation to key management personnel during the year was as follows:-

Particulars	Year ended 31st March, 2018
Short-term employee benefits	121.06
Post-employment benefits	11.52
Other Long term Benefits	3.30
Share Based Payments	1.24
	137.12

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. In Lakhs)

42. CAPITALISATION OF EXPENSES

During the year, the Company has capitalised the following expenses to the cost of fixed assets under the head "Cable Network-Backbone". Consequently, expenses disclosed under the respective notes are net off amounts capitalised by the Company.

Employee Benefits Expense
Other Expenses

Year ended
31st March, 2018
1,049.39
75.23
1,124.62

43. Expenditure incurred on Corporate Social Responsibility activities is as follows:

- Toward Educational and employment enhancing vocation skills
- Towards environmental development

Year ended
31st March, 2018
15.00
1.00
16.00

44. Segment Information

The Group has identified three broad reportable segments which are (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing ('IFL') and it operates in the domestic market only. Segments have been identified and reported taking into account nature of activities, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the Chief Operating Officer of the Group (Chief Operating Decision Maker). The accounting policies adopted for segment reporting are in line with the accounting policies of the Group with the following additional policies for Segment Reporting:

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to the group as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Unallocable".

As per Ind AS 108 - "Operating Segments", the Company has reported segment information on a consolidated basis including businesses conducted through its subsidiary.

a). Primary Segment Information (Business Segment)

i) Segment Revenue and Results

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2018			
	Cable TV	Broadband	IFL	Total
A. Segment Revenue				
Revenue from Operations (External customers)	14,540.64	2,316.21	1,172.36	18,029.21
Elimination	-	-	-	-
Unallocable	-	-	-	374.35
Total Revenue	14,540.64	2,316.21	1,172.36	18,403.56
B Segment Results before Finance Cost,				
Exceptional Items and Taxes	5,807.57	717.77	1,008.58	7,533.92
Less: Unallocable expenses net of income	-	-	-	6,341.76
Less: Finance Costs (net)	-	-	-	2,842.45
Profit/(Loss) before Exceptional Items and Taxes	5,807.57	717.77	1,008.58	(1,650.29)
Exceptional items	7,361.26	404.90	116.97	7,883.13
Profit/(Loss) before Tax	(1,553.69)	312.87	891.61	(9,533.42)
Tax expenses	-	-	-	-
Profit/(Loss) after Tax	(1,553.69)	312.87	891.61	(9,533.42)

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

ii) Segment Assets and Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	
	Segment Assets	Segment Liabilities
Cable TV	16,331.65	10,006.23
Broadband	2,282.78	899.77
IFL	1,993.90	948.34
Unallocable	26,488.91	33,178.24
Total	47,097.24	45,032.58

iii) Other segment information

(Rs. In Lakhs)

Particulars	Depreciation and Amortisation Expense (allocable)	Addition to Non - Current Assets (allocable) i.e.	Bad Debts and Allowance on Trade Receivables and Advances Capital Expenditure
Year ended 31st March, 2018			
Cable TV	1,349.65	2,086.78	6,820.15
Broadband	102.88	67.68	606.55
IFL	90.11	35.74	73.67
Unallocable	1,167.38	2,124.51	-
Total	2,710.02	4,314.71	7,500.37

iv) Unallocated Assets comprises of:

(Rs. In Lakhs)

Particulars	As at 31st March, 2018
Property, Plant and Equipment	20,650.11
Investments	212.28
Capital Work-in-Progress	2,389.26
Income Tax Assets (Net)	622.70
Other Assets	2,614.56
Total Assets	26,488.91

v) Unallocated Liabilities comprises of:

(Rs. In Lakhs)

Particulars	As at 31st March, 2018
Borrowings	19,985.92
Interest Accrued	889.95
Temporary Book Overdraft	1,752.81
Creditor for Capital Goods	3,129.35
Other Liabilities	7,420.21
Total Liabilities	33,178.24

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

b). Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years ended 31st March, 2018.

45. Additional Information as per Schedule III of the Companies Act, 2013

As at and for the year ended 31st March, 2018

Name of the Entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of total comprehensive income	Amount (Rs. in Lakhs)
Parent								
Ortel Communications Limited	99.97%	2,063.99	100.00%	(9,533.09)	100.00%	78.61	100.00%	(9,454.48)
Subsidiaries								
Indian :								
1. Ortel Broadband Limited	0.03%	0.67	0.00%	(0.33)	0.00%	-	0.00%	(0.33)
Non-Controlling Interest in all subsidiaries	-	-	-	-	-	-	-	-
TOTAL	100.00%	2,064.66	100.00%	(9,533.42)	100.00%	78.61	100.00%	(9,454.81)

46. Advance from customers includes Rs. 74.46 Lakhs, being Electricity Inspection Duty collected from the customers (levied by the Department of Energy, Government of Orissa vide its notification dated March 29, 2002 under Indian Electricity Rules, 1956) but not deposited with the appropriate authorities on the ground that neither the rules nor the notification is applicable to the Company and the charging chapter of the Notification does not authorise the electrical Inspector to levy fees on any person other than the owner of the television connection. The Company has filed a writ petition before Hon'ble High Court of Orissa against the said Notification and obtained an order to the effect that no coercive action can be taken against the Company until the disposal of the case. However, as per the direction of Hon'ble High Court of Orissa vide its order dated February 09, 2007, Rs. 29.00 Lakhs was deposited with the said Court. Subsequently, Hon'ble High Court of Orissa vide its order dated November 05, 2007 directed the Government of Orissa to take a decision as to whether the inspection charges so far as consumer of television connections are concerned can be waived and/or imposed and also directed the Company not to collect any amount from any individual customer until a decision is taken by the Government of Orissa.

