



Ortel Communications Ltd.

www.ortelcom.com

Bringing Convergence to India

Corporate. office :
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Behind R.M.R.C., Near BDA Colony
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email - nodal@ortelgroup.com
CIN: L74899DL1995PLC069353

February 21, 2020

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

Dear Sir/Madam;

Subject: Unaudited Financial Results (Consolidated) for the Quarter ended 30th June, 2019 of FY 2019-20

Clarification for Financial Results – ORTEL

With reference to your email dated 17-02-2020 on above subject we are enclosing herewith the **Unaudited Financial Results (Consolidated)** along with **Limited Review Report** given by Statutory Auditor for the quarter ended 30th June, 2019 of FY 2019-20 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were reviewed by the Statutory Auditors, CEO and CFO & Company Secretary of the Company and approved by the Resolution Professional in their meeting held on 12th February, 2020.

As you are aware that the Company is under Corporate Insolvency Resolution Process (CIRP) in terms of the Order of Hon'ble NCLT dated 27th November, 2018 and the CIRP is continuing. The powers of the Board of Directors are suspended and are vested in the Resolution Professional and Company's affairs, business and assets are being managed by the Resolution Professional. The results were signed by CEO and CFO & Company Secretary of the Company and taken on record by Resolution Professional. The delay is due to some unavoidable circumstances and inadvertent on the part of the Company.

This is for your information and record.

Thanking you,
Yours faithfully,
For Ortel Communications Limited (Under CIRP)

Bidu Bhusan Dash
Company Secretary & Compliance Officer



Issued with the approval of Mr. Srigopal Choudhary ("RP"), Registration No. IBBI/PA-001/IP-P01238/2018-2019/11893.

(Ortel Communications Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Srigopal Choudhary, appointed by the National Company Law Tribunal by order dated 01st February, 2019 under the provisions of the Code)

Enclo.: As above

ORTEL COMMUNICATIONS LIMITED (UNDER CIRP)

CIN: L74899DL1995PLC069353

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

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

PART-I: STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019				
(Rs. in Crores)				
Particulars	Consolidated			
	Quarter ended			Year ended
	30-Jun-19 (Unaudited)	31-Mar-19 (Audited)	30-Jun-18 (Unaudited)	31-Mar-19 (Audited)
1. Income				
(a) Revenue from Operations	21.30	22.24	31.35	110.57
(b) Other Income	0.72	2.51	0.36	4.19
Total Income	22.01	24.75	31.71	114.76
2. Expenses				
(a) Programming Cost	6.84	6.94	10.97	35.71
(b) Bandwidth Cost	2.11	2.36	3.59	11.98
(c) Employee Benefits Expense	2.89	2.29	5.39	15.49
(d) Finance Costs	-	(0.77)	6.88	21.04
(e) Depreciation and Amortisation Expense	6.52	6.46	7.07	27.83
(f) Property, Plant and Equipment written off	1.73	0.95	1.04	3.65
(g) Other Expenses	12.88	13.97	11.18	50.29
Total Expenses	32.98	32.19	46.13	165.99
3. Profit/(Loss) before exceptional items and tax (1-2)	(10.97)	(7.43)	(14.42)	(51.23)
4. Exceptional Items - (Income)/Expense (net)			(0.94)	-
5. Profit/(Loss) before tax (3-4)	(10.97)	(7.43)	(13.48)	(51.23)
6. Tax Expense				
- Current Tax	-	-	-	-
- Deferred Tax	-	-	-	-
7. Profit/(Loss) after tax (5-6)	(10.97)	(7.43)	(13.48)	(51.23)
8. Other Comprehensive Income / (Expense)				
- Items that will not be reclassified to profit or loss	(0.03)	(0.19)	0.52	1.47
9. Total Comprehensive Income / (Expense) after tax (7+8)	(11.00)	(7.63)	(12.96)	(49.76)
10. Profit/(Loss) attributable to:				
(a) Owners of the Company	(10.97)	(7.43)	(13.48)	(51.23)
(b) Non-controlling Interest	-	-	-	-
11. Other Comprehensive Income / (Expense) attributable to:				
(a) Owners of the Company	(0.03)	(0.19)	0.52	1.47
(b) Non-controlling Interest	-	-	-	-
12. Total Comprehensive Income / (Expense) after tax (10+11) attributable to:				
(a) Owners of the Company	(11.00)	(7.63)	(12.96)	(49.76)
(b) Non-controlling Interest	-	-	-	-
13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	32.99	32.98	32.98	32.98
14. Other Equity excluding Revaluation Reserves			-	(53.39)
15. Earnings per share - Basic & Diluted (in Rs.) (* Not annualised)	(3.36)	(2.28)	*(4.27)	(15.70)

