

Ortel Communications Limited

September 08, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	39.98	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	20.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	59.98 (Rs. Fifty-Nine Crore and Ninety-Eight Lakh Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 15, 2020, continued the ratings of Ortel Communications Limited (OCL) under the 'issuer non-cooperating' category as OCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. OCL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated May 1, 2021 and May 21, 2021, among others. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on June 15, 2020 the following were the rating strengths and weaknesses (updated for the information available from stock exchange fillings):

Key Rating Weaknesses

Delays in debt servicing: There are delays in debt servicing by OCL. The company is under Corporate Insolvency Resolution Process (CIRP) and its affairs are being managed by the Resolution Professional appointed by the National Company Law tribunal (NCLT).

It incurred loss of Rs.21.96 crore in FY21 (refers to the period April 1 to March 31) and loss of Rs.9.31 crore in Q1FY22.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning Outlook and credit watch to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Criteria for Short Term Instruments](#)
[Financial ratios – Non-Financial Sector](#)

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

About the Company

OCL was incorporated on June 2, 1995, promoted by the Bhubaneswar-based Mr. Baijayant Panda and family. OCL is a regional cable and broadband service provider. The company provides services in the state of Odisha, Chhattisgarh, Andhra Pradesh, Telangana, Madhya Pradesh and West Bengal.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	87.17	67.97
PBILDT	-10.84	0.93
PAT	-34.85	-21.96
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Not Meaningful

Status of non-cooperation with previous CRA: ICRA had suspended its rating vide press release dated Oct 19, 2016 on account of non-cooperation from OCL.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	Nov 2021	32.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Bank Overdraft	-	-	-	20.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	Jan 2022	7.98	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	32.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (15-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (25-Feb-19) 2)CARE D (05-Nov-18) 3)CARE D (31-May-18)
2.	Fund-based - ST-Bank Overdraft	ST	20.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (15-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (25-Feb-19) 2)CARE D (05-Nov-18) 3)CARE D (31-May-18)
3.	Fund-based - LT-Term Loan	LT	7.98	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (15-Jun-20)	-	1)CARE D; ISSUER NOT COOPERATING* (25-Feb-19) 2)CARE D (05-Nov-18) 3)CARE C; Stable (31-May-18)

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of covenants of the rated instruments: NA

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - ST-Bank Overdraft	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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