

Ortel Communications Limited

June 15, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	39.98	CARE D; ISSUER NOT COOPERATING*	Issuer not cooperating; Based on best available information
Short Term Bank Facilities	20.00	CARE D; ISSUER NOT COOPERATING*	Issuer not cooperating; Based on best available information
Total	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 February 25, 2019, placed the ratings of Ortel Communications Limited (OCL) under the 'issuer non-cooperating' category as OCL 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 e-mails, phone calls and letters dated May 28, 2020 and June 01, 2020. 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 ratings.

Detailed description of the key rating drivers

At the time of last rating on February 25, 2019 the following were the rating strengths and weaknesses (updated for the information available from stock exchange filings):

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.51.23 crore in FY19 (refers to the period April 1 to March 31) and loss of Rs.26.34 crore in 9MFY20.

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](#)

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, Telengana, Madhya Pradesh and West Bengal.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	184.04	110.57
PBILDT	37.69	(6.55)
PAT	(95.33)	(51.23)
Overall gearing (times)	172.98	NM
Interest coverage (times)	1.29	(0.31)

A: Audited; NM: Not meaningful

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

*Issuer did not cooperate; Based on best available information

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: NA

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

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* Issuer not cooperating; Based on best available information
Fund-based - ST-Bank Overdraft	-	-	-	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	Jan 2022	7.98	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

**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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	32.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (25-Feb-19) 2)CARE D (05-Nov-18) 3)CARE D (31-May-18)	1)CARE D (09-Aug-17) 2)CARE D; ISSUER NOT COOPERATING* (27-Jul-17)
2.	Fund-based - ST-Bank Overdraft	ST	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (25-Feb-19) 2)CARE D (05-Nov-18) 3)CARE D (31-May-18)	1)CARE D (09-Aug-17) 2)CARE D; ISSUER NOT COOPERATING* (27-Jul-17)
3.	Fund-based - LT-Term Loan	LT	7.98	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (25-Feb-19) 2)CARE D (05-Nov-18) 3)CARE C; Stable (31-May-18)	1)CARE C (09-Aug-17) 2)CARE C; ISSUER NOT COOPERATING* (27-Jul-17)

**Issuer did not cooperate; Based on best available information*

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. 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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