



## Ortel Communications Ltd.

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Bringing Convergence to India

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

Date: 30 April, 2016

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

&  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Dear Sir/Madam;

**Sub: Audited financial result of the company for fourth quarter and year ended on 31 March, 2016 - Scrip Code: ORTEL (NSE), 539015 (BSE)**

We are enclosing here with audited financial results along with Report of the Statutory Auditor for the fourth quarter and year ended on 31 March, 2016 pursuant to clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as considered and approved by the Board of Directors of the Company in its meeting held on today, 30 April, 2016.

This is for your information and record.

For Ortel Communications Ltd

(Lalit Kr. Mohanty)


Company Secretary & Compliance Officer

**Encl: as above**



**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1	Name of the company	ORTEL COMMUNICATIONS LIMITED CIN-L74899DL1995PLC069353
2	Annual financial statements for the year ended	31st March 2016
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Repetitive
5	To be signed by-	
	Managing Director	
	CFO	
	Auditor of the Company	
	Audit Committee Chairman	



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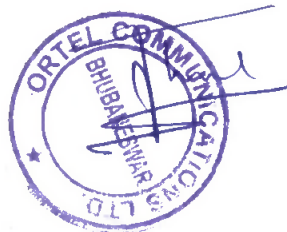
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Ortel Communications Limited  
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110029  
Corporate Office: C-1, BDA Colony, Chandrasekharpur, Bhubaneswar, Odisha - 751016

PART I: STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016						(Rs. in
Particulars	Quarter Ended			Year Ended		
	31-Mar-16 (Audited) (refer Note 4)	31-Dec-15 (Unaudited)	31-Mar-15 (Unaudited) (refer Note 3)	31-Mar-16 (Audited)	31-Mar-15 (Audited)	
<b>1. Income from Operations</b>						
(a) Income from Operations	5,328.04	4,803.11	4,491.29	18,769.50	15,478.91	
(b) Other Operating Income	-	-	-	-	-	
<b>Total Income from Operations</b>	<b>5,328.04</b>	<b>4,803.11</b>	<b>4,491.29</b>	<b>18,769.50</b>	<b>15,478.91</b>	
<b>2. Expenses</b>						
(a) Programming Cost	1,002.65	913.01	849.38	3,751.38	3,422.71	
(b) Bandwidth Cost	251.92	209.70	174.04	831.91	668.86	
(c) Employee Benefits Expense	629.72	567.49	438.57	2,249.70	1,666.89	
(d) Depreciation and Amortisation	495.02	461.93	471.51	1,857.27	1,886.04	
(e) Bad Debts Written Off	503.35	348.26	440.27	1,661.82	1,397.43	
(f) Fixed Assets Written Off	351.68	365.99	366.40	1,316.48	1,054.54	
(g) Other Expenses	1,248.10	1,111.70	570.40	4,105.42	3,064.88	
<b>Total Expenses</b>	<b>4,482.44</b>	<b>3,978.08</b>	<b>3,310.57</b>	<b>15,773.98</b>	<b>13,161.35</b>	
<b>3. Profit/(Loss) from operations before other income, finance costs &amp; exceptional items (1-2)</b>	<b>845.60</b>	<b>825.03</b>	<b>1,180.72</b>	<b>2,995.52</b>	<b>2,317.56</b>	
4. Other Income	145.17	220.61	45.78	859.65	633.21	
<b>5. Profit/(Loss) from ordinary activities before finance costs &amp; exceptional items (3+4)</b>	<b>990.77</b>	<b>1,045.64</b>	<b>1,226.50</b>	<b>3,855.17</b>	<b>2,950.77</b>	
6. Finance Costs	616.16	583.97	560.79	2,356.41	2,245.10	
<b>7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>374.61</b>	<b>461.67</b>	<b>665.71</b>	<b>1,498.76</b>	<b>705.67</b>	
8. Exceptional items	-	-	-	-	-	
<b>9. Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>374.61</b>	<b>461.67</b>	<b>665.71</b>	<b>1,498.76</b>	<b>705.67</b>	
10. Tax Expenses	98.43	72.42	100.75	305.92	145.76	
<b>11. Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>276.18</b>	<b>389.25</b>	<b>564.96</b>	<b>1,192.84</b>	<b>559.91</b>	
12. Extraordinary Items	-	-	-	-	-	
<b>13. Net Profit/(Loss) for the Period/Year (11-12)</b>	<b>276.18</b>	<b>389.25</b>	<b>564.96</b>	<b>1,192.84</b>	<b>559.91</b>	
14. Paid-up Equity Share Capital (Face Value Rs.10/- each)	3036.54	3036.54	3036.54	3036.54	3036.54	
15. Reserves excluding Revaluation Reserves				10,912.13	9,672.53	
<b>16. Earnings Per Share (In Rs.)</b>						
a) Basic	*0.91	*1.28	*2.20	3.93	2.30	
b) Diluted	*0.91	*1.28	*2.19	3.91	2.29	