47. Exceptional Items

(Rs. In Lakhs)	
Particulars	As at 31st March, 2018
-Provision for doubtful receivables (refer Note No. 47(a))	3,063.76
-Credit notes issued (refer Note No. 47 (b))	1,625.20
-Provision for Credit notes (refer Note No. 47 (c))	3,194.17
	7,883.13

- 47 (a) The Company has made provision for doubtful receivables in respect of both retail and non-retail customers, as considered necessary, based on the management's best estimate, which is as follows:

- Most of the dues as at 31st March, 2018 in respect of analog customers, have been fully provided for;
- amount outstanding over 90 days in respect of cable TV customers other than as mentioned in (i) above, franchisee customers and broadband customers, has been fully provided for; and
- in case of other receivables, provision has been made on a case to case basis where the management feels that the recovery is doubtful.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

- 47 (b) The Company has issued credit notes towards disruption of services/deficient provision of services during the period 1st October, 2016 to 30th June, 2017. Accordingly, the Company has debited the Statement of Profit and Loss towards credit notes issued and the related tax liabilities have been reversed in the books of accounts.
- 47 (c) The Company has made a provision towards credit notes to be issued for disruption of services/deficient provision of services during the period 1st October, 2016 to 30th June, 2017, due to analog to digital conversion and acquisition of Local Cable Operators. This has been done to the extent considered necessary based on the management's best estimate.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of Board of Directors

Sd/-
Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 22nd May, 2018

Sd/-
Jagi Mangat Panda
Managing Director

Sd/-
Bidu Bhushan Dash
Company Secretary

Sd/-
J.B. Pany
Director

Sd/-
Satya Narayan Jena
Chief Financial Officer

Glossary:

<u>Abbreviation</u>	<u>Full Form</u>	<u>Abbreviation</u>	<u>Full Form</u>
Rs./ INR	Indian Rupees.	HFC	Hybrid Fibre Coaxial.
ADR	American Depository Receipt	HHTs	Hand Held Terminals.
AGM	Annual General Meeting.	HITS	Headend-in-the-sky.
ARPU	Average Revenue Per User per month.	HUF	Hindu Undivided Family.
B2B	Business to Business.	ICAI	Institute of Chartered Accountants in India.
B2C	Business to Consumer.	IPO	Initial Public Offer.
BSE	BSE Limited.	IPTV	Internet Protocol Television.
CAGR	Compound annual growth rate	IRD	Integrated Receiver cum Decoder.
CDSL	Central Depository Services (India) Limited.	ISIN	International Security Identification Number
CEO	Chief Executive Officer.	ISP	Internet Service Provider
CFO	Chief Financial Officer.	IT	Information Technology
CIN	Corporate Identity Number.	KMP	Key Managerial Personnel
CSR	Corporate Social Responsibility	LCOs	Local Cable Operators.
DAS	Digital Addressable Systems	M&E	Media and Entertainment.
Demat	Dematerialization	Mbps	Mega bytes per second.
DIN	Directors Identification Number.	MEN	Metro Ethernet Network.
DoT	The Department of Telecommunications.	MSOs	Multi System Operators.
DOCSIS	Data Over Cable Service Interface Specification	NED	Non-Executive Director
DSNG	Digital Satellite News Gathering.	NOC	Network operating centre.
DTH	Direct-to-home.	NRC	Nomination & Remuneration Committee
DVR	Digital Video Recorder.	NSDL	National Securities Depository Limited.
EAT	Earnings After Tax.	NSE	National Stock Exchange of India Limited.
EBDTA	Earnings before Depreciation, Tax and Amortisation	NVoD	Near Video on Demand.
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortisation	OFC	Optic Fibre Cable network.
EBT	Earnings Before Tax.	RGUs	Revenue Generating Units.
EoC	Ethernet over Cable	QMS	Quality management system.
EPS	Earning Per Share.	SD	Standard Definition
ESI	Employee State Insurance	SEBI	The Securities and Exchange Board of India
ESOP	Employee Stock Option Plan	STB	Set-top box.
FTTH	Fiber To The Home	TRAI	The Telecom Regulatory Authority of India
GDR	Global Depository Receipt	VoiP	Voice over Internet Protocol.
HD	High Definition.	VPN	Virtual Private Network

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Ortel **Broadband**

SPEED THAT THRILLS

100
Mbps



Ortel
COMMUNICATIONS
AN ISO 9001:2008 COMPANY





Ortel
communications
AN ISO 9001: 2008 COMPANY



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