UDIN : 20055232AAAAAG2113

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS

Rajesh Jalan
(RAJESH JALAN)
Partner

Membership No. F- 55232
Firm Registration No.- 303062E

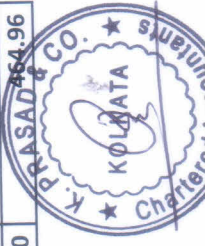


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PART-II: SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	Consolidated				Year Ended
	Quarter ended			31-Mar-19 (Audited)	
	30-Jun-19 (Unaudited)	31-Mar-19 (Audited)	30-Jun-18 (Unaudited)		
1. Segment Revenue					
a) Cable TV	16.81	17.56	23.90	87.48	
b) Broadband	1.46	1.69	4.23	11.30	
c) Infrastructure Leasing	2.23	2.18	2.38	8.51	
d) Others	0.81	0.81	0.84	3.28	
Net Income from Operations	21.30	22.24	31.35	110.57	
2. Segment Results					
a) Cable TV	(0.91)	0.55	9.10	18.33	
b) Broadband	0.12	(0.41)	0.79	0.77	
c) Infrastructure Leasing	1.59	1.42	2.10	6.87	
d) Others	0.19	0.17	0.29	0.71	
Total	0.99	1.73	12.28	26.67	
Less: i) Finance Costs	-	(0.77)	6.88	21.04	
ii) Other Un-allocable Expenditure net of Un-allocable Income	11.95	9.94	18.89	56.86	
Total Profit/(Loss) Before Tax	(10.97)	(7.44)	(13.48)	(51.23)	
3. Segment Assets					
a) Cable TV	151.23	155.75	162.88	155.75	
b) Broadband	24.91	28.75	22.51	28.75	
c) Infrastructure Leasing	17.81	17.87	19.45	17.87	
d) Others	2.80	2.05	-	2.05	
e) Unallocated	237.34	240.13	266.69	240.13	
Total Segment Assets	434.09	444.55	471.53	444.55	
4. Segment Liabilities					
a) Cable TV	104.52	106.10	106.38	106.10	
b) Broadband	10.57	10.09	8.90	10.09	
c) Infrastructure Leasing	4.38	5.49	7.99	5.49	
d) Others	0.01	0.51	-	0.51	
e) Unallocated	346.02	342.77	321.82	342.77	
Total Segment Liabilities	465.50	464.96	445.10	464.96	



UDIN : 20055232AAAAAG8113

NOTES:

1.	Hon'ble National Company Law Tribunal, New Delhi Bench (NCLT), in the matter of C.P.No.IB-761/ (ND)/2018 passed an Order dated 27th November, 2018 for commencement of the Corporate Insolvency Resolution Process ('CIRP') under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') in the matter of Ortel Communications Limited ("the Company") based on the application filed by Sony Pictures Networks India Pvt. Ltd., an operational creditor of the Company. Mr. Anil Bhatia (Reg. No. IBBI/1PA-001/IP-P00587/2017-18/11027) was appointed as Interim Resolution Professional ("IRP") to carry on the functions of an IRP, as defined under the provisions of the IBC, until replaced by the Resolution Professional ('RP'). The Committee of Creditors ('CoC) in its meeting held on 07th January, 2019 had passed a resolution proposing to replace the IRP and appointed Mr. Srigopal Choudhary (Reg.No.IBBI/IPA-001/IP-P01238/2018-2019/11893) as the RP which was confirmed by NCLT vide its order dated 1st February, 2019.
2.	Pursuant to the order, the management of affairs of the Company and powers of Board of Directors of the Company are now vested with the Resolution Professional ("RP") who is appointed by the Committee of Creditors ("CoC).
3.	During the CIRP, resolution plans ("Resolution Plan") was received by the Resolution Professional and the Resolution Plan was placed before the COC for approval in their 14th Meeting held on Tuesday, 20th August 2019 at 11:00 A.M. and Wednesday, 21st August 2019 at 04:30 P.M. at Bhubaneswar and the approved Resolution Plan was filed with the Hon'ble NCLT, New Delhi on 26th August, 2019 for approval under Section 31 of the Code. The application filed by the Resolution Professional for approval of Resolution Plan is currently pending adjudication before the Adjudicating Authority. In terms of Section 25 of the Code, the Company is continuing to operate as a going concern.
4.	Resolution Professional to manage the operations of the Company as a going concern and the financial statements have been prepared on going concern basis.
5.	In view of ongoing Corporate Insolvency Resolution Process, the Resolution Professional is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.
6.	As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. Hence, for the purpose of approval of these results, the RP has reviewed the results prepared, checked and confirmed by KMP's of the Company (Mr. Bibhu Prasad Rath, President & CEO and Mr. Bidu Bhushan Dash, CFO & Company Secretary) and the representations and statements made by them with respect to the financial accounts records.
7.	The above Consolidated unaudited financial results were placed before the RP by the CFO & Company Secretary in the meeting held on the 12th day of February 2020 for their consideration. Accordingly, the unaudited financial results were reviewed, considered and approved in the meeting. The RP has approved the results only for the limited purpose of discharging the powers of the Board of Directors of the Company, which have been conferred upon him as per the provisions of Section 23 of the IBC. The statutory auditors of the company have reviewed the said results. However, the same have been signed by Mr. Bibhu Prasad Rath, President & CEO and Mr. Bidu Bhushan Dash, CFO & Company Secretary of the Company confirming completeness of results. These financial results have thereafter been taken on record by the RP on the 12th day of February, 2020 for filing with the stock exchanges.
8.	The Segment information has been prepared in line with the review of operating results by the Chief Operating Decision Maker ("CODM"), as per Ind AS 108 "Operating Segments". Accordingly, the Company's entire operations relate to four broad operating segments viz. (i) Cable TV, (ii) Broadband Service, (iii) Infrastructure Leasing (IFL), (iv) Others and it operates in the domestic market only.
9.	The Company has not issued any equity and Preference Shares during the qtr ended 30th June, 2019.
10.	The Company had made provision for doubtful receivables amounting to Rs. 4.71lakhs in respect of both retail and non-retail customers, as considered necessary, based on the management's best estimate.




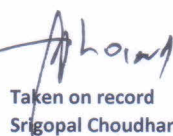
[Handwritten signatures and initials]

11.	As your good office has aware that, an Extremely Severe Cyclonic Storm "Fani" hit the Odisha Coast Friday, 3rd May, 2019 around 10:00 A.M. and continued its fury till evening. This Cyclone was most severe we faced in last 20 years. This Cyclone has caused severe damages to our Dish Antenas in the Downlink Center/Network Operating Center, Network, office Premises and Equipment's in all our major locations which in turn affect our working capital and operations of the Company and in turn undergoing significant financial stress. It has incurred a huge loss for the qtr ended 30th June, 2019. CIRP was initiated in respect of the Company wef 27th November, 2018, as explained in Note No. 1 hereinabove. The Company has material Obligations towards borrowings, employee benefits expense and statutory dues, amongst others. The Company's current level of income is barely sufficient to meet all operational expenses but not the past liabilities and the debt servicing obligations regarding the financial creditors. However, the Company has assessed that considering it's plans to deal with the aforesaid events or conditions, the use of the going concern assumption is appropriate in the circumstances and hence, the quarterly results have been prepared on a going concern basis.
12.	Certain crucial aspects of the Company's plans in this regard are as follows:- a) Reduction in overhead expenditure; b) Reduction in manpower cost; c) Introduction of new sales schemes to increase net growth in the customer base of existing locations; and
13.	Further, the CIRP provides for a moratorium as envisaged under Section 14(1) of IBC, with effect from 27th November, 2018 till the completion of the CIRP process, provided that at any time during the CIRP if a resolution plan is approved under Section 31(1) of IBC or an order for liquidation of the Company is passed under Section 33 of IBC, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.
14.	The Company has not recognised interest payable, after the CIRP commencement date i.e. 27th November, 2018, on borrowings from banks and financial institutions and preference shares. The same is not in compliance with Ind AS - 23 on "Borrowing Cost" read with Ind AS -109 on "Financial Instruments". Had provision for interest been recognised, finance cost, total expenses and loss for the qtr ended 30th June, 2019 would have been increased.
15.	The Company's auditors had issued a Limited Review Report for the quarter ended 30th June, 2019 on the Consolidated financial results.
16.	The previous quarters/ year figures have been reworked/regrouped/rearranged wherever necessary to conform with those of current quarter.