\* Not annualised





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STANDALONE STATEMENT OF ASSETS AND LIABILITIES		(Rs. in Lakh)
Particulars	As at March 31, 2016 (Audited)	As at March 31, 2015 (Audited)
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
(a) Share Capital	3,036.54	3,036.54
(b) Reserves and Surplus	10,912.12	9,672.53
<b>Sub-total: Shareholders' Funds</b>	<b>13,948.66</b>	<b>12,709.07</b>
<b>2. Non-Current Liabilities</b>		
(a) Long-Term Borrowings	10,940.29	10,311.12
(b) Other Long Term Liabilities	1,359.36	458.61
(c) Long-Term Provisions	58.92	33.07
<b>Sub-total: Non-Current Liabilities</b>	<b>12,358.57</b>	<b>10,802.80</b>
<b>3. Current Liabilities</b>		
(a) Short-Term Borrowings	2,000.00	746.48
(b) Trade Payables	2,598.77	2,081.71
(c) Other Current Liabilities	14,122.84	11,066.31
(d) Short-Term Provisions	2.69	1.61
<b>Sub-total: Current Liabilities</b>	<b>18,724.30</b>	<b>13,896.11</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>45,031.53</b>	<b>37,407.98</b>
<b>B. ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Fixed Assets	32,799.62	21,693.51
(b) Non-Current Investments	32.55	32.55
(c) Long-Term Loans and Advances	237.31	206.45
(d) Other Non-Current Assets	539.71	278.98
<b>Sub-total: Non-Current Assets</b>	<b>33,609.19</b>	<b>22,211.49</b>
<b>2. Current Assets</b>		
(a) Inventories	1,300.75	49.16
(b) Trade Receivables	3,134.85	1,813.79
(c) Cash and Cash Equivalents	2,895.00	11,842.97
(d) Short-Term Loans and Advances	3,844.71	1,366.86
(e) Other Current Assets	247.03	123.71
<b>Sub-total: Current Assets</b>	<b>11,422.34</b>	<b>15,196.49</b>
<b>TOTAL ASSETS</b>	<b>45,031.53</b>	<b>37,407.98</b>







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## SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakh)

Particulars	Quarter Ended			Year Ended	
	31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15
	(Audited) (refer Note 4)	(Unaudited)	(Unaudited) (refer Note 3)	(Audited)	(Audited)
<b>1. Segment Revenue</b>					
Cable TV	3,914.22	3,199.46	2786.67	13050.00	10851.84
Broadband	894.51	827.68	743.54	3290.55	2888.89
Infrastructure Leasing	444.09	698.26	888.86	2131.33	1449.81
Unallocated	75.22	77.71	72.22	297.62	288.37
<b>Net Income from Operations</b>	<b>5,328.04</b>	<b>4,803.11</b>	<b>4491.29</b>	<b>18,769.50</b>	<b>15,478.91</b>
<b>2. Segment Results</b>					
Cable TV	1,754.29	1353.69	1113.13	5598.43	4898.92
Broadband	508.64	477.92	529.42	1994.45	2088.98
Infrastructure Leasing	398.14	684.82	768.54	1991.39	1306.45
Unallocated	29.08	31.77	26.31	113.70	104.69
<b>Total</b>	<b>2690.15</b>	<b>2548.20</b>	<b>2437.39</b>	<b>9697.97</b>	<b>8399.04</b>
Less: i) Finance Costs	616.16	583.97	560.79	2,356.41	2,245.10
ii) Other Un-allocable expenditure (net)	1,699.37	1,502.56	1210.89	5,842.80	5,448.27
iii) Un-allocable Income	-	-	-	-	-
<b>Total Profit/(Loss) Before Tax</b>	<b>374.62</b>	<b>461.67</b>	<b>665.71</b>	<b>1498.76</b>	<b>705.67</b>
<b>3. Capital Employed</b>					
(Segment Assets - Segment Liabilities)					
Cable TV	5,605.49	5,548.50	1145.82	5,605.49	1145.82
Broadband	1,660.54	1,897.41	1430.34	1,660.54	1430.34
Infrastructure Leasing	2,205.81	1,804.03	849.23	2,205.81	849.23
Unallocated	4,476.82	4,412.62	9,283.68	4,476.82	9,283.68
<b>Total</b>	<b>13948.66</b>	<b>13662.56</b>	<b>12709.07</b>	<b>13948.66</b>	<b>12709.07</b>



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## Notes :

- 1 The above unaudited financial results for the quarter and year ended March 31, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors of the company at their respective meetings held on April 30, 2016. The Statutory Auditors of the Company have reviewed the said results.
- 2 During the financial year 2014-15, funds were raised through IPO for, interalia, expansion of network/capital expenditure on development of digital cable services and broadband services/general corporate purposes. The amount remaining unutilised as at March 31, 2016 is as follows:

Particulars	Rs. in Lakh
Issue Proceeds	10,860.00
Less: Issue Expenses accounted upto March 31, 2016 *	780.58
<b>Net proceeds from IPO (A)</b>	<b>10,079.42</b>
<b>Amount utilised upto March 31, 2016 :</b>	
- Expansion of network for providing video, data and telephony services	5,542.89
- Capital expenditure on development of digital cable services	886.94
- Capital expenditure on development of broadband services	677.51
- General corporate purposes	470.28
<b>Total (B)</b>	<b>7,577.62</b>
<b>Amount unutilised as at March 31, 2016 # (A-B)</b>	<b>2,501.80</b>

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

# remains invested in Bank Fixed Deposits and Current Accounts

- 3 Prior to listing of it's equity shares on March 19, 2015, since the company was not required to publish quarterly results as envisaged in the Listing Agreements with the Stock Exchanges, the financial results for the quarter ended March 31, 2015 (including those related to segment-wise results) have not been subjected to a limited review by the statutory auditors. Figures for the quarter ended March 31, 2015 have been prepared by the management based on internal reporting systems (management accounts).
- 4 Figures for the quarter ended March 31, 2016 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- 5 Figures relating to the previous year/period have been regrouped/rearranged, wherever necessary, to make them comparable with those of the current period.

Place: Bhubaneswar

Date: April 30, 2016

For and on behalf of the Board of Directors  
  
Managing Director



## INDEPENDENT AUDITOR'S REPORT

To the Members of Ortel Communications Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Ortel Communications Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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





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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

## 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;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. 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".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Notes 29 and 41 to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;





# HARIBHAKTI & CO. LLP

Chartered Accountants

(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



Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Bhubaneswar

April 30, 2016

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of Ortel Communications Limited on the financial statements for the year ended March 31, 2016]

- (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 management of the Company physically verifies its fixed assets annually (except a significant portion of cables and network equipment for which, as explained to us, physical verification is not practicable), which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification of fixed assets during the year.
  - (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii)
  - (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service 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 information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.



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- (b) According to the information and explanations given to us, the dues as at March 31, 2016 of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute, are as follows :

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest thereon for non deduction of tax at source	175.15*	2005-06, 2006-07, 2008-09 & 2010-11	Commissioner of Income Tax (Appeals), Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	1089.95	2006-07 to 2014-15	Commissioner of Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax and interest thereon	13.00	2013-14	Adl. Commissioner(Audit) of Central Excise, Customs & Service Tax, Bhubaneswar

\* Rs.43.21 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. The Company has not issued any debentures as at the balance sheet date.
- (ix) According to the information and explanations given to us, moneys raised by way of initial public offer and term loans were prima facie applied for the purposes for which those were raised. The Company has not raised any money by way of further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.



# HARIBHAKTI & CO. LLP

Chartered Accountants

(xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions 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



Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Bhubaneswar

April 30, 2016



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2)f)under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of Ortel Communications Limited on the financial statements for the year ended March 31, 2016]

### 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 Ortel Communications Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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.

#### Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# HARIBHAKTI & CO. LLP

Chartered Accountants

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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

*A.K. Chughwala*

Anand Kumar Jhunjhunwala

Partner

Membership No.056613



Bhubaneswar

April 30, 2016