For and on behalf of Ortel Communications Ltd (under CIRP)


Bibhu Prasad Rath
President & CEO

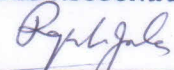

Bidu Bhusan Dash
CFO & Company Secretary


Taken on record
Srigopal Choudhary
Resolution Professional



Place: Kolkata
Date: The 12th day of February, 2020.

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS


(RAJESH JALAN)
Partner
Membership No. F- 55232
Firm Registration No.- 303062E

K. PRASAD & COMPANY

CHARTERED ACCOUNTANTS

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

PHONES : (033) 2248-0268, 2248-4654, 2248-6667, Fax : 2213-3571, Email : kr12@kprasad.in

LIMITED REVIEW REPORT

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

1. The Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, admitted a petition for initiation of Corporate Insolvency Resolution Process (CIRP) U/s. 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by one of the operational creditors of **ORTEL COMMUNICATIONS LIMITED** ("the Company"), vide order dated 27th November, 2018 and in accordance with the provisions of IBC. In view of pendency of the CIRP and suspension of powers of Board of Directors as explained to us, the power of adoption of the Statement of Consolidated Unaudited Financial Results of the Company for the quarter ended 30th June, 2019 (the Statement), vests with the RP.
2. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ORTEL COMMUNICATIONS LIMITED** ("the Company") for the quarter ended 30th June, 2019 ("the statement") being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated 30th November, 2015 and Circular No. CIR/CFD/FAC/62/ 2016 dated 5th July, 2016. This statement, which is the responsibility of the Company's Management and approved by the Resolution Professional in its meeting held on 12th February, 2020, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquire of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. Finance Costs has not been provided for in Statement of Consolidated Unaudited Financial Results for the quarter ending 30th June, 2019. This treatment of not providing Finance Costs is based on the Moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016, when the Corporate Resolution Process has been initiated against the companies, there is no obligation to book any interest expenses on existing loan.
5. Remeasurement gain / (loss) on defined benefit plans based on provisional computation quarterly.
6. Based on our review conducted as mentioned in paragraph 3 above and subject to the possible effects of the matters described in paragraphs 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR / CFD / CMD / 15 / 2015 dated 30th November, 2015 and Circular No. CIR / CFD / FAC / 62 / 2016 dated 5th July, 2016, including the manner in which it is to be disclosed or that it contains any material misstatement.

7. Material Uncertainty Related to Going Concern :

There is persistent severe strain on the working capital and operations of the company and it is undergoing significant financial stress. It has incurred a net loss of Rs. 11.10 Crores during the quarter ended 30th June, 2019 and as of the date the net worth of the company is fully eroded. CIRP was initiated in respect of the company wef 27th November, 2018. The company has material obligation towards borrowings, employee benefit expenses (both past & present) and statutory dues amongst others. The company's current level of income is barely sufficient to meet all operational expenses but not the past liabilities and debt servicing obligation regarding financial creditors. However the company has assessed that considering its plan to deal with the aforesaid events or conditions, the use of going concern assumption is appropriate in the circumstances and hence, the financial statements have been prepared on a going concern basis. Certain crucial aspects of the company's plans in this regard are as follows:

- a) Restructuring/Reorganising the loss making locations to eliminate recurring operating losses;
- b) Drastic reduction in overhead expenditure;
- c) Reduction in manpower cost by outsourcing certain functions;
- d) Introduction of new sale schemes to increase net growth in the customer base of existing location;

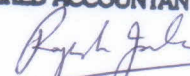
Pending the consummation of the said process under CIRP, the unaudited Consolidated financial statements have been prepared on a going concern basis for quarters ending 30th June, 2019.

Place: Kolkata

Date: The 12th day of February, 2020.

UDIN: 20055232AAAAAG2113

For K. PRASAD & CO.
CHARTERED ACCOUNTANTS



(RAJESH JALAN)

Partner

Membership No. F- 55232

Firm Registration No.- 303062E